

CHAPTER 11

STATE BOARD OF INVESTMENT

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Am 1943-152-1

11.01 INVESTMENT OF PERMANENT TRUST FUNDS. The permanent school fund, permanent university fund, swamp land fund, internal improvement land fund, and all other permanent trust funds of the state of Minnesota, may be invested in the bonds of the United States or the state of Minnesota, and each of these funds, except the internal improvement land fund, may be invested in the bonds of any other state of the Union, yielding not less than one per cent interest, or in the bonds of any school district, county, city, town, or village of this state, yielding not less than three per cent interest. These funds shall be invested by a board of commissioners consisting of the governor, treasurer, auditor, attorney general, and one commissioner to be appointed by the regents of the University of Minnesota from their members, which shall be known as the state board of investment, and which shall hold regular meetings on the first and third Wednesdays of each month. The governor shall be ex officio president of the board, which shall have a permanent secretary, who shall keep a record of its proceedings. Both the secretary of the board and the auditor shall keep a record showing the trust fund to which each bond belongs, the number and amount of each bond, when issued, the rate of interest, when and where payable, by whom executed, when purchased, when withdrawn, and for what purpose. No loans shall be made and no bonds shall be purchased, sold, exchanged, or transferred from one trust fund to another except upon a majority vote of all members of the board of investment. In investing the permanent school fund, preference shall be given to applications for loans from school districts and priority shall be accorded such loans of \$25,000 and less. The board of investment shall have the power to fix and change the rate of interest on loans to municipalities within the state; provided, such rate is never less than three per cent, and when such rate is changed after any municipality has voted its bonds to the state such municipality is hereby authorized to pay the new rate so fixed and to issue its bonds bearing such rate upon approval and acceptance thereof by resolution of its governing body.

[1921 c. 516 s. 1; 1925 c. 131 s. 1; 1929 c. 254 s. 1; 1931 c. 346 s. 1; 1935 c. 337; 1939 c. 387; 1941 c. 172] (6303)

11.02 SECRETARY. The executive secretary of the executive council shall perform the duties of secretary of the state board of investment under its direction. The responsibility for the safe investment of all state trust funds, under its jurisdiction, shall remain with the board.

[1917 c. 271 s. 1; 1925 c. 426 art. 2 s. 1; 1925 c. 426 art. 18 s. 2] (53-2) (53-45) (6304)

11.03 DUTIES OF SECRETARY. The secretary shall, under the direction of the state board of investment, have general supervision of the investigation of applications for loans, the negotiation of new investments, examination of securities, and the records of municipalities applying for loans, and such other work relative to the trust funds of the state as shall be required by the board of investment. He shall report to the board of investment all relevant facts in connection therewith.

[1917 c. 271 s. 3] (6306)

11.04 SECRETARY TO HAVE ACCESS TO BONDS AND SECURITIES BEING PART OF TRUST FUNDS. The state treasurer, shall continue to have the custody of the bonds and securities belonging to the trust funds of the state, but

the secretary shall have access thereto, in the presence of a representative of the state treasurer, during the usual office hours of the treasury department.

[1917 c. 271 s. 7] (6310)

11.05 STANDING APPROPRIATION FOR INVESTMENT. There are hereby annually appropriated for the purposes of investment all moneys received into the state treasury to the credit of the permanent school fund, permanent university fund, internal improvement land fund, and all other funds required to be invested in securities or which may be loaned as provided by law.

[R. L. s. 2436] (6313)

11.06 STANDING APPROPRIATION FOR EXPENSE OF INVESTMENT. There are hereby annually appropriated such sums as shall be found necessary for the incidental expenses of purchase, including the payment of interest accrued at the time of purchase, of bonds for the permanent school and university funds, payable from the current or general school or university funds, respectively, and for like expenses of the purchase of bonds for the other permanent funds referred to in section 11.05, payable from the respective current or general funds.

[R. L. s. 2437] (6314)

11.07 TAX LEVY CERTIFICATES FOR FOURTH STATE HOSPITAL FOR THE INSANE. The state board of investment is hereby authorized to invest the state trust funds in Minnesota fourth hospital for the insane building fund certificates, and the state board of investment is hereby authorized to purchase these certificates, at the rate of not less than three per cent interest, in such sums and amounts as the board may, from time to time, have available funds for that purpose, and the board, for this purpose, is authorized to purchase these certificates at a rate of interest not less than three per cent, any law to the contrary notwithstanding, but this rate of interest shall not apply to the state board of investment for other loans.

[Ex. 1936 c. 5 s. 9] (6314-1)

11.08 ESCHEATED PROPERTY, REPORT OF AND SALE. The state auditor shall report immediately to the state board of investment all property other than money received by the state of Minnesota as escheated property. When the state board of investment shall determine that it is for the best interest of the state to sell such property it shall direct the state treasurer to sell the same to the highest bidder in such manner and upon such terms and conditions as it may prescribe.

[1941 c. 198]