



## 2003 ASSEMBLY BILL 740

January 9, 2004 - Introduced by Representative MONTGOMERY, cosponsored by Senator SCHULTZ. Referred to Committee on Financial Institutions.

1     **AN ACT to repeal** 25.17 (14g); **to renumber and amend** 25.17 (14m) (a); **to**  
2             **amend** 25.18 (2) (e); and **to create** 25.17 (14m) (ad) of the statutes; **relating**  
3             **to:** reports required to be submitted by the investment board and contracting  
4             with outside investment advisors for certain investments.

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### *Analysis by the Legislative Reference Bureau*

The bill makes all of the following changes with respect to the State of Wisconsin Investment Board (SWIB):

1. Under current law, SWIB is required to submit an annual report, no later than January 1 of each year, to the Joint Legislative Audit Committee, the Joint Committee on Finance, and to the legislature on SWIB's annual investment goals and long-term investment strategies. The bill provides that this report is to be included in another report relating to investments that SWIB must submit each year no later than March 31.

2. Under current law, SWIB may contract with outside investment advisers for the investment of SWIB-managed assets in real estate, mortgages, equities, debt of foreign corporations, and debt of foreign governments. Currently, no more than 15 percent of the total assets of the fixed retirement investment trust or 15 percent of the total assets of the variable retirement investment trust may be delivered to outside investment advisers. The bill permits such investments to be made not only in the debt of foreign corporations and governments, but in any debt.

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For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1           **SECTION 1.** 25.17 (14g) of the statutes is repealed.

2           **SECTION 2.** 25.17 (14m) (a) of the statutes is renumbered 25.17 (14m) (am) and  
3 amended to read:

4           25.17 (**14m**) (am) An assessment of the board’s progress in meeting its annual  
5 investment goals ~~established in the report under sub. (14g).~~

6           **SECTION 3.** 25.17 (14m) (ad) of the statutes is created to read:

7           25.17 (**14m**) (ad) A description of the board’s annual investment goals and  
8 long-term investment strategies, including any changes in the goals and strategies  
9 from those in the previous year.

10          **SECTION 4.** 25.18 (2) (e) of the statutes is amended to read:

11          25.18 (**2**) (e) Contract with and delegate to investment advisers the  
12 management and control over assets from any fund or trust delivered to such  
13 investment advisers for investment in real estate, mortgages, equities, and debt of  
14 ~~foreign corporations and debt of foreign governments~~ and pay such advisers fees  
15 from the current income of the fund or trust being invested. No more than 15% of  
16 the total assets of the fixed retirement investment trust or 15% of the total assets of  
17 the variable retirement investment trust may be delivered to investment advisers.  
18 The board shall set performance standards for such investment advisers, monitor  
19 such investments to determine if performance standards are being met and if an

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1 investment adviser does not consistently meet the performance standards then  
2 terminate the contract with such investment adviser.

3 (END)