

1991 Assembly Bill 675

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1991 WISCONSIN ACT 174

AN ACT to repeal 25.17 (63); and to amend 25.17 (3) (a) and 102.65 (2) of the statutes, relating to: investment of the uninsured employers fund and the work injury supplemental benefit fund under the worker's compensation law and interest rates paid by public depositories (suggested as remedial legislation by the state investment board).

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

LAW REVISION COMMITTEE PREFATORY NOTE: This bill is a remedial legislation proposal, requested by the state investment board and introduced by the law revision committee under s. 13.83 (1) (c) 4., stats. After careful consideration of the various provisions of this bill, the law revision committee has determined that this bill makes minor substantive changes in the statutes, and that these changes are desirable as a matter of public policy.

SECTION 1. 25.17 (3) (a) of the statutes is amended to read:

25.17 (3) (a) Invest the fixed retirement investment trust, state life fund, veterans trust fund, and patients compensation fund and ~~uninsured employers fund~~ in loans, securities and any other investments authorized by s. 620.22, and in bonds or other evidences of indebtedness or preferred stock of companies engaged in the finance business whether as direct lenders or as holding companies owning subsidiaries engaged in the finance business. Investments permitted by sub. (4) are permitted investments under this subsection.

SECTION 2. 25.17 (63) of the statutes is repealed.

NOTE: This SECTION repeals an obsolete provision, originally enacted in 1935, which purports to require the investment board to fix rates of interest payable by financial institutions on deposits of state and local public funds. There is no

record of the power being used by the investment board in the past. The provision was preempted by the federal depository deregulation act of 1980, permitting national banks and federally insured financial institutions to fix rates of interest on public fund deposits.

SECTION 3. 102.65 (2) of the statutes is amended to read:

102.65 (2) For proper administration of the moneys available in the fund the department shall by order, set aside in the state treasury suitable reserves to carry to maturity the liability for benefits under ss. 102.44, 102.49, 102.59 and 102.66. Such moneys shall be invested by the investment board in ~~securities authorized in s. 620.22~~ accordance with s. 25.14 (5).

NOTE: This SECTION and the amendment of s. 25.17 (3) (a), stats., restrict the investment of the uninsured employers fund and the work injury supplemental benefit fund under the worker's compensation law to those investments that are permitted for the state investment fund. Under s. 25.14 (5), stats., moneys placed in the state investment fund may only be invested in securities, obligations and collateral that are conservatively defined in s. 25.17 (3) (b), (ba) and (bd), stats. This conservative investment authority is consistent with the liquidity and other investment requirements of the uninsured employers fund and the work injury supplemental benefit fund and conforms to the actual, current practice of the investment board with respect to investment of the moneys in those funds.