

**CHAPTER 307--S.F.No. 2343**

*An act relating to state government; modifying investment reporting; amending Minnesota Statutes 2012, section 471.6175, subdivision 4.*

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

Section 1. Minnesota Statutes 2012, section 471.6175, subdivision 4, is amended to read:

Subd. 4. **Account maintenance.** (a) A political subdivision or other public entity may establish a trust account to be held under the supervision of the trust administrator for the purposes of this section. A trust administrator shall establish a separate account for each participating political subdivision or public entity. The trust administrator may charge participating political subdivisions and public entities fees for reasonable administrative costs. The amount of any fees charged by the Public Employees Retirement Association is appropriated to the association from the account. A trust administrator may establish other reasonable terms and conditions for creation and maintenance of these accounts.

(b) The trust administrator must report to the political subdivision or other public entity on the investment returns of invested trust assets and on all investment fees or costs incurred by the trust. ~~The annual rates of return, along with investment and administrative fees and costs for the trust, must be disclosed in the political subdivision's or public entity's annual financial audit in a manner prescribed by the state auditor.~~

(c) ~~Effective for fiscal years beginning after December 31, 2013, the~~ Annually, no later than October 25, each trust administrator must shall report electronically to the state auditor the portfolio and performance information specified in section 356.219, subdivision 3, based upon a fiscal year end of June 30. The report must contain, in the manner prescribed by the state auditor, the:

- (1) market value;
- (2) contributions and withdrawals made by the public entity;
- (3) time-weighted annual rates of return net of all costs and fees; and
- (4) all investment management and plan administrative fees and costs for the trust for the year.

The trust administrator shall certify that the information provided in the report is true and correct, and shall certify that the procedures used to compute rates of return are consistent with the measurement and presentation standards set by the CFA Institute.

**EFFECTIVE DATE.** This section is effective August 1, 2014, with the initial report due under Minnesota Statutes, section 471.6175, subdivision 4, paragraph (c), made no later than October 25, 2015.

Presented to the governor May 17, 2014

Signed by the governor May 21, 2014, 10:18 a.m.