

This Document can be made available in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 3040

03/13/2014 Authored by Nelson
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to investment of public funds; authorizing investment in certain
1.3 negotiated certificates of deposit; amending Minnesota Statutes 2012, section
1.4 118A.04, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2012, section 118A.04, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 5a. **Negotiable certificates of deposit.** Funds may be invested in negotiable
1.9 certificates of deposit or other evidences of deposit, with a remaining maturity of three
1.10 years or less, issued by a nationally chartered or state-chartered bank, a federal or state
1.11 savings and loan association, or a state-licensed branch of a foreign bank, except that
1.12 for obligations with a maturity of one year or less, the debt obligations of the issuing
1.13 institution or its parent must be rated in the top short-term rating category by at least
1.14 two nationally recognized statistical ratings organizations and for obligations with a
1.15 maturity in excess of one year, the senior debt obligations of the issuing institution or its
1.16 parent must be rated at least "A" or its equivalent by at least two nationally recognized
1.17 statistical ratings organizations. Investments in these instruments are not subject to the
1.18 collateralization requirements of section 118A.03.

1.19 Sec. 2. **EFFECTIVE DATE.**

1.20 Section 1 is effective the day following final enactment.