

1969 Senate Bill 527

Date published:
December 24, 1969

CHAPTER 280, LAWS OF 1969

AN ACT to repeal 223.055 (6); and to create 223.056 and 223.057 of the statutes, relating to allowing multi-institutional common trust funds.

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

SECTION 1. 223.055 (6) of the statutes is repealed.

SECTION 2. 223.056 and 223.057 of the statutes are created to read:

223.056 MULTI-INSTITUTIONAL COMMON TRUST FUNDS. In addition to the powers granted in s. 223.055, any bank or trust company qualified to act as a fiduciary in this state may:

(1) Establish, alone or jointly with one or more other banks or trust companies, common trust funds for the purpose of furnishing investments to itself as fiduciary, to itself and others as cofiduciaries, to other banks or trust companies as fiduciaries and to other banks or trust companies and others as cofiduciaries.

(2) Operate, either alone or jointly with one or more other banks or trust companies, such common trust funds.

(3) As a fiduciary or cofiduciary, invest funds which it lawfully holds for investment in interests in such common trust funds, if such investment is not prohibited by the instrument, judgment, decree or order creating such fiduciary relationship, and if, in the case of cofiduciaries, the bank or trust company procures the consent of its cofiduciaries to such investment. Subsection (3) applies to fiduciary relationships now in existence or hereafter created. Section 223.055 (2) and (3) applies to common trust funds established under this section and the banks and trust companies operating these common trust funds.

(4) For the purposes of ss. 223.055 and 223.056, the term "fiduciary" shall include a managing agent.

223.057 TAXATION OF COMMON TRUST FUNDS. No common trust fund established under s. 223.055 or 223.056 shall be subject to taxation as a corporation, association, partnership or individual, but it shall be a fiduciary within s. 71.08. All income of such trust and all capital gains and losses shall be income received or loss realized to the fiduciary account holding a participation in such common trust fund in accordance with its participation.

Approved December 2, 1969.
