

1.1 A bill for an act
1.2 relating to local government; expanding eligibility for long-term equity investment;
1.3 making technical amendments to language; amending Minnesota Statutes 2020,
1.4 section 118A.09, subdivisions 1, 2.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2020, section 118A.09, subdivision 1, is amended to read:

1.7 Subdivision 1. **Definition; qualifying government.** "Qualifying government" means:

1.8 (1) a county or statutory or home rule charter city with a population of more than 100,000;

1.9 (2) a county or statutory or home rule charter city ~~which had its most recently issued~~
1.10 ~~general obligation bonds rated in the highest category by a national bond rating agency~~
1.11 whose most recent long-term, senior, general obligation rating by one or more national
1.12 rating organizations in the prior 18-month period is AA or higher; or

1.13 (3) a self-insurance pool listed in section 471.982, subdivision 3.

1.14 A county or statutory or home rule charter city with a population of 100,000 or less that is
1.15 a qualifying government, but is subsequently rated less than the highest category by a
1.16 national bond rating agency on a general obligation bond issue, may not invest additional
1.17 funds under this section but may continue to manage funds previously invested under
1.18 subdivision 2.

1.19 **EFFECTIVE DATE.** This section is effective July 1, 2022.

2.1 Sec. 2. Minnesota Statutes 2020, section 118A.09, subdivision 2, is amended to read:

2.2 Subd. 2. **Additional investment authority.** Qualifying governments may invest the
2.3 amount described in subdivision 3:

2.4 (1) in index mutual funds based in the United States and indexed to a broad market
2.5 United States equity index, on the condition that index mutual fund investments must be
2.6 made directly with the main sales office of the fund; or

2.7 (2) with the Minnesota State Board of Investment subject to such terms and minimum
2.8 amounts as may be adopted by the board. ~~Index mutual fund investments must be made~~
2.9 ~~directly with the main sales office of the fund.~~

2.10 **EFFECTIVE DATE.** This section is effective July 1, 2022.