

Subject Additional investment authority provided for qualifying local units of government

Authors Freiberg

Analyst Chelsea Griffin

Date January 22, 2023

Overview

This bill expands the eligibility for certain long-term equity investments to local governments with a recent general obligation rating of AA or higher. It also creates a new section in the Minnesota Statutes regarding investment authority for certain self-insurance pools. Technical and conforming changes to language are also made.

Summary

Section	Description
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| 1 | <p>Definition; qualifying government.</p> <p>Amends the qualifying governments that may invest in certain long-term equity investments to include counties and statutory or home rule charter cities that have a long-term, senior, general obligation rating by one or more national rating organizations of AA or higher.</p> <p>Certain self-insurance pools are removed from the definition of “qualifying government.”</p> <p>Clarifies that a qualifying government that does not meet the bond rating threshold may not invest additional funds during any time period when it does not meet the threshold. However, funds previously invested may continue to be managed.</p> <p>Effective the day following final enactment.</p> |
| 2 | <p>Additional investment authority.</p> <p>Makes a technical change to describe the conditions of index mutual fund investments for qualifying governments.</p> <p>Effective the day following final enactment.</p> |

Section	Description
3	<p>Funds.</p> <p>Conforming change that strikes language referring to self-insurance pools, which are removed as a qualifying government in section 1.</p> <p>Effective the day following final enactment.</p>
4	<p>[118A.10] Self-insurance pools; additional investment authority.</p> <p>Creates a new section of statute in Chapter 118A authorizing certain self-insurance pools to invest in the same securities as the Minnesota State Board of Investment under section 11A.24.</p> <p>A self-insurance pool must have an investment policy and a resolution stating its understanding of the investments and risk of loss before it may use the investment authority in this section.</p> <p>Effective the day following final enactment.</p>



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