

CHAPTER 25.

TRUST FUNDS AND THEIR MANAGEMENT.

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25.01 Authorized investments and loans. (1) **WHAT FUNDS.** The moneys belonging to the common school fund, the normal school fund, the university fund and the agricultural 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 section 59.92, 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 pursuant 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 education by whatever name designated, to be used in erecting and remodeling school buildings or teacherages, in the purchase of teacherages, teacherage sites, schoolhouse sites, transportation vehicles, school equipment, or school playgrounds, or in refunding their indebtedness, and for other purposes 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 hereinafter provided; 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 or sums of money, for such time and upon such conditions as may be agreed upon between said commissioners and the borrower; subject, however, to the limitations, restrictions and conditions hereinafter set forth. In this chapter any such school district, town, village, city or county board of education or local board of vocational and adult education, or all of them, may be designated by the word "municipality" or the word "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 constitutional limitations. [1931 c. 67 s. 154; 1933 c. 436 s. 14; 1937 c. 349; 1939 c. 158, 510]

Note: Municipalities may borrow money from state trust funds to pay current and ordinary expenses. 25 Atty. Gen. 31.

Trust funds may be loaned to counties for purpose of paying children's aid, blind pensions and old-age pensions. 25 Atty. Gen. 59.

State trust fund loans (1) May not be made to county for purpose of paying town therein excess delinquent taxes collected by county in previous years and spent for county purposes; (2) May not be made to

town for purpose of paying tuition claim which school district has against town; (3) May be made to municipalities for purpose of refunding current and ordinary expense obligations created by such municipalities pursuant to 67.12 and 67.125; (4) May not be made to refund municipal obligation unless same was legally created; (5) May not be made to enable one school district to pay another school district sum due latter as result of adjustment of assets and liabilities made under 66.03. 29 Atty. Gen. 276.

25.02 Term, amount, interest rate. (1) **MUNICIPAL LOANS OTHER THAN TO SCHOOL DISTRICTS.** The loans provided for by subsection (3) of section 25.01, other than those to school districts, may be made for any term not exceeding twenty years, may be made payable in instalments, and be in such amounts as shall not, in connection with all other in-

debtedness of the municipality applying therefor, exceed five per centum of the average assessed valuation of the taxable property therein for the three years next preceding the application for such loan. 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 twenty 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 five per centum of the last preceding assessed valuation of the property in such district, except that in determining such five per centum, the assessed valuation of all taxable personal property in excess of fifty per centum of the assessed 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 two and one-half per centum 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. [1935 c. 300; 1937 c. 43; 1939 c. 158, 391]

Note: Public utility property not assessed locally and not subject to local tax levied cannot be included as part of "last preceding assessed valuation" in determining amount which may be lent from state trust funds. 19 Atty. Gen. 404.

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. [1935 c. 396]

Note: Town treasurer must pay state special charges for loans to school districts before paying sum due other school districts which have obtained no loan. 22 Atty. Gen. 239.

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 and taken at a regular meeting, except as is otherwise provided herein.

(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 valuations 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 subsection 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 irrepealable 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 tax commission to have the amount of such loan which is a lien on his property on account of such irrepealable 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 tax commission 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. [1931 c. 461]

Note: In order to be valid, a municipal loan from the state trust funds must be made for a lawful purpose, and statutory requirements on the part of the municipality and its governmental authorities, prescribed as necessary to empower the municipal action involved, must be complied with. *Handlos v. State Line*, 233 W 145, 288 NW 748.

Taxes levied to pay loans from state trust funds to school districts constitute lien upon each parcel of taxable property within such district, so that property remains liable for such tax regardless of its purchase by

state or federal government. 20 Atty. Gen. 214.

Election authorizing issue of bonds is not sufficient to authorize application for loan for same purpose from state trust funds. 21 Atty. Gen. 858.

Where lands located in municipality which obtained state trust fund loan and levied irrepealable tax to pay same subsequently are acquired by county through tax deed, (5a) has no application when county sells such lands to United States. 28 Atty. Gen. 118.

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 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.

Note: When commissioners of public lands have approved loan from trust funds and advanced portion of such loan they cannot refuse to advance balance thereof. 22 Atty. Gen. 97.

Notes or certificates of indebtedness held by commissioners of public lands under this section may be assigned when it appears to commissioners to be necessary or desirable as matter of sound investment policy. 28 Atty. Gen. 269.

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 OF AMOUNT.** The secretary of state, 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 twelve 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. Such statement shall accompany the statement made and certified under section 70.59.

(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.

Note: Where school district obtains loan ate share of tax raised annually to pay principal and interest on loan. 22 Atty. Gen. 267. annexed to district is liable for proportion-

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 clerk of such district shall notify in writing the clerks of the several towns or villages of which such district is composed of such loan and the terms thereof; and thereafter the clerk of each such town or village shall, on or before the second Monday of September in each year, until such loan shall be paid, transmit to the district clerk a statement certified by him of the valuation of all taxable property in that part of such district which lies in his town or village according to the last assessment roll, or, if the same shall have been equalized as provided in section 40.32, such equalized valuation thereof. The clerk of such joint school district shall forthwith certify to the county clerk every such valuation so certified to him.

(b) When such joint school district is composed of territory located in two or more counties the county clerk shall transmit to the secretary of state on or before the twentieth of September in every year a copy of the statements so certified to him by the district clerk. The secretary of state 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 district clerk; 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) When any county clerk or clerks shall fail or neglect to transmit to the secretary of state, a true copy of the statement or statements so certified to him by any school district clerk or clerks, on or before the twentieth day of September in each year as required by this section, then the secretary of state may forthwith dispatch a special messenger to such county clerk to procure same, and all the expenses and disbursements necessarily incurred by such messenger in the discharge of this duty shall be paid by the secretary of state upon proof to his satisfaction that the same are proper and were necessarily so incurred. The secretary of state shall thereupon certify said expenses and disbursements so paid by him, to the clerk of the county or counties to which such messenger or messengers were sent and the same shall be audited and paid by said county or counties in the same manner as any other proper charge or indebtedness thereof. In the event of the failure or neglect of said county or counties so indebted, to pay such charges within sixty days after same has been so certified by the secretary of state, the same shall become a special charge against said county or counties and be included and collected as such in the next apportionment or certification of state taxes and charges against said county or counties, and collected with interest at the rate of ten per cent per annum from the date the

same were so certified by the secretary of state, and in the same manner as other special charges are now certified and collected; and upon the payment or collection of such amount from such county or counties, the same shall be immediately deposited in the state treasury and be credited to the appropriation from which the original disbursement was made. Provided further that if the neglect or failure on the part of any such county clerk or clerks to so transmit said statement or statements to the secretary of state by September twentieth in each year, is due to any action or failure to act on the part of either the clerk of any such school district or the clerk of any such town in transmitting or failing to transmit said statement or statements to the proper county clerk as now required by law, then such county clerk may in like manner certify to and collect said special charge from that town or school district in which such delinquency occurred.

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.

Note: Loan made from state trust funds loan. When loan is extended, balance due to school district may be extended to not must be payable in equal annual instalments, exceeding twenty years from inception of 20 Atty. Gen. 171.

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.

25.15 Annuity and investment board. (1) There is created within the executive department a state annuity and investment board. Said 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) Said board shall be composed of five members, one of whom shall be the state superintendent of public instruction. The other four members shall be appointed by the governor with the advice and consent of the senate. One of such appointive members shall be a teacher, superintendent or principal actively connected with the school system of the state, and the other three appointive members shall be persons who are familiar with, and have had experience in making, investments. The term of one of the first appointive members shall expire on March 1, 1931, the term of another of such first members on March 1, 1933, and the terms of the other two first members on March 1, 1935. Thereafter as the terms of the members first appointed shall expire their successors shall be appointed for terms of six years and until their successors shall have been appointed and shall have qualified. Such appointive members shall be paid a salary of twenty-five dollars for each day actually devoted to the performance of their duties, including time spent in travel, not exceeding five hundred dollars to any member in any year, and shall also be reimbursed their actual and necessary expenses.

(3) Regular meetings of the state annuity and investment board shall be held in each month and special meetings upon call of the director of investments or of any three members of the board.

(4) The governor shall biennially in March of each year designate one of the members of the annuity and investment board to act as chairman of the board for the ensuing biennium. Vacancies in the office of chairman shall be filled by appointment of the governor.

25.16 Director of investments. (1) The executive head of the state annuity and investment board shall be the director of investments. Such director shall be appointed by the annuity and investment board and shall be a person of proven executive ability, qualified by prior experience and training to invest the state's investment funds. He shall not hold any other office or be engaged in any other employment. Such director shall be paid such salary as may be fixed by the board and approved by the governor, and shall furnish a bond for the faithful performance of his duties in such sum and with such sureties as the board may recommend and the governor require and approve.

(2) The director of investments shall have direction of all employes of the state an-

nunity and investment board. He shall be authorized to act for the board, pursuant to its direction and under such rules and regulations as it may adopt, in all matters concerning investments made or to be made by said board. [1933 c. 140 s. 4; 1939 c. 264]

25.17 Powers and duties of annuity and investment board. The state annuity and investment 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: The several funds of the state retirement system, the life fund, the state insurance fund, the soldiers' rehabilitation fund, the fund created by subsection (4) of section 14.44, the funds created by sections 102.49 and 102.59, and all other funds of the state or of any state department or institution, except operating funds, all funds which by the constitution are required to be controlled and invested by the commissioners of public lands and any moneys in the university trust funds which must be administered by the board of regents of the university in order to comply with the provisions made by the donor of such moneys.

(2) To invest any of the funds specified in subsection (1) in the securities authorized by section 206.34 and to dispose of such securities when in their judgment it is to best interest of these funds to do so.

(3) To make all loans from any funds within its jurisdiction in the name of the state, but any suit or action of any nature concerning or relating to such investment shall be brought by and in the name of the director of investments.

(4) To accept when necessary to protect a mortgage loan, a quitclaim deed to the mortgaged property in full satisfaction of the mortgage debt, and to manage, operate, lease, sell, convey, assign and deed property so acquired.

(5) 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 subsection (1) are excepted from the moneys to be loaned or invested by the state annuity and investment board, and to assign, sell, convey and deed to them such investments 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 annuity and investment board in section 20.725.

(7) 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.

(8) To utilize the services of the securities division of the public service commission to investigate any securities offered for investment or which they may contemplate making investments of any state funds. The cost of such investigation shall be charged to the fund from which such investments are proposed to be made.

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

(a) The annuity board in the administration of the teachers' retirement law and in the investment of the several funds of the state 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;

(e) The state treasurer and the state board of deposits in the investment of the fund created by subsection (4) of section 14.44;

(f) The board of regents of the university in the investment of such moneys in any of the university trust funds as are not required to be invested by the said board under the terms of the gift of such moneys;

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

(h) All applications, investigations, hearings and other proceedings pending before any of the boards, commissions, departments, institutions and officers mentioned in paragraphs (a) to (g) concerning or growing out of any of the duties, functions and powers transferred to the director of investments and all actions, proceedings and investigations begun by any of such boards, commissions, departments, institutions and officers in the discharge of such duties, functions and powers which shall not have been completed at the time of the taking effect of this section shall remain in full force and effect and may be completed by the state annuity and investment board. [1933 c. 159 s. 9]

25.20 General fund. All moneys in the state treasury not specifically designated in any statute as belonging to any other fund constitute the general fund. [1931 c. 67 s. 153]

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 ac-

count of the capital of the school fund, constitute the school fund. All of said fund, except that portion set apart for normal schools by section 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. [1931 c. 67 s. 45; 1933 c. 140 s. 4]

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. [1931 c. 67 s. 46]

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 among the several towns, villages, and cities of the state for the support of common schools therein, as provided in the following subsections:

(2) Annually, within thirty days after the tenth day of December, the state superintendent shall ascertain the aggregate amount of all moneys in the common school fund income received prior to the first day of December in the same year and shall apportion such amount among the several counties, and the towns, villages and cities therein, in proportion to the number of children resident therein between the ages of four and twenty years, as shown by the reports made to the state superintendent for the year preceding, ending June or May thirtieth as the case may be.

(3) Immediately on making such apportionment, the state superintendent shall certify to the secretary of state and to the state treasurer the amount thereof which each county is entitled to receive; and he shall, at the same time, certify to each county clerk and county treasurer the amount thereof which each town, city and village in their respective counties is entitled to receive, and a statement of the number of persons of school age residing in each such town, village and city of the fourth class.

(4) Within ten days after receipt of the county's share of such fund each county treasurer shall set apart and withhold therefrom an amount equal to twenty cents per capita for each person of school age residing in towns, villages and cities of the fourth class in such county, to which apportionment is made, to be expended for the purchase of library books, as provided in sections 43.17 to 43.21, inclusive; and shall thereupon give notice in writing of the amount of the common school fund income so apportioned and withheld and of the balance payable to each town, village and city in his county, to the treasurer and clerk thereof respectively, and shall pay the balance forthwith to the proper school district or municipal treasurer as provided by law and shall promptly certify the amount of such payment to the clerk of the school district or municipality.

(5) Upon receipt of such apportionment by the treasurers of the several towns, the town clerks thereof, respectively, shall apportion the moneys so received among the several school districts and parts of districts within the town, in proportion to the number of persons residing in each between the ages of four and twenty years as ascertained from the last annual reports of the several district clerks. All moneys so apportioned by the town clerk to any district or part of a district remaining in the hands of the town treasurer one year after such apportionment, by reason of such district or part of district neglecting or refusing to receive the same, shall be added to and apportioned with the moneys next thereafter to be apportioned by such town clerk. [1931 c. 67 s. 47; 1935 c. 263; 1937 c. 49; 1939 c. 513 s. 5]

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 the following subsections. [1931 c. 67 s. 78]

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 secretary of state shall issue his warrant or warrants for any moneys so due each county, from time to time, and the state treasurer shall pay the same accordingly. [1931 c. 67 s. 79]

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 normal schools, 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. [1931 c. 67 s. 80]

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. [1931 c. 67 s. 82a]

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. [1931 c. 67 s. 83]

25.28 Teachers' retirement fund. The moneys derived from the surtax on incomes provided for in section 71.26 and set apart for the retirement deposit and contingent fund of the state retirement system, excepting the moneys to be paid into the retirement deposit fund under the provisions of sections 42.45 and 42.46, and all other moneys transferred to or received by the contingent fund from any legal source, constitute the contingent fund of the state retirement system; the moneys to be paid into the retirement deposit fund as provided in sections 42.45 and 42.46, all moneys paid into the retirement deposit fund under the provisions of sections 42.39 to 42.44, of the statutes, and all other moneys transferred to or received by the retirement deposit fund from any legal source, constitute the retirement deposit fund; and the moneys transferred from the retirement deposit fund to the annuity reserve fund under the provisions of section 42.48 of the statutes, and all other moneys received from any legal source constitute the annuity reserve fund; and are appropriated to the state annuity and investment board for carrying into effect the provisions of sections 42.20 to 42.54, of the statutes. The assets held in the contingent fund shall on June thirtieth of each year at least equal the following ratios to the present value of all future payments of benefits from the contingent fund, namely: The actual percentage of such assets to such present value on June 30, 1922, which percentage shall be increased by two and one-half per cent for each year thereafter, so that such assets shall equal such present value in not exceeding forty years from June 30, 1922. [1931 c. 67 s. 58; 1931 c. 470 s. 1]

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 subsection (2a) of section 45.27 and of chapter 5, special session of 1919, and chapter 667, Laws of 1919. [1931 c. 67 s. 153]

25.29 Conservation fund. All moneys, except fines, accruing to the state by reason of any provision of chapter 29, or otherwise received or collected by each and every person for or in behalf of the state conservation commission, if not payable into the forest reserve fund, shall constitute the "Conservation Fund" and shall be paid, within one week after receipt, into the state treasury and credited to said fund. 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 from counties

for forestry purposes as provided in section 28.015, 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, provided, that funds accruing to the conservation fund from license fees paid by hunters shall not be diverted for any other purpose than the administration of the division of fish and game of the conservation department. [1931 c. 67 s. 39; 1939 c. 234]

25.30 Reforestation fund. All moneys received from state forest lands as defined in chapter 28 shall be paid into the reforestation fund, and are appropriated to the conservation commission for the purchase or improvement of additional lands for forest or park purposes. [1931 c. 67 s. 42; 1935 c. 448]

25.31 Benevolent fund. The benevolent fund, amounting to the principal sum of thirteen thousand five hundred dollars, 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 industrial 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 board of control upon the recommendation of the superintendent or other managing officer of such industrial school or other institution. [1931 c. 67 s. 30]