

Sec. 7. **PIERZ CONSTRUCTION CONTRACT DEADLINES.**

Construction contracts entered into by independent school district No. 484, Pierz, to carry out the project for which a capital loan is made under Minnesota Statutes, section 124.431, are valid even though they were entered into before the loan was granted, notwithstanding the requirements of the capital loan contract and Minnesota Statutes, section 124.431, subdivision 1, that they be entered into within 18 months after the loan was granted.

Sec. 8. **EFFECTIVE DATE.**

This act is effective the day following final enactment.

Presented to the governor April 29, 1991

Signed by the governor May 2, 1991, 4:31 p.m.

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**CHAPTER 46—S.F.No. 539**

**VETOED**

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**CHAPTER 47—H.F.No. 614**

*An act relating to state finance; permitting investments in all federally insured savings accounts; amending Minnesota Statutes 1990, section 11A.24, subdivision 4.*

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

Section 1. Minnesota Statutes 1990, section 11A.24, subdivision 4, is amended to read:

Subd. 4. **OTHER OBLIGATIONS.** (a) The state board may invest funds in bankers acceptances, certificates of deposit, commercial paper, mortgage participation certificates and pools, repurchase agreements and reverse repurchase agreements, guaranteed investment contracts, savings accounts, and guaranty fund certificates, surplus notes, or debentures of domestic mutual insurance companies if they conform to the following provisions:

(1) bankers acceptances of United States banks are limited to those issued by banks rated in the highest four quality categories by a nationally recognized rating agency;

(2) certificates of deposit are limited to those issued by United States banks and savings institutions that are rated in the highest four quality categories by a

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nationally recognized rating agency or whose certificates of deposit are fully insured by ~~the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation~~ federal agencies;

(3) commercial paper is limited to those issued by United States corporations or their Canadian subsidiaries and rated in the highest two quality categories by a nationally recognized rating agency;

(4) mortgage participation or pass through certificates evidencing interests in pools of first mortgages or trust deeds on improved real estate located in the United States where the loan to value ratio for each loan as calculated in accordance with section 61A.28, subdivision 3, does not exceed 80 percent for fully amortizable residential properties and in all other respects meets the requirements of section 61A.28, subdivision 3;

(5) collateral for repurchase agreements and reverse repurchase agreements is limited to letters of credit and securities authorized in this section;

(6) guaranteed investment contracts are limited to those issued by insurance companies or banks rated in the top four quality categories by a nationally recognized rating agency;

(7) savings accounts are limited to those fully insured by ~~the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation~~ federal agencies.

(b) Sections 16A.58 and 16B.06 do not apply to certifications of deposit and collateralization agreements executed by the state board under paragraph (a), clause (2).

(c) In addition to investments authorized by paragraph (a), clause (4), the state board may purchase from the Minnesota housing finance agency all or any part of a pool of residential mortgages, not in default, that has previously been financed by the issuance of bonds or notes of the agency. The state board may also enter into a commitment with the agency, at the time of any issue of bonds or notes, to purchase at a specified future date, not exceeding 12 years from the date of the issue, the amount of mortgage loans then outstanding and not in default that have been made or purchased from the proceeds of the bonds or notes. The state board may charge reasonable fees for any such commitment and may agree to purchase the mortgage loans at a price sufficient to produce a yield to the state board comparable, in its judgment, to the yield available on similar mortgage loans at the date of the bonds or notes. The state board may also enter into agreements with the agency for the investment of any portion of the funds of the agency. The agreement must cover the period of the investment, withdrawal privileges, and any guaranteed rate of return.

Presented to the governor May 2, 1991

Signed by the governor May 6, 1991, 11:08 a.m.

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