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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2946

04/01/2025 Authored by Perryman and Wolgamott
The bill was read for the first time and referred to the Committee on State Government Finance and Policy

1.1 A bill for an act
1.2 relating to finance; proposing the Minnesota Bitcoin Act; allowing payments to
1.3 the state by cryptocurrency; authorizing the State Board of Investment to invest
1.4 in cryptocurrency; modifying various tax provisions; amending Minnesota Statutes
1.5 2024, sections 11A.24, subdivision 6; 16A.626; 276.05; 279.025; 289A.02,
1.6 subdivision 8, by adding a subdivision; 290.01, by adding a subdivision; 290.0132,
1.7 by adding a subdivision; 290.0134, by adding a subdivision; 290.033; 290.091,
1.8 subdivision 2; 290.0921, subdivision 3; 354B.25, subdivision 2; 356A.06,
1.9 subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

1.11 ARTICLE 1
1.12 MINNESOTA BITCOIN ACT

1.13 Section 1. CITATION.

1.14 This act may be cited as the "Minnesota Bitcoin Act."

1.15 EFFECTIVE DATE. This section is effective January 1, 2026.

1.16 ARTICLE 2
1.17 AUTHORIZING BITCOIN PAYMENTS AND INVESTMENTS

1.18 Section 1. Minnesota Statutes 2024, section 11A.24, subdivision 6, is amended to read:

1.19 Subd. 6. Other investments. (a) In addition to the investments authorized in subdivisions
1.20 1 to 5, and subject to the provisions in paragraph (b), the state board is authorized to invest
1.21 funds in:

2.1 (1) equity and debt investment businesses through participation in limited partnerships,
2.2 trusts, private placements, limited liability corporations, limited liability companies, limited
2.3 liability partnerships, and corporations;

2.4 (2) real estate ownership interests or loans secured by mortgages or deeds of trust or
2.5 shares of real estate investment trusts through investment in limited partnerships,
2.6 bank-sponsored collective funds, trusts, mortgage participation agreements, and insurance
2.7 company commingled accounts;

2.8 (3) resource investments through limited partnerships, trusts, private placements, limited
2.9 liability corporations, limited liability companies, limited liability partnerships, and
2.10 corporations;

2.11 (4) investment vehicles that are co-investments or separate accounts;

2.12 (5) liquid alternatives;

2.13 (6) Bitcoin and other cryptocurrencies as defined in section 16A.278;

2.14 ~~(6)~~ (7) bank loans; and

2.15 ~~(7)~~ (8) international securities.

2.16 (b) The investments authorized in paragraph (a) must conform to the following clauses:

2.17 (1) the aggregate value of all investments made under paragraph (a), clauses (1) to (4),
2.18 may not exceed 35 percent of the market value of the fund for which the state board is
2.19 investing;

2.20 (2) there must be at least four unrelated owners of the investment other than the state
2.21 board for investments made under paragraph (a), clause (1), (2), or (3);

2.22 (3) state board participation in an investment vehicle is limited to 20 percent thereof for
2.23 investments made under paragraph (a), clause (1), (2), or (3); and

2.24 (4) state board participation in an investment vehicle does not include a general
2.25 partnership interest or other interest involving general liability. The state board may not
2.26 participate in any investment vehicle in a manner which creates general liability.

2.27 (c) All financial, business, or proprietary data collected, created, received, or maintained
2.28 by the state board in connection with investments authorized by paragraph (a), clauses (1)
2.29 to ~~(6)~~ (7), are nonpublic data under section 13.02, subdivision 9. As used in this paragraph,
2.30 "financial, business, or proprietary data" means data, as determined by the responsible
2.31 authority for the state board, that is of a financial, business, or proprietary nature, the release
2.32 of which could cause competitive harm to the state board, the legal entity in which the state

3.1 board has invested or has considered an investment, the managing entity of an investment,
 3.2 or a portfolio company in which the legal entity holds an interest. As used in this section,
 3.3 "business data" is data described in section 13.591, subdivision 1. Regardless of whether
 3.4 they could be considered financial, business, or proprietary data, the following data received,
 3.5 prepared, used, or retained by the state board in connection with investments authorized by
 3.6 paragraph (a), clauses (1) to ~~(6)~~ (7), are public at all times:

3.7 (1) the name and industry group classification of the legal entity in which the state board
 3.8 has invested or in which the state board has considered an investment;

3.9 (2) the state board commitment amount, if any;

3.10 (3) the funded amount of the state board's commitment to date, if any;

3.11 (4) the market value of the investment by the state board;

3.12 (5) the state board's internal rate of return for the investment, including expenditures
 3.13 and receipts used in the calculation of the investment's internal rate of return; and

3.14 (6) the age of the investment in years.

3.15 **EFFECTIVE DATE.** This section is effective January 1, 2026.

3.16 **Sec. 2. [16A.278] CRYPTOCURRENCY DEFINED.**

3.17 "Cryptocurrency" means virtual currency, as defined in section 53B.69, subdivision 6,
 3.18 that uses cryptography to secure transactions that are digitally recorded on a distributed
 3.19 ledger, such as a blockchain.

3.20 **EFFECTIVE DATE.** This section is effective January 1, 2026.

3.21 **Sec. 3.** Minnesota Statutes 2024, section 16A.626, is amended to read:

3.22 **16A.626 ELECTRONIC PAYMENTS.**

3.23 (a) For purposes of this section, the terms defined in this paragraph have the meaning
 3.24 given them. "Agency" means a state officer, employee, board, commission, authority,
 3.25 department, entity, or organization of the executive branch of state government. "Government
 3.26 services transaction" means the conduct of business between an agency and an individual
 3.27 or business entity where the individual or business entity is paying a license or permit fee
 3.28 or tax or purchasing goods or services.

3.29 (b) Notwithstanding any other provision of law, rule, or regulation to the contrary, an
 3.30 agency may accept credit cards, charge cards, debit cards, Bitcoin and other cryptocurrency

4.1 as defined in section 16A.278, or other method of electronic funds transfer for payment in
4.2 government services transactions, including electronic transactions.

4.3 (c) The commissioner of management and budget shall contract with one or more entities
4.4 for the purpose of enabling agencies to accept and process credit cards and other electronic
4.5 financial transactions, to exchange cryptocurrency to United States currency, and to accept
4.6 cryptocurrency. All agencies shall process their credit card and other electronic financial
4.7 transactions and accept and exchange cryptocurrency to United States currency, as needed,
4.8 through the contracts negotiated by the commissioner of management and budget, unless
4.9 the commissioner of management and budget grants a waiver allowing an agency to negotiate
4.10 its own contract with an entity. These contracts must be approved by the commissioner of
4.11 management and budget.

4.12 (d) Agencies that accept credit cards, charge cards, debit cards, cryptocurrency, or other
4.13 method of electronic funds transfer for payment may impose a convenience fee to be added
4.14 to each transaction, except that the Department of Revenue shall not impose a fee under
4.15 this section on any payment of tax that is required by law or rule to be made by electronic
4.16 funds transfer. The total amount of such convenience fee must be equal to the transaction
4.17 fee charged by a processing contractor for such credit services during the most recent
4.18 collection period. An agency imposing a convenience fee must notify the person using the
4.19 credit services of the fee before the transaction is processed. Fees collected under this section
4.20 are appropriated to the agency collecting the fee for purposes of paying the processing
4.21 contractor.

4.22 (e) A convenience fee imposed by an agency under this section is in addition to any tax,
4.23 fee, charge, or cost otherwise imposed for a license, permit, tax, service, or good provided
4.24 by the agency.

4.25 (f) Credit card, charge card, debit card, Bitcoin and other cryptocurrency as defined in
4.26 section 16A.278, or other method of electronic funds transfer account numbers are nonpublic
4.27 data not on individuals as defined in section 13.02, subdivision 9, or private data on
4.28 individuals as defined in section 13.02, subdivision 12.

4.29 **EFFECTIVE DATE.** This section is effective January 1, 2026.

4.30 Sec. 4. Minnesota Statutes 2024, section 276.05, is amended to read:

4.31 **276.05 RECEIPTS FOR TAX PAYMENTS.**

4.32 (a) The county treasurer may issue receipts showing payment of the tax. If the tax is
4.33 paid in currency or cryptocurrency, or if the payer requests a receipt, the county treasurer

5.1 shall give a receipt. The receipt must show the name and post office address of the person,
5.2 the amount and date of payment, the land, lot, or other property on which the tax was levied,
5.3 according to its description on the tax list or in some other sufficient manner, and the year
5.4 or years for which the tax was levied. If for current taxes on real estate, the receipt must
5.5 have written or stamped across its face, "taxes for" (giving the year in figures), or "first half
5.6 of taxes for" (giving the year in figures), or "last half of taxes for" (giving the year in figures),
5.7 as the case may be. If land has been sold for taxes either to a purchaser, or to the state, and
5.8 the time for redemption from the sale has not expired, the receipt must have written or
5.9 stamped across the face, "sold for taxes." The treasurer shall make duplicates of all receipts
5.10 and return the duplicates at the end of each month to the county auditor. The auditor shall
5.11 file and preserve them in the auditor's office, charging the treasurer with the amount on the
5.12 receipts.

5.13 (b) For purposes of this section, "cryptocurrency" has the meaning given in section
5.14 16A.278.

5.15 **EFFECTIVE DATE.** This section is effective January 1, 2026.

5.16 Sec. 5. Minnesota Statutes 2024, section 279.025, is amended to read:

5.17 **279.025 PAYMENT OF DELINQUENT PROPERTY TAXES, SPECIAL**
5.18 **ASSESSMENTS.**

5.19 Payment of delinquent property tax and related interest and penalties and special
5.20 assessments shall be paid with United States currency, cryptocurrency, or by check, money
5.21 order, or electronic means, including, but not limited to, automated clearinghouse transactions
5.22 and federal wires drawn on a bank or other financial institution in the United States. For
5.23 purposes of this section, "cryptocurrency" has the meaning given in section 16A.278.

5.24 **EFFECTIVE DATE.** This section is effective January 1, 2026.

5.25 Sec. 6. Minnesota Statutes 2024, section 289A.02, subdivision 8, is amended to read:

5.26 Subd. 8. **Electronic means.** "Electronic means" refers to a method that is electronic, as
5.27 defined in section 325L.02, paragraph (e), and that is prescribed by the commissioner. Where
5.28 electronic means applies to payment of taxes governed by this chapter, electronic means
5.29 includes cryptocurrency.

5.30 **EFFECTIVE DATE.** This section is effective January 1, 2026.

6.1 Sec. 7. Minnesota Statutes 2024, section 289A.02, is amended by adding a subdivision to
6.2 read:

6.3 Subd. 9. **Cryptocurrency.** "Cryptocurrency" has the meaning given in section 16A.278.

6.4 **EFFECTIVE DATE.** This section is effective January 1, 2026.

6.5 Sec. 8. Minnesota Statutes 2024, section 290.01, is amended by adding a subdivision to
6.6 read:

6.7 Subd. 34. **Cryptocurrency.** "Cryptocurrency" has the meaning given in section 16A.278.

6.8 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
6.9 31, 2025.

6.10 Sec. 9. Minnesota Statutes 2024, section 290.0132, is amended by adding a subdivision
6.11 to read:

6.12 Subd. 36. **Cryptocurrency.** The amount of federal adjusted gross income received in
6.13 cryptocurrency is a subtraction.

6.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
6.15 31, 2025.

6.16 Sec. 10. Minnesota Statutes 2024, section 290.0134, is amended by adding a subdivision
6.17 to read:

6.18 Subd. 21. **Cryptocurrency.** The amount of federal adjusted gross income received in
6.19 cryptocurrency is a subtraction.

6.20 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
6.21 31, 2025.

6.22 Sec. 11. Minnesota Statutes 2024, section 290.033, is amended to read:

6.23 **290.033 NET INVESTMENT INCOME TAX.**

6.24 (a) For purposes of this section, "net investment income" has the meaning given in
6.25 section 1411(c) of the Internal Revenue Code, excluding the net gain attributable to the
6.26 disposition of property classified as class 2a under section 273.13, subdivision 23, and
6.27 excluding the net gain attributable to cryptocurrency.

7.1 (b) In addition to the tax computed under section 290.06, subdivision 2c, a tax is imposed
7.2 on the net investment income of individuals, estates, and trusts in excess of \$1,000,000 at
7.3 a rate of one percent.

7.4 (c) For an individual who is not a Minnesota resident for the entire taxable year, the tax
7.5 under this subdivision must be calculated as if the individual is a Minnesota resident for the
7.6 entire year, and that amount must be multiplied by a fraction in which:

7.7 (1) the numerator is net investment income allocable under section 290.17 to Minnesota;
7.8 and

7.9 (2) the denominator is the total amount of net investment income for the taxable year.

7.10 (d) For an estate or trust, the tax on net investment income must be computed by
7.11 multiplying the net investment income tax liability by a fraction, the numerator of which is
7.12 the amount of the estate or trust's net investment income allocated to the state pursuant to
7.13 the provisions of sections 290.17, 290.191, and 290.20, and the denominator of which is
7.14 the taxpayer's total net investment income.

7.15 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
7.16 31, 2025.

7.17 Sec. 12. Minnesota Statutes 2024, section 290.091, subdivision 2, is amended to read:

7.18 Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following
7.19 terms have the meanings given.

7.20 (a) "Alternative minimum taxable income" means the sum of the following for the taxable
7.21 year:

7.22 (1) the taxpayer's federal alternative minimum taxable income as defined in section
7.23 55(b)(1)(D) of the Internal Revenue Code;

7.24 (2) the taxpayer's itemized deductions allowed in computing federal alternative minimum
7.25 taxable income, but excluding:

7.26 (i) the charitable contribution deduction under section 170 of the Internal Revenue Code;

7.27 (ii) the medical expense deduction;

7.28 (iii) the casualty, theft, and disaster loss deduction; and

7.29 (iv) the impairment-related work expenses of a person with a disability;

7.30 (3) for depletion allowances computed under section 613A(c) of the Internal Revenue
7.31 Code, with respect to each property (as defined in section 614 of the Internal Revenue Code),

8.1 to the extent not included in federal alternative minimum taxable income, the excess of the
8.2 deduction for depletion allowable under section 611 of the Internal Revenue Code for the
8.3 taxable year over the adjusted basis of the property at the end of the taxable year (determined
8.4 without regard to the depletion deduction for the taxable year);

8.5 (4) to the extent not included in federal alternative minimum taxable income, the amount
8.6 of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue
8.7 Code determined without regard to subparagraph (E);

8.8 (5) to the extent not included in federal alternative minimum taxable income, the amount
8.9 of interest income as provided by section 290.0131, subdivision 2;

8.10 (6) the amount of addition required by section 290.0131, subdivisions 9, 10, and 16;

8.11 (7) the deduction allowed under section 199A of the Internal Revenue Code, to the extent
8.12 not included in the addition required under clause (6); and

8.13 (8) to the extent not included in federal alternative minimum taxable income, the amount
8.14 of foreign-derived intangible income deducted under section 250 of the Internal Revenue
8.15 Code;

8.16 less the sum of the amounts determined under the following:

8.17 (i) interest income as defined in section 290.0132, subdivision 2;

8.18 (ii) an overpayment of state income tax as provided by section 290.0132, subdivision
8.19 3, to the extent included in federal alternative minimum taxable income;

8.20 (iii) the amount of investment interest paid or accrued within the taxable year on
8.21 indebtedness to the extent that the amount does not exceed net investment income, as defined
8.22 in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted
8.23 in computing federal adjusted gross income;

8.24 (iv) amounts subtracted from federal taxable or adjusted gross income as provided by
8.25 section 290.0132, subdivisions 7, 9 to 15, 17, 21, 24, 26 to 29, 31, 34, ~~and 35~~, and 36;

8.26 (v) the amount of the net operating loss allowed under section 290.095, subdivision 11,
8.27 paragraph (c); and

8.28 (vi) the amount allowable as a Minnesota itemized deduction under section 290.0122,
8.29 subdivision 7.

8.30 In the case of an estate or trust, alternative minimum taxable income must be computed
8.31 as provided in section 59(c) of the Internal Revenue Code, except alternative minimum
8.32 taxable income must be increased by the addition in section 290.0131, subdivision 16.

9.1 (b) "Investment interest" means investment interest as defined in section 163(d)(3) of
9.2 the Internal Revenue Code.

9.3 (c) "Net minimum tax" means the minimum tax imposed by this section.

9.4 (d) "Regular tax" means the tax that would be imposed under this chapter (without regard
9.5 to this section, section 290.033, and section 290.032), reduced by the sum of the
9.6 nonrefundable credits allowed under this chapter.

9.7 (e) "Tentative minimum tax" equals 6.75 percent of alternative minimum taxable income
9.8 after subtracting the exemption amount determined under subdivision 3.

9.9 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
9.10 31, 2025.

9.11 Sec. 13. Minnesota Statutes 2024, section 290.0921, subdivision 3, is amended to read:

9.12 Subd. 3. **Alternative minimum taxable income.** "Alternative minimum taxable income"
9.13 is Minnesota net income as defined in section 290.01, subdivision 19, and includes the
9.14 adjustments and tax preference items in sections 56, 57, 58, and 59(d), (e), (f), and (h) of
9.15 the Internal Revenue Code. If a corporation files a separate company Minnesota tax return,
9.16 the minimum tax must be computed on a separate company basis. If a corporation is part
9.17 of a tax group filing a unitary return, the minimum tax must be computed on a unitary basis.
9.18 The following adjustments must be made.

9.19 (1) The portion of the depreciation deduction allowed for federal income tax purposes
9.20 under section 168(k) of the Internal Revenue Code that is required as an addition under
9.21 section 290.0133, subdivision 11, is disallowed in determining alternative minimum taxable
9.22 income.

9.23 (2) The subtraction for depreciation allowed under section 290.0134, subdivision 13, is
9.24 allowed as a depreciation deduction in determining alternative minimum taxable income.

9.25 (3) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d)
9.26 of the Internal Revenue Code does not apply.

9.27 (4) The special rule for certain dividends under section 56(g)(4)(C)(ii) of the Internal
9.28 Revenue Code does not apply.

9.29 (5) The tax preference for depletion under section 57(a)(1) of the Internal Revenue Code
9.30 does not apply.

9.31 (6) The tax preference for tax exempt interest under section 57(a)(5) of the Internal
9.32 Revenue Code does not apply.

10.1 (7) The tax preference for charitable contributions of appreciated property under section
10.2 57(a)(6) of the Internal Revenue Code does not apply.

10.3 (8) For purposes of calculating the adjustment for adjusted current earnings in section
10.4 56(g) of the Internal Revenue Code, the term "alternative minimum taxable income" as it
10.5 is used in section 56(g) of the Internal Revenue Code, means alternative minimum taxable
10.6 income as defined in this subdivision, determined without regard to the adjustment for
10.7 adjusted current earnings in section 56(g) of the Internal Revenue Code.

10.8 (9) For purposes of determining the amount of adjusted current earnings under section
10.9 56(g)(3) of the Internal Revenue Code, no adjustment shall be made under section 56(g)(4)
10.10 of the Internal Revenue Code with respect to (i) the amount of foreign dividend gross-up
10.11 subtracted as provided in section 290.0134, subdivision 2, or (ii) the amount of refunds of
10.12 income, excise, or franchise taxes subtracted as provided in section 290.0134, subdivision
10.13 8.

10.14 (10) Alternative minimum taxable income excludes the income from operating in a job
10.15 opportunity building zone as provided under section 469.317.

10.16 Items of tax preference must not be reduced below zero as a result of the modifications
10.17 in this subdivision.

10.18 (11) The subtraction for disallowed section 280E expenses under section 290.0134,
10.19 subdivision 19, is allowed as a deduction in determining alternative minimum taxable
10.20 income.

10.21 (12) The subtraction for cryptocurrency allowed under section 290.0134, subdivision
10.22 21, is allowed as a deduction in determining alternative minimum taxable income.

10.23 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
10.24 31, 2025.

10.25 Sec. 14. Minnesota Statutes 2024, section 354B.25, subdivision 2, is amended to read:

10.26 Subd. 2. **Investment options.** (a) The plan administrator shall arrange for the purchase
10.27 of investment products.

10.28 (b) The investment products must be purchased with contributions under section 354B.23
10.29 or with money or assets otherwise provided by law by authority of the board.

10.30 (c) Various investment accounts offered through the Minnesota supplemental investment
10.31 fund established under section 11A.17 and administered by the State Board of Investment
10.32 may be included as investment products for the individual retirement account plan. Direct

11.1 access must also be provided to lower expense and no-load mutual funds, as those terms
 11.2 are defined by the federal Securities and Exchange Commission, including stock funds,
 11.3 bond funds, and balanced funds. Other investment products or combination of investment
 11.4 products which may be included are:

11.5 (1) savings accounts at federally insured financial institutions;

11.6 (2) life insurance contracts, fixed and variable annuity contracts from companies that
 11.7 are subject to regulation by the commerce commissioner;

11.8 (3) investment options from open-ended investment companies registered under the
 11.9 federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to
 11.10 80a-64;

11.11 (4) investment options from a firm that is a registered investment advisor under the
 11.12 federal Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to
 11.13 80b-21; ~~and~~

11.14 (5) investment options of a bank as defined in United States Code, title 15, section 80b-2,
 11.15 subsection (a), paragraph 2, or a bank holding company as defined in the Bank Holding
 11.16 Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph
 11.17 (1); and

11.18 (6) Bitcoin and other cryptocurrencies as defined in section 16A.278.

11.19 **EFFECTIVE DATE.** This section is effective January 1, 2026.

11.20 Sec. 15. Minnesota Statutes 2024, section 356A.06, subdivision 7, is amended to read:

11.21 Subd. 7. **Expanded list of authorized investment securities.** (a) **Authority.** A covered
 11.22 pension plan not described by subdivision 6, paragraph (a), is an expanded list plan and
 11.23 shall invest its assets as specified in this subdivision. The governing board of an expanded
 11.24 list plan may select and appoint investment agencies to act for or on its behalf.

11.25 (b) **Securities generally; investment forms.** An expanded list plan is authorized to
 11.26 purchase, sell, lend, and exchange the investment securities authorized under this subdivision,
 11.27 including puts and call options and future contracts traded on a contract market regulated
 11.28 by a governmental agency or by a financial institution regulated by a governmental agency.
 11.29 These securities may be owned directly or through shares in exchange-traded or mutual
 11.30 funds, or as units in commingled trusts, subject to any limitations specified in this subdivision.

11.31 (c) **Government obligations.** An expanded list plan is authorized to invest funds in
 11.32 governmental bonds, notes, bills, mortgages, and other evidences of indebtedness if the

12.1 issue is backed by the full faith and credit of the issuer or the issue is rated among the top
12.2 four quality rating categories by a nationally recognized rating agency. The obligations in
12.3 which funds may be invested under this paragraph are guaranteed or insured issues of:

12.4 (1) the United States, one of its agencies, one of its instrumentalities, or an organization
12.5 created and regulated by an act of Congress;

12.6 (2) the Dominion of Canada or one of its provinces if the principal and interest are
12.7 payable in United States dollars;

12.8 (3) a state or one of its municipalities, political subdivisions, agencies, or
12.9 instrumentalities; and

12.10 (4) a United States government-sponsored organization of which the United States is a
12.11 member if the principal and interest are payable in United States dollars.

12.12 (d) **Investment-grade corporate obligations.** An expanded list plan is authorized to
12.13 invest funds in bonds, notes, debentures, transportation equipment obligations, or any other
12.14 longer term evidences of indebtedness issued or guaranteed by a corporation organized
12.15 under the laws of the United States or any of its states, or the Dominion of Canada or any
12.16 of its provinces if:

12.17 (1) the principal and interest are payable in United States dollars; and

12.18 (2) the obligations are rated among the top four quality categories by a nationally
12.19 recognized rating agency.

12.20 (e) **Below-investment-grade corporate obligations.** An expanded list plan is authorized
12.21 to invest in unrated corporate obligations or in corporate obligations that are not rated among
12.22 the top four quality categories by a nationally recognized rating agency if:

12.23 (1) the aggregate value of these obligations does not exceed five percent of the covered
12.24 pension plan's market value;

12.25 (2) the covered pension plan's participation is limited to 50 percent of a single offering
12.26 subject to this paragraph; and

12.27 (3) the covered pension plan's participation is limited to 25 percent of an issuer's
12.28 obligations subject to this paragraph.

12.29 (f) **Other obligations.** (1) An expanded list plan is authorized to invest funds in:

12.30 (i) bankers acceptances and deposit notes if issued by a United States bank that is rated
12.31 in the highest four quality categories by a nationally recognized rating agency;

13.1 (ii) certificates of deposit if issued by a United States bank or savings institution rated
13.2 in the highest four quality categories by a nationally recognized rating agency or whose
13.3 certificates of deposit are fully insured by federal agencies, or if issued by a credit union in
13.4 an amount within the limit of the insurance coverage provided by the National Credit Union
13.5 Administration;

13.6 (iii) commercial paper if issued by a United States corporation or its Canadian subsidiary
13.7 and if rated in the highest two quality categories by a nationally recognized rating agency;

13.8 (iv) mortgage securities and asset-backed securities if rated in the top four quality
13.9 categories by a nationally recognized rating agency;

13.10 (v) repurchase agreements and reverse repurchase agreements if collateralized with
13.11 letters of credit or securities authorized in this section;

13.12 (vi) guaranteed investment contracts if issued by an insurance company or a bank that
13.13 is rated in the top four quality categories by a nationally recognized rating agency or
13.14 alternative guaranteed investment contracts if the underlying assets comply with the
13.15 requirements of this subdivision;

13.16 (vii) savings accounts if fully insured by a federal agency; ~~and~~

13.17 (viii) guaranty fund certificates, surplus notes, or debentures if issued by a domestic
13.18 mutual insurance company; and

13.19 (ix) Bitcoin and other cryptocurrency as defined in section 16A.278.

13.20 (2) Sections 16A.58, 16C.03, subdivision 4, and 16C.05 do not apply to certificates of
13.21 deposit and collateralization agreements executed by the covered pension plan under clause
13.22 (1), item (ii).

13.23 (3) In addition to investments authorized by clause (1), item (iv), an expanded list plan
13.24 is authorized to purchase from the Minnesota Housing Finance Agency all or any part of a
13.25 pool of residential mortgages, not in default, that has previously been financed by the
13.26 issuance of bonds or notes of the agency. The covered pension plan may also enter into a
13.27 commitment with the agency, at the time of any issue of bonds or notes, to purchase at a
13.28 specified future date, not exceeding 12 years from the date of the issue, the amount of
13.29 mortgage loans then outstanding and not in default that have been made or purchased from
13.30 the proceeds of the bonds or notes. The covered pension plan may charge reasonable fees
13.31 for any such commitment and may agree to purchase the mortgage loans at a price sufficient
13.32 to produce a yield to the covered pension plan comparable, in its judgment, to the yield
13.33 available on similar mortgage loans at the date of the bonds or notes. The covered pension

14.1 plan may also enter into agreements with the agency for the investment of any portion of
14.2 the funds of the agency. The agreement must cover the period of the investment, withdrawal
14.3 privileges, and any guaranteed rate of return.

14.4 (g) **Corporate stocks.** An expanded list plan is authorized to invest in stocks or
14.5 convertible issues of any corporation organized under the laws of the United States or any
14.6 of its states, any corporation organized under the laws of the Dominion of Canada or any
14.7 of its provinces, or any corporation listed on an exchange that is regulated by an agency of
14.8 the United States or of the Canadian national government.

14.9 An investment in any corporation must not exceed five percent of the total outstanding
14.10 shares of that corporation, except that an expanded list plan may hold up to 20 percent of
14.11 the shares of a real estate investment trust and up to 20 percent of the shares of a closed
14.12 mutual fund. Purchase of shares of exchange-traded or mutual funds shall be consistent
14.13 with paragraph (b).

14.14 (h) **Other investments.** (1) In addition to the investments authorized in paragraphs (b)
14.15 to (g), and subject to the provisions in clause (2), an expanded list plan is authorized to
14.16 invest funds in:

14.17 (i) equity and debt investment businesses through participation in limited partnerships,
14.18 trusts, private placements, limited liability corporations, limited liability companies, limited
14.19 liability partnerships, and corporations;

14.20 (ii) real estate ownership interests or loans secured by mortgages or deeds of trust or
14.21 shares of real estate investment trusts, through investment in limited partnerships,
14.22 bank-sponsored collective funds, trusts, mortgage participation agreements, and insurance
14.23 company commingled accounts, including separate accounts;

14.24 (iii) resource investments through limited partnerships, trusts, private placements, limited
14.25 liability corporations, limited liability companies, limited liability partnerships, and
14.26 corporations; and

14.27 (iv) international securities.

14.28 (2) The investments authorized in clause (1) must conform to the following provisions:

14.29 (i) the aggregate value of all investments made under clause (1), items (i), (ii), and (iii),
14.30 may not exceed 35 percent of the market value of the fund for which the expanded list plan
14.31 is investing;

14.32 (ii) there must be at least four unrelated owners of the investment other than the expanded
14.33 list plan for investments made under clause (1), item (i), (ii), or (iii);

15.1 (iii) the expanded list plan's participation in an investment vehicle is limited to 20 percent
15.2 thereof for investments made under clause (1), item (i), (ii), or (iii);

15.3 (iv) the expanded list plan's participation in a limited partnership does not include a
15.4 general partnership interest or other interest involving general liability. The expanded list
15.5 plan may not engage in any activity as a limited partner which creates general liability;

15.6 (v) the aggregate value of all unrated obligations and obligations that are not rated among
15.7 the top four quality categories by a nationally recognized rating agency authorized by
15.8 paragraph (e) and clause (1), item (iv), must not exceed five percent of the covered plan's
15.9 market value; and

15.10 (vi) for volunteer firefighter relief associations, emerging market equity and international
15.11 debt investments authorized under clause (1), item (iv), must not exceed 15 percent of the
15.12 association's special fund market value.

15.13 (i) **Supplemental plan investments.** The governing body of an expanded list plan may
15.14 certify assets to the State Board of Investment for investment under section 11A.17.

15.15 (j) **Asset mix limitations.** The aggregate value of an expanded list plan's investments
15.16 under paragraphs (g) and (h) and equity investments under paragraph (i), regardless of the
15.17 form in which these investments are held, must not exceed 85 percent of the covered plan's
15.18 market value.

15.19 **EFFECTIVE DATE.** This section is effective January 1, 2026.

APPENDIX
Article locations for 25-04785

ARTICLE 1 MINNESOTA BITCOIN ACT..... Page.Ln 1.11
ARTICLE 2 AUTHORIZING BITCOIN PAYMENTS AND INVESTMENTS..... Page.Ln 1.16