

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 4214

(SENATE AUTHORS: UTKE and Rest)

DATE	D-PG	OFFICIAL STATUS
03/23/2022	5567	Introduction and first reading Referred to Local Government Policy
03/28/2022	5661	Author added Rest
03/30/2022	5913a	Comm report: To pass as amended
	5925	Second reading
04/04/2022	6431	General Orders: Stricken and re-referred to State Government Finance and Policy and Elections

1.1 A bill for an act

1.2 relating to local government; providing additional investment authority for certain

1.3 self-insurance pools and qualifying governments; amending Minnesota Statutes

1.4 2020, section 118A.09, subdivisions 1, 2; proposing coding for new law in

1.5 Minnesota Statutes, chapter 118A.

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

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

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

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

1.10 (2) a county or statutory or home rule charter city ~~which had its most recently issued~~

1.11 ~~general obligation bonds rated in the highest category by a national bond rating agency~~

1.12 whose most recent long-term, senior, general obligation rating by one or more national

1.13 rating organizations in the prior 18-month period is AA or higher; or

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

1.15 A county or statutory or home rule charter city with a population of 100,000 or less that is

1.16 a qualifying government, but is subsequently ~~rated less than the highest category by a~~

1.17 ~~national bond rating agency on a general obligation bond issue~~ does not meet the threshold

1.18 under clause (2), may not invest additional funds under this section but may continue to

1.19 manage funds previously invested under subdivision 2.

1.20 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.

2.11 Sec. 3. **[118A.10] SELF-INSURANCE POOLS; ADDITIONAL INVESTMENT**
2.12 **AUTHORITY.**

2.13 Subdivision 1. Definition. For the purposes of this section, "qualifying government"
2.14 means a self-insurance pool formed under section 471.982.

2.15 Subd. 2. Additional investment authority. A qualifying government may invest in the
2.16 securities specified in section 11A.24.

2.17 Subd. 3. Approval. Before investing pursuant to this section, the governing body of a
2.18 qualifying government must adopt an investment policy pursuant to a resolution that includes
2.19 both of the following statements:

2.20 (1) the governing body understands that investments under this section have a risk of
2.21 loss; and

2.22 (2) the governing body understands the type of funds that are being invested and the
2.23 specific investment itself.

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