



State of Wisconsin
2019 - 2020 LEGISLATURE

LRB-0878/1
EVM:amn&ahe

2019 BILL

1 **AN ACT to amend** 24.61 (2) (a); and **to create** 24.61 (3) (am) of the statutes;
2 **relating to:** prohibited state trust fund loans.

Analysis by the Legislative Reference Bureau

This bill is explained in the NOTES provided by the Joint Legislative Council in the bill.

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

JOINT LEGISLATIVE COUNCIL PREFATORY NOTE: The Board of Commissioners of Public Lands (BCPL) manages and invests the Common, Normal, University, and Agricultural College Funds (school trust funds). Under current law, the BCPL must invest the school trust funds in good faith and with the care an ordinary prudent person in a like position would exercise under similar circumstances, in accordance with the standard of conduct for managing and investing an institutional fund. Current law also specifically authorizes the BCPL to loan money belonging to the school trust funds to school districts, local governments, and certain other public entities for certain public purposes.

This bill specifies that the BCPL may not loan moneys to any entity or for any purpose other than those specifically authorized in the statutes.

3 **SECTION 1.** 24.61 (2) (a) of the statutes is amended to read:
4 24.61 (2) (a) *Authorized investments by board.* The Subject to the limitations
5 under par. (cm) and sub. (3) (am), the board shall manage and invest moneys

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1 belonging to the trust funds in good faith and with the care an ordinary prudent
2 person in a like position would exercise under similar circumstances, in accordance
3 with s. 112.11 (3).

4 **SECTION 2.** 24.61 (3) (am) of the statutes is created to read:

5 24.61 (3) (am) *Prohibited loans.* Except as provided in par. (a), the board may
6 not loan moneys under its control or belonging to the trust funds.

7 (END)