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S.F. No. 2959 – Expands County and City Eligibility for Long-term Equity Investments (1st Engrossment)

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SF2959 amends the section of law authorizing additional long-term equity investment authority for cities and counties that was originally passed by the legislature in 2017.

Section 1 (section 118A.09, subdivision 1) modifies the definition of the term “qualified government” by expanding eligible counties and cities to those whose most recent long-term, senior general obligation rating by one or more national rating organizations in the prior 18-month period is AA or higher. Current law requires the most recently issued general obligation bonds be rated in the highest category (AAA).

This section is effective July 1, 1022.

Section 2 (section 118A.09, subdivision 2) allows qualifying governments to invest in index mutual funds and is amended by adding the requirement that the investments be made directly with the main sales office of the fund. This requirement is stricken in clause (2), which is a technical correction.

This section is effective July 1, 2022.