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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. **3176**

02/07/2022

Authored by Freiberg

The bill was read for the first time and referred to the Committee on State Government Finance and Elections

- 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 a national rating
- 1.12 organization 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.