

HOUSE RESEARCH

Bill Summary

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Authors: Simon and others

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Analyst: Deborah A. Dyson

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Section

- 1** **Securities lending agreements.** Provides that a financial institution with which a local government may enter into a securities lending agreement must have *an office* located in the state, striking the requirement that the institution's *principal executive office* be located in the state.

- 2** **Safekeeping; acknowledgements.** Strikes requirement that a securities broker-dealer have its principal executive office in Minnesota. Adds requirements for a securities broker-dealer or an affiliate of it to hold in safekeeping investments, contracts and agreements. In addition to being regulated by the Securities and Exchange Commission, the broker-dealer must:
 - be registered as a broker-dealer under Minnesota Statutes, chapter 80A or be exempt from registration requirements; and
 - maintain insurance through the Securities Investor Protection Corporation or excess insurance coverage in an amount equal to or greater than the value of the securities held.