

This Document can be made available  
in alternative formats upon request

State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE No. **2187**

March 19, 2007

Authored by Erickson and Shimanski

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections

A bill for an act

relating to volunteer firefighter relief associations; requiring establishment of investment policies and reporting on results; repealing certain reporting requirements; amending Minnesota Statutes 2006, section 356A.06, subdivisions 4, 5; proposing coding for new law in Minnesota Statutes, chapter 424A.

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

Section 1. Minnesota Statutes 2006, section 356A.06, subdivision 4, is amended to read:

Subd. 4. **Economic interest statement.** (a) Each member of the governing board of a covered pension plan and the chief administrative officer of the plan shall file with the plan a statement of economic interest.

(b) For a covered pension plan other than a plan specified in paragraph (c), the statement must contain the information required by section 10A.09, subdivision 5, and any other information that the fiduciary or the governing board of the plan determines is necessary to disclose a reasonably foreseeable potential or actual conflict of interest.

(c) For a covered pension plan governed by sections 69.771 to 69.776 or a covered pension plan governed by section 69.77 with assets under \$8,000,000, the statement must contain the following:

(1) the person's principal occupation and principal place of business;

(2) whether or not the person has an ownership of or interest of ten percent or greater in an investment security brokerage business, a real estate sales business, an insurance agency, a bank, a savings and loan, or another financial institution; and

(3) any relationship or financial arrangement that can reasonably be expected to give rise to a conflict of interest.

2.1 (d) The statement must be filed annually with the chief administrative officer of  
 2.2 the plan and be available for public inspection during regular office hours at the office  
 2.3 of the pension plan.

2.4 (e) A disclosure form meeting the requirements of the federal Investment Advisers  
 2.5 Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21 as amended, and  
 2.6 filed with the State Board of Investment or the pension plan meets the requirements of  
 2.7 this subdivision.

2.8 (f) The chief administrative officer of each covered pension plan other than a  
 2.9 volunteer firefighter relief association, by January 15, annually, shall transmit a certified  
 2.10 listing of all individuals who have filed statements of economic interest with the plan  
 2.11 under this subdivision during the preceding 12 months and the address of the office  
 2.12 referenced in paragraph (d) to the Campaign Finance and Public Disclosure Board.

2.13 Sec. 2. Minnesota Statutes 2006, section 356A.06, subdivision 5, is amended to read:

2.14 Subd. 5. **Investment business recipient disclosure.** The chief administrative officer  
 2.15 of a covered pension plan, with respect to investments made by the plan, and the executive  
 2.16 director of the State Board of Investment, with respect to investments of plan assets made  
 2.17 by the board, shall annually disclose in writing the recipients of investment business placed  
 2.18 with or investment commissions allocated among commercial banks, investment bankers,  
 2.19 brokerage organizations, or other investment managers. The disclosure document must be  
 2.20 prepared within 60 days after the close of the fiscal year of the plan and must be available  
 2.21 for public inspection during regular office hours at the office of the plan. Except for a  
 2.22 volunteer firefighter relief association, the disclosure document must also be filed with  
 2.23 the executive director of the Legislative Commission on Pensions and Retirement within  
 2.24 90 days after the close of the fiscal year of the plan. For the State Board of Investment  
 2.25 and a first class city teacher retirement fund association, a disclosure document included  
 2.26 as part of a regular annual report of the board or of the first class city teacher retirement  
 2.27 fund association when filed with the executive director of the Legislative Commission on  
 2.28 Pensions and Retirement is considered to have been filed on a timely basis.

2.29 Sec. 3. **[424A.055] INVESTMENT POLICIES AND RESULTS.**

2.30 Subdivision 1. **Investment policies.** The board of trustees of a volunteer firefighter  
 2.31 relief association must develop and maintain investment policies for assets of the special  
 2.32 fund of the relief association. The investment policies must:

2.33 (1) contain enough detail to implement a specific investment strategy;

2.34 (2) outline the duties and responsibilities of all parties involved;

3.1 (3) set forth diversification, rebalancing, and risk guidelines; and

3.2 (4) incorporate specific, measurable investment objectives and benchmarks.

3.3 Subd. 2. **Annual report to members.** The board of trustees of a volunteer  
3.4 firefighter relief association must annually report to the membership of the association,  
3.5 summarizing how the association's special fund investments have performed relative to  
3.6 the investment objectives and benchmarks established by the board. If the benchmarks  
3.7 used by the board are different from benchmarks established by the state auditor, the report  
3.8 must also compare investment performance to the state auditor's benchmarks.