

1.1 moves to amend S.F. No. 1803; H.F. No. 1951, as follows:

1.2 Page 8, after line 13, insert:

1.3 "Sec. 6. **[354A.022] AUTHORIZATION TO CERTIFY FUNDS TO STATE**
1.4 **BOARD OF INVESTMENT.**

1.5 Subdivision 1. **Certification of funds to State Board of Investment.** The chief
1.6 administrative officer of the Duluth Teachers Retirement Fund Association, from time
1.7 to time, may certify to the State Board of Investment those portions of the assets of the
1.8 retirement plan that are not needed for administrative expenses or benefit payments.
1.9 Assets certified to the State Board of Investment must be invested under sections 11A.14
1.10 and 11A.23. The chief administrative officer of the Duluth Teachers Retirement Fund
1.11 Association may certify assets for withdrawal from the State Board of Investment only
1.12 to make benefit payments or to pay administrative expenses or investment expenses of
1.13 existing direct real estate holdings or assets that are noncompliant with State Board of
1.14 Investment objectives or limitations.

1.15 Subd. 2. **Investment of certified funds.** Assets certified to the State Board of
1.16 Investment are deemed to be from a covered retirement fund required to be invested by
1.17 the State Board of Investment under section 11A.23."

1.18 Page 39, delete lines 31 to 35

1.19 Page 40, delete lines 1 to 22 and insert:

1.20 "Subd. 5. **Transfer of assets.** (a) On or before December 31, 2014, the chief
1.21 administrative officer of the Duluth Teachers Retirement Fund Association shall transfer
1.22 to the State Board of Investment for investment under section 11A.14, the entire assets of
1.23 the special retirement fund, except for direct real estate holdings, of the Duluth Teachers
1.24 Retirement Fund Association.

1.25 (b) By August 1, 2014, the chief administrative officer of the Duluth Teachers
1.26 Retirement Fund Association must provide to the State Board of Investment a list of
1.27 assets that are intended to be transferred.

1.28 (c) The executive director of the State Board of Investment shall review the assets
1.29 and determine which assets are not in compliance with the requirements and limitations
1.30 set forth in 11A.09, 11A.14, 11A.23 and 11A.24 or are not appropriate for retention
1.31 under the established investment objectives of the State Board of Investment. Within 30
1.32 days of the date on which the asset transfer occurred, the executive director of the State
1.33 Board of Investment shall provide the chief administrative officer of the Duluth Teachers
1.34 Retirement Fund Association with a list of assets that are acceptable for transfer and a list
1.35 of assets that are noncompliant or inappropriate. Acceptable assets, including cash, must
1.36 be transferred at market value, and transfers may begin upon the transfer of legal title and

2.1 notification by the chief administrative officer of the Duluth Teachers Retirement Fund
2.2 Association to the State Board of Investment.

2.3 (d) Assets deemed to be noncompliant or inappropriate must be retained by the
2.4 Duluth Teachers Retirement Fund Association. Within 30 days of receipt of the list of
2.5 noncompliant or inappropriate assets, the chief administrative officer of the Duluth
2.6 Teachers Retirement Fund Association must provide the executive director of the State
2.7 Board of Investment with evidence that the chief administrative officer of the Duluth
2.8 Teachers Retirement Fund Association is taking action to convert noncompliant or
2.9 inappropriate assets to acceptable assets.

2.10 (e) Beginning January 1, 2015, the executive director of the State Board of
2.11 Investment is authorized to direct the process of transferring legal title of assets for which
2.12 such change is deemed necessary.

2.13 (f) On June 30, 2015, the remaining assets of the special retirement fund of the Duluth
2.14 Teachers Retirement Fund Association are transferred to the State Board of Investment
2.15 at market values determined by the executive director of the State Board of Investment.
2.16 Legal title to transferred assets vests with the State Board of Investment on behalf of
2.17 the Teachers Retirement Association. The transfer of the assets of the Duluth Teachers
2.18 Retirement Fund Association special retirement fund must include any investment related
2.19 accounts receivable that are determined by the executive director of the State Board of
2.20 Investment as reasonably capable of being collected and any non-investment related
2.21 accounts receivable that are determined by the executive director of Teachers Retirement
2.22 Association as reasonably capable of being collected. Legal title to accounts receivable
2.23 that are determined as not reasonably capable of being collected transfers to Independent
2.24 School District No. 709, Duluth, as of the date of the determination of the executive
2.25 director of the State Board of Investment and the executive director of Teachers Retirement
2.26 Association. If the accounts receivable transferred to Independent School District No.
2.27 709, Duluth, are subsequently recovered by the school district, the superintendent of
2.28 Independent School District No. 709, Duluth, shall transfer the recovered amount to the
2.29 executive director of Teachers Retirement Association, in cash, for deposit in the teachers
2.30 retirement fund, less the reasonable expenses of the school district related to the recovery.
2.31 If the board of trustees of the Duluth Teachers Retirement Fund Association establishes a
2.32 liquidating trust and deposits any of the retirement fund association assets in that trust
2.33 or if the legislative auditor determines that the transferred assets were in an amount less
2.34 than the full assets of the retirement fund association other than assets in the tax sheltered
2.35 annuity program on the date of transfer as specified in paragraph (g), the amount of any
2.36 untransferred assets are a claim against the state aid otherwise payable to Independent

3.1 School District No. 709, Duluth, payable by the commissioner of management and budget
3.2 upon request by the executive director of the Teachers Retirement Association.

3.3 (g) As of June 30, 2015, assets of the special retirement fund, except for direct real
3.4 estate holdings, of the Duluth Teachers Retirement Fund Association are assets of the
3.5 Teachers Retirement Association to be invested by the State Board of Investment under
3.6 Minnesota Statutes, section 354.07, subdivision 4."

3.7 Page 42, line 13, after "(a)" insert "Section 45, subdivision 5, is effective October 1,
3.8 2014." and after "to" insert "44, 45, subdivisions 1 to 4 and 6, 46, and "

3.9 Page 42, line 14, delete "January 1, 2015:" and insert "October 1, 2014."

3.10 Renumber the sections in sequence

3.11 Amend the title accordingly