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State of Minnesota  
**HOUSE OF REPRESENTATIVES**  
*First Division Engrossment*

NINETY-SECOND SESSION

H. F. No. **4345**

03/17/2022 Authored by Albright and Freiberg  
The bill was read for the first time and referred to the Committee on State Government Finance and Elections

**Division Action**

03/23/2022 *Referred by Chair to the Local Government Division*  
*Returned to the Committee on State Government Finance and Elections as Amended*

- 1.1 A bill for an act
- 1.2 relating to local government; providing additional investment authority for certain
- 1.3 self-insurance pools; amending Minnesota Statutes 2020, section 118A.09,
- 1.4 subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter
- 1.5 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 the day following final enactment.

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 the day following final enactment.

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.