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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4186

03/12/2026 Authored by Luger-Nikolai, Frazier and Virnig
The bill was read for the first time and referred to the Committee on Elections Finance and Government Operations

A bill for an act

relating to local government; authorizing housing and redevelopment agencies to utilize certain long-term equity investment authority; modifying investment types in which a qualifying government may invest; amending Minnesota Statutes 2024, section 118A.09, subdivisions 2, 4, by adding a subdivision.

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

Section 1. Minnesota Statutes 2024, section 118A.09, subdivision 2, is amended to read:

Subd. 2. **Additional investment authority.** Qualifying governments may invest the amount described in subdivision 3:

(1) in index mutual funds based in the United States and indexed to a broad market United States equity index, on the condition that index mutual fund investments must be made directly with the main sales office of the fund; ~~or~~

(2) in shares of a company that:

(i) is registered with the United States Securities and Exchange Commission;

(ii) concentrates in investment grade fixed income securities;

(iii) holds, at the time of purchase, at least 80 percent of its investments in federally insured or guaranteed securities, including by government sponsored entities; and

(iv) has a mission, in part, to provide direct investment in local multifamily housing development; or

(3) with the Minnesota State Board of Investment subject to such terms and minimum amounts as may be adopted by the board.

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

Sec. 2. Minnesota Statutes 2024, section 118A.09, is amended by adding a subdivision to read:

Subd. 3a. **Housing and redevelopment authorities; investment authority.** A housing and redevelopment authority created in a county or statutory or home rule charter city that meets the criteria of subdivision 1, paragraph (a), clause (1) or (2), may invest its funds in investments that meet the criteria of subdivision 2, clause (2), subject to the limitations and requirements for qualifying governments under subdivisions 3 and 4.

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

Sec. 3. Minnesota Statutes 2024, section 118A.09, subdivision 4, is amended to read:

Subd. 4. **Approval.** Before investing pursuant to this section, the governing body of the qualifying government must adopt a resolution or investment policy that includes the following statements:

(1) the governing body understands that investments under subdivision 2 have a risk of loss;

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

(3) the governing body certifies that all funds designated for investment through the State Board of Investment meet the requirements of this section and the policies and procedures established by the State Board of Investment.

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