

CHAPTER 25.

TRUST FUNDS AND THEIR MANAGEMENT.

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Cross Reference: See definitions in 24.01.

25.01 Authorized investments and loans. (1) **WHAT FUNDS.** The moneys belong-
ing to the common school fund, the normal school fund, the university fund and the agri-
cultural college fund shall from time to time be invested or loaned by the commissioners
of the public lands as such moneys accumulate in the treasury, and said commissioners
shall keep a separate account of all investments and loans from each fund.

(2) **INVESTMENTS.** Any of said funds may be invested in the purchase of county
bonds issued under the authority conferred by s. 59.92 [Stats. 1953], or in the purchase
of bonds or notes of the United States or in securities issued under the provisions of the
federal farm loan act of July 17, 1916, or in bonds of this state or in bonds issued pur-
suant to law by any town, village, city, county or school district of this state. All bonds,
notes and other securities so purchased shall be deposited with the state treasurer.

(3) **LOANS.** Any of said funds may be loaned to school districts or boards of edu-
cation by whatever name designated, to be used for the operation and maintenance of
schools, in erecting and remodeling school buildings, teacherages, in the purchase of
teacherages, teacherage sites, schoolhouse sites, bus garage sites, transportation vehicles,
bus garages, school equipment, or school playgrounds, or in refunding their indebtedness,
and for the purposes enumerated in s. 67.04 (6) or otherwise authorized by law; or to
towns, villages, cities, counties, boards of education and local boards of vocational and
adult education of any city within the state, as provided in s. 67.04 (1) to (6) or other-
wise authorized by law; and every such school district, town, village, city or county,
board of education and local board of vocational and adult education is empowered to
borrow of said commissioners, from said funds or either of them, such sum of money, for
such time and upon such conditions as may be agreed upon between said commissioners
and the borrower; subject to the limitations, restrictions and conditions hereinafter set
forth. In this chapter any such school district, town, village, city or county, board of edu-
cation or local board of vocational and adult education, or all of them, may be designated
by the word "municipality" or "municipalities."

(4) **PREFERENCES.** So far as practicable the loans sought by school districts and
boards of education shall be supplied before any other loan or investment authorized by
this section is made, and such applications shall be acted upon in the order of time in
which they have been filed.

(6) **REFUNDING LOANS.** Any school district may borrow from any funds described in
this section to refund any indebtedness incurred for a lawful purpose and within the con-
stitutional limitations.

25.02 Term, amount, interest rate. (1) **MUNICIPAL LOANS OTHER THAN TO SCHOOL
DISTRICTS.** The loans provided for by s. 25.01 (3), other than those to school districts,
may be made for any term not exceeding 20 years, may be made payable in instalments,
and be in such amounts as shall not, in connection with all other indebtedness of the
municipality applying therefor, exceed 5 per cent of the average assessed valuation of
the taxable property therein for the 3 years next preceding, except that, as to any city
which is authorized to issue bonds for school purposes, such debt limitation shall not ex-

ceed 8 per cent of the average of the value of the property therein as equalized for state purposes for the 3 years next preceding. When such loan is made to pay off existing indebtedness it may be advanced to the borrower in instalments as fast as such indebtedness or the evidence thereof is canceled.

(2) **SCHOOL DISTRICT LOANS.** Every loan to a school district may be made for such time, not exceeding 20 years, as may be agreed upon between said school district and the commissioners of the public lands, and for such amount as together with all other indebtedness of such district, shall not exceed 5 per cent of the value of the taxable property in such district as equalized for state purposes, except that, in determining such 5 per cent, such valuation of all taxable personal property in excess of 50 per cent of such valuation of the real estate shall be disregarded. The principal shall be payable in approximately equal annual instalments.

(3) **INTEREST RATES.** All loans shall bear and draw interest at a rate not less than 2 per cent payable annually.

(4) **REPAYMENT BEFORE DUE DATE PERMITTED.** Any municipality after March 15 and prior to August 1 of any year may repay one or more instalments in advance of the due date, and all interest upon such advance payment shall thereupon terminate.

25.03 Joint municipal loans. Said commissioners may invest the said trust funds in loans to any two towns, to any town and village or to any town and city jointly; and all provisions of law relative to loans of such trust funds to a single town shall also be applicable to such joint loan to such two towns or to such town and village. Every payment of interest or principal upon said loan shall be paid by the two towns, by the town and the village or by the town and city pro rata according to the last equalized assessed value thereof.

25.04 Date when interest and principal become due. The annual interest and instalments of principal of all loans from the trust funds shall be payable into the state treasury with other state taxes, or on or before August fifteenth of each year in accordance with the provisions of section 74.03.

25.05 The application. (1) **FOR ALL MUNICIPALITIES.** No loan shall be made under the provisions of subsection (3) of section 25.01 unless an application therefor be first made to the commissioners as required by this section. Such application shall state the amount of money required, the purpose to which it is to be applied, and the times and terms of repayment; and it shall be accompanied by satisfactory proof (a) of the assessed valuation for the preceding three years of all the taxable property within the municipality making the application; (b) of all the existing indebtedness of such municipality; and (c) of the approval of the application as required by this section.

(2) **FOR MUNICIPALITIES OTHER THAN SCHOOL DISTRICTS.** Every such application shall be approved and authorized for a town, by the signatures of all of its supervisors acknowledged as conveyances of land are acknowledged; for a village, by a vote of not less than three-fourths of its trustees; for a city, by a vote of not less than two-thirds of the members of its common council; for the board of education of any city, by a vote of not less than two-thirds of all of its members at a regular or special meeting thereof and also by a vote of not less than two-thirds of all the members of the common council of such city; for a county, by a vote of not less than two-thirds of all the members of its board of supervisors at some regular or special session thereof. Every vote so required shall be by ayes and noes duly recorded.

(3) **FOR SCHOOL DISTRICTS.** Every such application shall be approved and authorized for a school district by a vote of a majority of its legal voters voting on such question. If such vote be taken at a special meeting the objects thereof shall be clearly stated in the notice of the meeting. The application shall state the facts in detail respecting the holding of the meeting, the taking and the result of the vote required, and shall be signed by each member of the district board, and verified by the clerk. The statement accompanying the application shall contain a correct map or plat of the district and, when the district is a joint district, it shall show the assessed valuation in its several parts separately, so that the valuation of so much thereof as lies in each town or municipality of which it is a part, may be readily shown.

(4) **POPULAR VOTE, WHEN REQUIRED.** Whenever any municipality is not empowered by law to incur indebtedness for a particular purpose without first submitting the question to its electors, the application for a loan for that purpose must be approved and authorized by a majority vote of such electors at a special election called, noticed and held in the manner provided for other special elections. The notice of such election shall state the amount of the proposed loan and the purpose for which it will be used; but this sub-

section shall not apply to loans made by boards of education applying as provided in subsection (2).

(5) **IRREPEALABLE TAX LEVY.** Such application shall be accompanied also by a certified copy under the hand of the proper clerk of a recorded resolution adopted by the municipality applying for or approving the loan, levying upon all the taxable property of the municipality a direct annual tax for the purpose of paying and sufficient to pay the interest on such proposed loan as it falls due, and also to pay and discharge the principal thereof within twenty years from the making of such loan. Such a levy shall become void and of no effect if the commissioners decline to make the loan; otherwise it shall remain valid and irrevocable until the loan and all interest thereon shall be fully paid.

(5a) **LIQUIDATION AND PAYMENT OF TAXES NOT YET DUE.** Any owner of lands situated within such district who intends to convey such lands to the United States government or to other tax exempt body, may apply to the department of taxation to have the amount of such loan which is a lien on his property on account of such irrevocable tax levy, ascertained by finding the proportion which the assessed valuation of his property according to last assessment bears to the assessed valuation of the whole property of the district, and upon payment of such sum so ascertained to the commissioners of public lands such commissioners shall issue to such owner a certificate showing that such lands so conveyed are free and clear of any lien on account of such tax levy, and upon receipt of such payment the amount thereof shall be credited as a partial repayment of such loan. Such application to the department of taxation shall be accompanied by a copy of the contract to convey such lands to such tax exempt body, and after the filing of such application and proof of recording of a deed of conveyance of such lands to such tax exempt body such lands shall not be subject to any tax.

(6) **PROCEEDINGS TO BE RECORDED AND BECOME CONCLUSIVE EVIDENCE.** The aforesaid application, statement and all accompanying exhibits and documents shall be recorded in the office of said commissioners and thereupon be filed in the office of the secretary of state, and shall, together with the record thereof, be conclusive evidence of the facts therein stated.

25.06 Certificates of indebtedness. If the application shall be approved by said commissioners they shall forthwith cause certificates of indebtedness to be prepared in proper form and transmitted to the municipality submitting the same. Every such certificate shall be executed and signed for a school district by its director, for a town by its chairman, for a village by its president, for a city by its mayor, for a board of education by its president, and for a county by the chairman of its board, shall be countersigned by the clerk of the municipality executing the same, returned to the commissioners, and deposited with the secretary of state, who shall thereupon certify that fact to the director of budget and accounts, and he shall thereupon draw his warrant upon the state treasurer for the amount of such loan, payable to the treasurer of the municipality making the loan or as he may direct; and said certificate of indebtedness shall then be conclusive evidence of the validity of such indebtedness and that all the requirements of law concerning the application for the making and acceptance of such loan have been complied with.

25.07 State loan a special charge. All the taxable property in any municipality which has obtained or shall obtain any loan from the state or from any of its trust funds shall stand charged for the payment of the principal and interest thereof. The annual tax levied as provided by subsection (5) of section 25.05 shall be a special charge to be paid next after the state tax out of any moneys collected as taxes within said municipality.

25.08 Collection from municipalities other than school districts. (1) **STATEMENT.** The secretary of state, upon information certified to him by the department of administration, shall furnish annually to the county clerk of each county in which any such special charge for principal or interest, is due or will become due in the next succeeding 12 months, a statement showing in detail the amounts due or to become due as aforesaid from the county and from any town, village or city therein.

(2) **APPORTIONMENT BY COUNTY CLERKS.** Such clerk on receiving such statement shall apportion and include the amount to be paid by the county in his apportionment of the state taxes to the several towns, villages and cities in his county, and add to the amount thus apportioned to each town, village or city all special charges, if any, that are to be paid thereby on account of any loan thereto from the state or any of its trust funds. The amounts thus apportioned and included shall be stated in separate sums and carried out in all tax rolls and reports in separate columns; but otherwise the same shall be levied, charged and inserted in the several tax rolls and collected and paid over with and in the

same manner as the state tax until paid into the treasury; and in case of neglect or refusal to pay any sum or sums when due, the same shall be subject to all the provisions of law applicable to cases of default in payment of state taxes.

25.09 Collections from school districts. (1) **DISTRICTS NOT JOINT.** The collection of principal and interest of loans made from the trust funds to school districts other than joint districts shall be collected in the manner provided by section 25.08 for such collections from other municipalities.

(2) **JOINT DISTRICTS.** (a) Whenever a joint school district shall make any such loan the commissioners shall notify in writing the clerks of the several towns or villages of which such district is composed and the state superintendent of such loan and the terms thereof. Thereafter the state superintendent shall, on or before the second Monday of September in each year, until such loan shall be paid, transmit to the county clerk a statement certified by him of the valuation of all taxable property in each part of such district which lies in a single municipality, identifying the municipality to which each such valuation relates. Such valuation shall be the full valuation prescribed and referred to in s. 40.35 (8).

(b) When such joint school district is composed of territory located in 2 or more counties the state superintendent shall transmit to the department of administration on or before September 20 in every year a copy of the statements so certified by him to the county clerks of counties wherein such joint school district lies. The secretary of state, upon information certified to him by the department of administration, shall in every year furnish to the county clerk of each county in which lies any joint school district or part of a joint school district from which any such payment is to become due the total amount to be levied in his county upon such joint school district, at the same time that he certifies to that officer the state tax.

(c) The county clerk shall at the proper time after receiving such certificate from the secretary of state apportion the amount certified for collection to the proper towns and villages in accordance with the valuations certified to him by the state superintendent; but it shall be carried out in a separate column, and the district from which it is due shall be specified. The town clerk shall charge and carry out such amount in his tax roll to the district or part of district to which it belongs in a separate column, and the tax shall be collected and paid with and in the same manner as the state tax.

(d) This subsection shall apply to all outstanding state trust fund loans to joint school districts.

25.10 Use of funds. No money obtained by any school district, school board, town, village, city or county by such loan shall be applied to or paid out for any purpose except that specified in the application therefor without the consent of said commissioners.

25.11 Extension of loan. All loans made or which may be made from any of such funds to any municipality may be extended for such time and upon such terms as may be agreed upon by and between the commissioners and such borrower; provided, however, that no loan shall be extended upon which there is any default in the payment of interest at the time of making application therefor, nor to any period beyond twenty years from its inception, nor at any rate of interest less than the minimum established by law.

25.12 Duty of attorney general and secretary of state. In case any officer shall neglect or refuse to perform any duty required of him by law in relation to the levy or collection of any tax required to be raised to make any payment of principal or interest on any loan from the state, the attorney general shall forthwith apply to the supreme court for a mandamus to compel the performance of such duty; and the secretary of state may do or cause to be done the duty required of such officer and so neglected or required to be done with the same effect as if done by him.

25.13 Interest, how accounted for. Every sum of money collected as interest upon any loan from either of the trust funds specified in section 25.01 shall be paid into the state treasury and be credited to the income of the fund from which the loan was made.

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 provi-

sion 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 department of administration shall make such subsequent transfers of money between the individual funds and the state investment fund as in its 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 department of administration may determine, but must be made at least semiannually in each complete fiscal year of operation.

(4) It is the duty of the department of administration 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).

25.15 State of Wisconsin investment board. (1) There is created a state of Wisconsin investment board. Notwithstanding any other provisions of the statutes or special laws, the board shall be provided with suitable offices in the state capitol and shall be supplied with necessary furniture, supplies, postage, stationery, equipment and printing on the same basis as other state departments.

(2) The board shall be composed of 7 members, one of whom shall be the governor who shall act as chairman, and one of whom shall be the commissioner of administration who may designate a representative to act in his absence. The other 5 members shall be appointed by the governor with the advice and consent of the senate. One of such appointed members shall be a teacher or professor actively connected with the school system of the state and a member, or former member, of the state teachers retirement system. Such member who is appointed first shall serve until March 1, 1953. One of such appointive members shall be a participating employe, or former participating employe, under the Wisconsin retirement fund. Such member who is appointed first shall serve until March 1, 1954. The remaining 3 appointive members shall be persons who have had at least 10 years of experience in making investments. One of said 3 remaining appointive members shall serve until March 1, 1955; another until March 1, 1956 and the last until March 1, 1957. As the term of any member expires his successor shall be appointed for a term of 6 years. All appointed members shall serve until their successors have been appointed and have qualified. All appointed members shall be paid a salary of \$25 for each day actually devoted to the performance of their duties, including time spent in travel, and shall also be reimbursed for their actual and necessary expenses.

(3) Regular meetings of the board shall be held in each month and special meetings shall be held upon the call of the chairman or any 4 members of the board.

(4) The governor shall designate one of the members of the board to act as chairman in the event of the absence or inability of the governor to so serve.

(5) The governor shall have the right to vote only for the purpose of breaking a tie.

25.16 Executive director. (1) The executive and administrative functions of the state of Wisconsin investment board shall be vested in an executive director, who shall be appointed by the board outside the classified service and shall serve at its pleasure. Such director shall be qualified by training and prior experience to manage, administer and direct the investment of funds for which the board is responsible, and shall perform his functions in conformity with the requirements of the board and in accordance with policies, principles and directives determined by the board.

(2) The executive director shall appoint the employes necessary to perform the duties of the board under the classified service. These shall include divisional directors. The board shall participate in the selection of such directors. The commissioners on March 1, 1960 shall become directors without qualifying under a competitive examination. Such divisional directors, other than those who were commissioners on March 1, 1960, shall serve a probationary period of not less than 6 months nor more than 2 years as determined by the board. Neither the executive director nor any employe shall have any financial interest, either directly or indirectly, in any firm engaged in the sale or marketing of

real estate or investments of any kind, nor shall any of them render investment advice to others for remuneration.

(3) The executive director shall take the official oath and the executive director and each divisional director shall file a bond for the faithful performance of his duties in such amount and with such sureties as the board requires.

(4) The board shall appoint a divisional director to act as director pro tem, except that until such board appointment is made, the executive director may temporarily designate such director pro tem. The director pro tem shall act in place of the executive director in his absence or disability. The director pro tem shall take and file the official oath required of the executive director.

(5) All documents which must be executed by or on behalf of the board shall be signed by the executive director or, in the event of his absence or disability, by the director pro tem and each such document shall be countersigned by a divisional director, but no individual may execute one document in 2 capacities.

25.17 Powers and duties of state of Wisconsin investment board. The "State of Wisconsin Investment Board" shall be a body corporate with power to sue in said name. The board shall have a seal with the words, "State of Wisconsin Investment Board." The board shall have power and authority and it shall be its duty:

(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. 20.420 (91));
- (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);
- (s) State insurance fund (ss. 210.02 to 210.04);
- (t) State life fund (s. 210.05);
- (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.

(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.

(b) To invest the state building trust fund in loans to the Wisconsin state public building corporation, to the Wisconsin university 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.

(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.

(c) To have exclusive control of the investment and collection of the principal and interest of all funds of the state historical society which are available for investment as determined by said society. The board may dispose of said investments and any other securities placed under its control by the state historical society when in the judgment of the board it is for the best interest of the society to do so. The board may invest those funds of the society which are available for investment in loans and securities authorized by s. 206.34 (1) (a), (b), (c) to (ef), (en) to (ep), (fe) and (ff) provided that the board may also invest up to 50 per cent of such funds in common and preferred stock which qualify under the applicable provisions of s. 201.25 (1) (ff) and (fg).

(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.

(4) To invest the funds of the state teachers retirement system, the Wisconsin retirement fund and each teachers annuity and retirement fund created under s. 38.24 in loans, securities or investments in addition to those permitted by any other section of the statutes, but the aggregate of the loans, securities and investments made under this subsection shall not exceed 15 per cent of the admitted assets of each of said funds. All of the common stocks or preferred stocks purchased pursuant to authority conferred by this subsection shall qualify as investments under the applicable provisions of s. 201.25 (1) (ff), (fg) and (fh).

(5) To execute instruments in which it agrees (a) to indemnify against its failure to indorse payments of any kind which may be made upon notes, bonds, debentures or other securities or (b) to indemnify the issuer of securities, whether it be the obligor thereon or a trustee or agent, against any loss which might be incurred as the result of the issuance or reissuance of securities to replace securities which have been lost, stolen, mutilated or destroyed.

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

(8) To accept when necessary to protect a mortgage loan, a quitclaim deed or warranty deed to the mortgaged property in full satisfaction of the mortgage debt, and to manage, operate, lease, exchange, sell and convey, by land contract, quitclaim deed or warranty deed, and grant easement rights in, any real property acquired by said board. Any lease, land contract, quitclaim deed, warranty deed, easement, satisfaction of mortgage, partial release of mortgage, or any other instrument relating to real property in which said board has an interest shall be executed on behalf of said board by the executive director.

(9) To give such advice and assistance as may be requested by the commissioners of public lands or the board of regents of the university in the investment of any moneys which under sub. (1) are excepted from the moneys to be loaned or invested by the state of Wisconsin investment board, and to assign, sell, convey and deed to them such invest-

ments made by the said board as may be mutually agreeable. The cost of any services rendered to the commissioners of public lands or the board of regents of the university pursuant to this section shall be charged to the fund to which the moneys invested belong and shall be added to appropriation to the state of Wisconsin investment board in s. 20.480 (1).

(10) To secure insurance against burglary, robbery or theft on any of the negotiable securities owned or held by the board or any of the funds under its management.

(11) To succeed to all of the duties, functions, powers, property, documents, records, assets, liabilities and obligations of the "Board of Deposits of Wisconsin" in the administration of ch. 34 of the statutes.

(12) To succeed to all of the duties, functions, and powers, property, documents, records, assets, liabilities and obligations of:

(a) The annuity board of the state teachers retirement system in the investment of the several funds of the state teachers retirement system;

(b) The commissioner of insurance in the investment of the state insurance fund;

(c) The commissioner of insurance, the state treasurer, the secretary of state and the attorney general in the investment of the life fund;

(d) The state treasurer, the secretary of state and the attorney general in the investment of the soldiers' rehabilitation fund;

(g) All other state boards, commissions, departments, institutions and officers in the investment of any funds which under sub. (1) of this section are hereafter to be loaned and invested by the state of Wisconsin investment board.

(13) To succeed to all of the property, documents, records and assets of the state annuity and investment board in the investment of the several funds which were under the control of said board.

(14) The state teachers retirement system, the Wisconsin retirement fund, and each teachers annuity and retirement fund in cities of the first class shall annually, within a reasonable time after January 1, make and file with the state of Wisconsin investment board a report of the value of the assets of such fund determined as of the last preceding December 31 upon the following basis:

(a) Bonds or other evidences of debt, having a fixed term and rate, if amply secured and not in default as to principal or interest, shall be valued:

1. If purchased at par, at the par value.

2. If purchased above or below par, at the purchase price adjusted, as of said December 31, so as to bring the value to par at maturity and so as to yield in the meantime the effective rate of interest at which the purchase was made.

(b) Any amounts due as of said December 31 as the balance payable from any participating municipality for prior service obligation, at the face value thereof on said date.

(c) All other investments, except real property included under par. (d), at the current market value thereof.

(d) Real property which is leased to others by long term lease shall be valued at the cost of the property adjusted, as of said December 31, so as to bring the cost at the end of the primary term of the lease to such amount as was determined and established by the state of Wisconsin investment board at the time of making the investment, or subsequently, or if no such amount was so determined and fixed (at the time of making the investment or subsequently) then to zero, and so as to yield in the meantime the effective rate of interest at which the investment was made.

(e) Cash on deposit.

(15) For purposes of the power and authority of the state of Wisconsin investment board to make investments the "admitted assets" of a fund shall be the total valuation of the assets of such fund, other than common stocks, as set forth in the last report made and filed by said fund with the state of Wisconsin investment board pursuant to sub. (14), plus the purchase price of any investments, other than common stocks, made for said fund by said board subsequent to the last December 31 for which a valuation report has been filed by the fund with the board, minus the admitted asset value of any investment sold, other than common stocks, of said fund by said board subsequent to the last December 31 for which a valuation report has been filed by the fund with the board, plus the market value of the common stocks of the fund on the last day of the preceding month. Any percentage limitation or permission respecting the power and authority of the state of Wisconsin investment board to make investments shall be calculated as each occasion for investment occurs and upon the "admitted assets" of the fund at that time.

25.18 Additional powers of board. (1) In addition to the powers and duties enumerated in s. 25.17 the state of Wisconsin investment board shall have power to delegate to any of its members and the executive director such authority as it may see fit

concerning the investment of the various funds under the control of the board subject to s. 25.16 (5). The exercise of any authority so delegated shall be reported promptly at a regular or special meeting of the board.

(2) The state of Wisconsin investment board shall have authority, upon advice and consent of the attorney general, to employ special counsel in any legal matters arising out of the scope of its investment authority. Any expense of counsel so employed shall be borne by the fund for which the services shall be furnished.

25.19 State treasurer, ex officio treasurer; bond; deposit of securities. The state treasurer shall be ex officio treasurer of the state of Wisconsin investment board and shall give an additional bond in such amount and with such corporate sureties as shall be required and approved by the board, the cost of which shall be borne by the board. Any of the securities purchased by the state of Wisconsin investment board for any of the funds whose investment is under the control of the board may be deposited by the board or the state treasurer in vaults or other safe depositories outside of the office of the state treasurer, and either in or outside of the state of Wisconsin, but a safe-keeping receipt shall be delivered to the state treasurer for all securities so deposited. Every such safe-keeping receipt shall describe the securities covered thereby and be payable on demand, without conditions, to the state of Wisconsin investment board or to any designated fund under the control of the board or to the state treasurer.

25.20 General fund. All moneys in the state treasury not specifically designated in any statute as belonging to any other funds constitute the general fund.

25.21 Common school fund. All moneys accruing to the state by virtue of section 2 of article X of the constitution, and all other moneys paid into the state treasury on account of the capital of the school fund, constitute the school fund. All of said fund, except that portion set apart for state colleges by s. 25.25, having been found necessary for the support and maintenance of common schools in each school district, and the purchase of suitable libraries and apparatus therefor, is set apart for those objects and denominated the "Common School Fund" which is a separate and perpetual fund.

25.22 Common school fund income. The common school fund income is constituted of the interest derived from the common school fund and from unpaid balances of purchase money on sales of common school lands; and all other revenues derived from the common school lands.

25.23 Distribution of the common school fund income. (1) Pursuant to section 5 of article X of the constitution, the common school fund income shall be distributed to the school districts among the several towns, villages and cities of the state for the support of common schools therein, as provided in sections 43.19 and 43.21.

25.235 Swamp land grants. All swamp and overflowed lands and moneys in lieu thereof received from the United States by virtue of the act of congress approved September 28, 1850, entitled "an act to enable the state of Arkansas and other states to reclaim the swamp lands within their limits;" and all moneys received as purchase money for such lands, including loans and investments and moneys due upon certificates of sale thereof; and all swamp lands and moneys in lieu thereof received subsequent to the enactment of chapter 537 laws of 1865, or which shall hereafter be received, from the United States; and the proceeds of the sale of all lands conveyed to this state pursuant to the act of congress approved March 2, 1865, entitled "an act for the relief of purchasers and locators of swamp and overflowed lands," are trust lands and moneys, to be applied, exclusively, as provided in sections 25.24 and 25.25.

25.24 Drainage fund. One-half of said lands and moneys, having been declared by chapter 537 laws of 1865 and having been found necessary and sufficient for the purpose of reclaiming said lands, constitute the drainage fund, and shall be distributed as follows:

(1) Such lands and moneys in or for each county, hereafter to be received, shall be equally partitioned by the commissioners of public lands, and the moneys so awarded to the drainage fund set apart and distributed to the several counties in which such lands lie, in proportion to the number of acres of such lands in each, or on account of which such moneys accrue.

(2) A list and description of any lands so set apart shall be transmitted to the county clerk, of each county, respectively, who shall thereupon make and transmit to the town clerk of each town in his county in which any of such lands lie a list and description of such lands in such town, to be kept in his office for the inspection of the public.

(3) The department of administration shall issue its warrant or warrants for any

moneys so due each county, from time to time, and the state treasurer shall pay the same accordingly.

25.25 Normal school fund. The remaining one-half of said lands and moneys not being granted for any other specified purpose, accrue to the school fund by virtue of section 2 of article X of the constitution; and having been found unnecessary for the support and maintenance of common schools, are appropriated, to the support and maintenance of state colleges, and suitable libraries and apparatus therefor, and to that end are set apart, and denominated the "Normal School Fund." All lands, moneys, loans, investments, and securities heretofore set apart to the normal school fund and all swamp lands and moneys that may hereafter be received on account of the capital of such fund constitute a separate and perpetual fund.

25.26 University fund. All moneys accruing to the state pursuant to section 6 of article X of the constitution, and all other moneys paid into the state treasury on account of the capital of the university fund, constitute the university fund, which is a separate and perpetual fund.

25.27 Agricultural college fund. All moneys derived from the sale of the lands and land scrip accruing to the state by virtue of the act of congress approved July 2, 1862, entitled "an act donating public lands to the several states and territories which may provide colleges for the benefit of agricultural and the mechanic arts," and all other moneys paid into the state treasury on account of the capital of the agricultural college fund, constitute the agricultural college fund, which is a separate and perpetual fund and shall remain forever undiminished. If said fund shall by any action or contingency be impaired a state tax is hereby levied sufficient to replace the same, to be collected with the state taxes for the next ensuing year and paid into said fund.

25.28 Teachers' retirement fund. (1) The moneys paid into the retirement deposit fund as provided in ss. 42.39 to 42.46 and all other money received by it from any legal source, excepting sums legally disbursed from said fund and excepting sums transferred therefrom to the general fund or the annuity reserve fund, shall constitute the retirement deposit fund; the moneys legally transferred from the retirement deposit fund to the annuity reserve fund and all other moneys received by said latter fund from any legal source, excepting sums legally disbursed from said fund, constitute the annuity reserve fund; the moneys derived from the surtax and set apart for the contingent fund under s. 71.14 (8) and (9) and all other money received by said fund from any legal source, excepting sums legally disbursed therefrom constitute the contingent fund; and are appropriated to the state teachers' retirement board for carrying into effect the provisions of ss. 42.20 to 42.54.

(2) The amounts deposited by the state under s. 42.45 and heretofore released or forfeited under ss. 42.49 (14) and the former 42.55 (22) (renumbered 38.24 (22) by ch. 213, laws of 1941, and repealed by ch. 511, laws of 1951), and all amounts deposited by the state under s. 42.45 and hereafter released or forfeited under s. 42.49 (14) shall be paid into the general fund. The balance of the state deposit accumulations heretofore released or forfeited under ss. 42.49 (14) and the former 42.55 (22) (renumbered 38.24 (22) by ch. 213, laws of 1941, and repealed by ch. 511, laws of 1951), and the balance of the state deposit accumulations hereafter released or forfeited under s. 42.49 (14) shall be transferred to such reserves of the state teachers retirement system as the state teachers retirement board may direct.

(3) Notwithstanding sub. (2), the amounts deposited by the state under s. 38.24 (6) (c) and (11) (f) after August 31, 1958, and under ss. 42.243 (2) and 42.45 after June 30, 1957, including interest or other earnings on such deposits, and released or forfeited after said dates under s. 38.24 (4) (g) and (6) (j) and ss. 42.242 (5), 42.243 (7) (e) and 42.49 (14) shall be paid into the state general fund.

25.281 Soldiers' rehabilitation fund. The balance of the moneys collected under chapter 5, special session of 1919, and chapter 667, laws of 1919, all surtaxes on incomes hereafter collected under said chapters, and the balance in the appropriation made by subsection (5) of section 20.03, statutes of 1923, constitute the soldiers' rehabilitation fund. Said fund shall be used for the purpose of carrying out the provisions of section 45.38 (1) and of chapter 5, special session of 1919, and chapter 667, laws of 1919.

25.29 Conservation fund. Except for fines and moneys payable to the reforestation fund, all moneys accruing to the state under ch. 29, or otherwise received or collected for or in behalf of the state conservation commission, shall constitute the "Conservation Fund" and shall be paid, within one week after receipt into the state treasury and credited to said fund. License fees collected by each field employe of the conservation commission shall be remitted to the commission within one month after receipt together with a report

of the number of licenses issued and the amount of money remitted. No money shall be expended or paid from the conservation fund except in pursuance of an appropriation by law; but any unappropriated surplus in said fund may be expended subject to the approval of the governor, secretary of state and state treasurer, for the purchase of lands for forestry purposes as provided in s. 28.02, for additional equipment, new buildings, new hatcheries, or hatchery ponds, property, improvements, increasing the warden force at any particular period, or any other similar special purpose except road work or improvement work on the state parks. Funds accruing to the conservation fund from license fees paid by hunters and from sport and recreation fishing license fees shall not be diverted for any other purpose than those provided by the conservation commission. A gift or bequest shall be used in accordance with the directions of the donor.

25.30 Reforestation fund. All moneys received from state forest lands as defined in ch. 28 shall be paid into the reforestation fund and are appropriated to the conservation commission for the improvement of state forests or the purchase of additional lands. One-fourth of the gross income received after July 1, 1953 from the sale of standing timber and one-fourth of the stumpage value of forest products sold after cutting from each state forest shall be apportioned annually to those counties which have areas within the boundaries of such state forests. The sum payable to such counties shall be prorated on the basis of state forest acreage in each county as given in the conservation commission land record as of June 30. As soon as feasible after August 1 of each year the conservation commission shall certify to the director of budget and accounts the amount due each county under this section for the preceding fiscal year and the amount so certified shall be paid to the respective counties. The county treasurer shall retain half of such sum for the county and shall apportion and pay the remainder to the several town treasurers on the basis of state forest acreage owned in each town, as certified to him by the conservation commission.

25.31 Benevolent fund. The benevolent fund, amounting to the principal sum of \$13,500, transferred to the state by chapter 636, laws of 1917, constitutes a separate trust fund and shall be conserved and applied as follows:

First: The principal of said trust fund shall be held by the state treasurer, and be invested and reinvested as provided in chapter 25 of the statutes.

Second: The income of said trust fund shall be used and expended exclusively for the benefit of girls committed to the Wisconsin school for girls, or such other institutions as the state may hereafter establish and maintain for the care, custody and education of girls of the classes now or hereafter authorized by law to be committed to said institution, in providing healthful and instructive recreation and amusements, furnishing advance educational facilities for such of them as show special fitness therefor, providing needed medical or surgical care in exceptional cases, and other similar purposes; but no part of said income shall be used for defraying any of the ordinary expenses of any such institution.

Third: Said income shall be disbursed from the state treasury only upon warrants issued on certifications by the state department of public welfare upon the recommendation of the superintendent or other managing officer of such school or other institution.

25.36 Veterans' housing trust fund. (1) All moneys heretofore or hereafter appropriated or transferred thereto by law constitute the veterans' housing trust fund which shall be used exclusively for veterans' housing and administered by the Wisconsin department of veterans' affairs.

(2) The moneys received in the veterans' housing trust fund shall be allocated on April 1, 1959, and annually thereafter beginning March 1, 1960, in the several counties as nearly as practicable on the basis of veterans' population.

25.39 Emergency disaster fund. (1) All moneys appropriated to this fund shall be transferred to it on July 1, 1951 and on January 1, 1953, as provided in s. 20.07 (19) [Stats. 1951] and together with all other moneys appropriated or transferred thereto by law shall constitute the emergency disaster fund.

(2) Except as provided in subsection (3) these moneys shall be disbursed only by specific action of the legislature to furnish relief to stricken areas of the state where a grave emergency is created by reason of enemy attack.