

1.1 moves to amend H.F. No. 629, the first engrossment, as follows:

1.2 Page 2, delete section 1 and insert:

1.3 "Section 1. Minnesota Statutes 2012, section 11A.24, subdivision 1, is amended to read:

1.4 Subdivision 1. **Securities generally.** (a) Pursuant to an investment policy adopted
1.5 by the state board, the state board is authorized to purchase, sell, lend, and exchange the
1.6 securities specified in this section, for funds or accounts specifically made subject to this
1.7 section; This authority including includes puts and call options, ~~and~~ future contracts,
1.8 and swap contracts marked to market, if these options and contracts are traded on a
1.9 contract market regulated by a governmental agency or by a financial institution regulated
1.10 by a governmental agency. These securities may be owned directly or through shares
1.11 in exchange-traded or mutual funds, or as units in commingled trusts, subject to any
1.12 limitations as specified in this section.

1.13 (b) Any agreement to lend securities must be concurrently collateralized with cash
1.14 or securities with a market value of not less than 100 percent of the market value of the
1.15 loaned securities at the time of the agreement. Any agreement for put and call options
1.16 and futures contracts may only be entered into with a fully offsetting amount of cash or
1.17 securities. Only securities authorized by this section, excluding those under subdivision 6,
1.18 paragraph (a), clauses (1) to (3), may be accepted as collateral or offsetting securities.

1.19 **EFFECTIVE DATE.** This section is effective the day following final enactment."

1.20 Page 29, line 18, delete "This article merges" and insert "Sections 2 to 8 and 25
1.21 to 31 merge"

1.22 Page 29, line 20, delete "this article" and insert "those sections"

1.23 Page 29, line 27, delete "section" and insert "sections 352.045, subdivisions 3 and 4,
1.24 and" and delete "is" and insert "are"

1.25 Page 45, delete line 9 and insert:

2.1 "**EFFECTIVE DATE.** This section is effective the day following final enactment if
2.2 Minnesota Statutes, Section 353F.02, subdivision 4, is not repealed in the 2013 legislative
2.3 session."

2.4 Page 115, line 31, after the period insert "The city of Minneapolis shall continue to
2.5 administer the health and dental insurance programs as constituted May 1, 2011, for the
2.6 former members of the former Minneapolis relief associations."

2.7 Page 116, after line 20, insert:

2.8 "Sec. 57. Minnesota Statutes 2012, section 353.665, is amended by adding a
2.9 subdivision to read:

2.10 Subd. 5a. **Continuing provisions; prior Minneapolis relief associations.**

2.11 (a) Health insurance account retention. The health insurance account of the former
2.12 Minneapolis Firefighters Relief Association and the health insurance account of the
2.13 former Minneapolis Police Relief Association shall remain with the financial institution
2.14 holding the applicable account on the effective date of this section, if the applicable
2.15 financial institution adequately performs all trustee and fiduciary duties with respect to the
2.16 applicable account as a condition of the retention of the account.

2.17 (b) Health insurance account administrative expenses. Under Laws 2011, first
2.18 special session, chapter 8, article 6, section 14, and article 7, section 14, three years of
2.19 expected administrative expenses were prepaid from the Minneapolis Firefighters Relief
2.20 Association and the Minneapolis Police Relief Association health insurance accounts to
2.21 the financial institution holding the applicable account. After the three-year prepayment
2.22 period, the beneficiaries of the applicable account are responsible for the payment of
2.23 administrative expenses related to the operation of the account.

2.24 (c) Successor in interest. The public employees police and fire retirement plan
2.25 and fund is the successor in interest to all claims for or against the former Minneapolis
2.26 Firefighters Relief Association and the former Minneapolis Police Relief Association. The
2.27 public employees police and fire retirement plan and fund is not liable for any claim against
2.28 a former Minneapolis relief association, its governing board, or its administrative staff
2.29 acting in a fiduciary capacity, under chapter 356A or common law, which is founded upon
2.30 a claim of a breach of fiduciary duty if the act or acts constituting the claimed breach were
2.31 not undertaken in good faith. The public employees police and fire retirement plan may
2.32 assert any applicable defense to any claim in any judicial or administrative proceeding that
2.33 the applicable Minneapolis relief association, its board, or its administrative staff would
2.34 otherwise have been entitled to assert, and the public employees police and fire retirement
2.35 plan may assert any applicable defense that it has in its capacity as a statewide agency.

3.1 (d) Indemnification. The Public Employees Retirement Association shall indemnify
3.2 any former fiduciary of the Minneapolis relief associations consistent with the provisions
3.3 of section 356A.11. The indemnification may be effected by the purchase by the Public
3.4 Employees Retirement Association of reasonable fiduciary liability tail insurance for the
3.5 officers and directors of the former Minneapolis relief association."

3.6 Page 135, line 24, delete "69 to 75" and insert "70 to 76"

3.7 Page 135, line 25, delete "68 and 76 to 80" and insert "69 and 77 to 81"

3.8 Page 150, lines 7, 20, 23, and 32, delete "clause (20),"

3.9 Page 151, line 9, delete "clause (20),"

3.10 Renumber the sections in sequence

3.11 Amend the title accordingly