

CHAPTER 697

AN ACT to repeal 25.17 (2), (2a), as amended by chapter 430, laws of 1957, and (3); to renumber 25.17 (2b), as amended by chapter 430, laws of 1957, (2c), as created by chapter 461, laws of 1957, and (4) to (10); to renumber and amend 25.17 (1a), as amended by chapter 620, laws of 1957, and (1m), as amended by chapter 519, laws of 1957; to amend 25.17 (1) and 66.913 (1); and to create 25.14 and 25.17 (3) (a), (b), (d), (e), (f) and (g) and (7) of the statutes, relating to the powers of the Wisconsin investment board.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 25.14 of the statutes is created to read:

25.14 STATE INVESTMENT FUND. (1) There is created a state investment fund under the jurisdiction and management of the state of Wisconsin investment board (hereinafter referred to as "board") to be operated as an investment trust for the purpose of managing the securities of all the state's funds consisting of the funds specified in s. 25.17 (1) except the conservation wardens pension fund, state employes retirement fund, state insurance fund, state life fund, state teachers retirement fund, Milwaukee teachers retirement fund, Wisconsin retirement fund, state building trust fund, the trust funds of the state historical society, funds which by the constitution are required to be controlled and invested by the commissioners of public lands, funds which are required by specific provision of law to be controlled and invested by any other authority, the university trust funds and the trust funds of the state colleges.

(2) At such time as the board shall determine, all of the securities held by any of the state's funds, except those specifically excluded in sub. (1), shall be transferred, at the market value plus accrued interest as of the date of transfer, to the state investment fund together with such amounts of cash as may be required to provide each contributing fund an equity in the state investment fund which may be expressed in terms of even thousands of dollars. Thereafter, the director of budget and accounts shall make such subsequent transfers of money between the individual funds and the state investment fund as in his judgment shall be advisable, such transfer to be made on the basis of even thousands of dollars.

(3) All earnings, profits or losses of the state investment fund shall be distributed to each participating fund in the same ratio as each such fund's average daily balance within the state investment fund bears to the total average daily balance of all participating funds. Such distribution shall be made at such times as the director of budget and accounts may determine, but must be made at least semiannually in each complete fiscal year of operation.

(4) It is the duty of the director of budget and accounts to maintain such records as may be required to account for each contributing fund's share in the state investment fund.

(5) The assets of the state investment fund shall be invested as prescribed by s. 25.17 (3) (b).

SECTION 2. 25.17 (1) of the statutes is amended to read:

25.17 (1) To have exclusive control of the investment and collection of the principal and interest of all moneys loaned or invested from any of the following funds: * * *

(a) *Benevolent fund (s. 25.31);*

- (b) *Conservation fund (s. 25.29);*
- (c) *Conservation wardens pension fund (s. 23.14);*
- (d) *Death benefit fund (s. 102.49);*
- (e) *Deposit fund (s. 34.08);*
- (f) *Emergency disaster fund (s. 25.39);*
- (g) *General fund, including trust funds of the state historical society (s. 25.20);*
- (h) *Highway fund (s. 20.491);*
- (i) *Injuries and indemnity fund (s. 102.59);*
- (j) *Mutual workmen's compensation security fund (s. 102.65 (10));*
- (k) *Postwar rehabilitation trust fund (s. 20.551(2)), except loans to veterans;*
- (L) *Public employes social security fund (s. 66.99 (9));*
- (m) *Reciprocal compensation security fund (s. 102.65 (10));*
- (n) *Reforestation fund (s. 25.30);*
- (o) *School fund income (s. 25.22);*
- (p) *Soldiers rehabilitation trust fund (ss. 25.281, 45.38);*
- (r) *State employes retirement fund (s. 20.551 (8));*
- (s) *State insurance fund (ss. 210.02 to 210.04);*
- (t) *State life fund (s. 210.05);*
- (u) *State office building fund (s. 20.350 (71));*
- (v) *State teachers retirement fund system (ss. 25.28, 42.33);*
- (w) *Stock workmen's compensation security fund (s. 102.65 (10));*
- (wm) *Milwaukee teachers retirement fund (s. 38.24);*
- (x) *Unemployment administration fund (s. 108.20 (1));*
- (y) *Veterans housing trust fund (s. 25.36), except loans to veterans;*
- (z) *Wisconsin retirement fund (ss. 66.90 to 66.918);*
- (z1) *State building trust fund except for the purpose and extent of loans to the Wisconsin state public building corporation, the Wisconsin university building corporation, and the Wisconsin state colleges building corporation, which shall be subject to the provisions of sub. (2) (b); and*
- (zm) *All other funds of the state or of any state department or institution, except funds which by the constitution are required to be controlled and invested by the commissioners of public lands, funds which are required by specific provision of law to be controlled and invested by any other authority, and moneys in the university trust funds, and in the trust funds of the state colleges.*

SECTION 3. 25.17 (1a) of the statutes, as amended by chapter 620, laws of 1957, is renumbered 25.17 (2) (a) and amended to read:

25.17 (2) (a) To invest any of the funds specified in sub. (1), except operating funds, in loans to the Wisconsin university building corporation, state colleges building * * * corporation or the Wisconsin state public building corporation, but only if such loans are secured by mortgages upon property owned by the respective corporations producing sufficient income to retire the mortgage over the term of the loan or are secured by the pledge of rentals sufficient in amount to retire the indebtedness. The investment board shall make no loans to any building corporation described in this subsection except under the conditions herein prescribed, or except as otherwise provided in par. (b). These loans shall be made only when in the judgment of the investment board it is to the interest of the funds to do so, except that loans made under * * * par. (b) shall be made at the direction of the state building commission.

SECTION 4. 25.17 (1m) of the statutes, as amended by chapter 519, laws of 1957, is renumbered 25.17 (2) (b) and amended to read:

25.17 (2) (b) To invest * * * the state building trust fund in loans to the Wisconsin state public building corporation, to the Wisconsin uni-

versity building corporation, and to the Wisconsin state colleges building corporation. *Except for interim loans for construction, or other temporary financing for the purchase of lands, planning (including both engineering and financing) and all other expenses incidental to any of the foregoing, such loans shall be secured by a pledge and assignment of net revenues derived from the operation of buildings by said corporations on lands leased or conveyed to said corporations. * * * Any such loan shall be made * * * upon the * * * direction of the state building commission.*

SECTION 5. 25.17 (2) and (2a) of the statutes, as amended by chapter 430, laws of 1957, are repealed.

SECTION 6. 25.17 (2b) of the statutes, as amended by chapter 430, laws of 1957, is renumbered 25.17 (4).

SECTION 7. 25.17 (2c) of the statutes, as created by chapter 461, laws of 1957, is renumbered 25.17 (3) (c).

SECTION 8. 25.17 (3) of the statutes is repealed.

SECTION 9. 25.17 (3) (a), (b), (d), (e), (f) and (g) of the statutes are created to read:

25.17 (3) (a) To invest any of the following funds: 1. Conservation wardens pension fund; 2. State employes retirement fund; 3. State life fund; 4. State teachers retirement fund system; 5. Milwaukee teachers retirement fund; 6. Wisconsin retirement fund, in loans, securities and any other investments authorized by s. 206.34.

(b) To invest the funds included in the state investment fund created by s. 25.14 and the surplus funds of the state building trust fund not currently invested under sub. (2) (b) in the bonds or other evidences of indebtedness of the United States and agencies thereof provided that the maturity of investments made shall not exceed 5 years from the date of investment.

(d) To invest the funds of the state insurance fund in investments permitted by s. 201.25.

(e) To sell investments from one fund to another when the board determines that it is necessary and desirable, and to dispose of any investments when in their judgment it is to the best interest of these funds to do so.

(f) Every investment shall be held as an asset of the fund by which purchased and, except as otherwise provided by law, the loss or gain shall inure thereto.

(g) All loans, securities and other investments in which moneys of any such fund, including the general fund, are invested shall be under the management and control of the board.

SECTION 10. 25.17 (4) to (10) of the statutes are renumbered 25.17 (8) to (13), respectively.

SECTION 11. 25.17 (7) of the statutes is created to read:

25.17 (7) To make all loans and investment purchases from any funds under its control in the name of the board.

SECTION 12. 66.913 (1) of the statutes is amended to read:

66.913 (1) The assets of the fund, in excess of the amount of cash required for the current operations as determined by the board, shall be invested and reinvested as provided by s. 25.17 * * * (3) (a) and (4).

SECTION 13. This act shall take effect January 1, 1958.

Approved November 13, 1957.