SENATE DOCKET, NO. 1238 FILED ON: 1/20/2011

SENATE . . . . . No. 1309

The Commonwealth of Massachusetts

PRESENTED BY:

Brian A. Joyce

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act relative to the divestment of state assets from nations that sponsor terrorism..

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Brian A. Joyce	*Norfolk, Bristol, and Plymouth*
Robert L. Hedlund	
	☐ *[District]*
	☐

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SENATE . . . . . No. 1309

By Mr. Joyce, petition (accompanied by bill, Senate, No. 1309) of Hedlund and Joyce for legislation relative to the divestment of state assets from nations that sponsor terrorism [Joint Committee on Public Service].

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
SENATE
, NO. *1089* OF 2009-2010.]

The Commonwealth of Massachusetts

An Act relative to the divestment of state assets from nations that sponsor terrorism..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Chapter 10 of the General Laws is hereby amended by inserting after section 5C the following new section:-

"Section 5D. (a) The state treasurer shall not knowingly permit, whenever feasible, the investment of any of the funds of the commonwealth, including but not limited to all pension and annuity funds, in the stock, securities or other obligations of any corporation, which directly, or through a subsidiary, engage in business with, or with any instrumentality of, any state designated by the United States Department of State as a state sponsor of terrorism under the provisions of 22 U.S.C. 2371, 22 U.S.C 2780, or 50 U.S.C. app. 2405(j), or any other applicable federal law, except for those corporations specified in paragraph (b) of this section.

(b) The prohibitions contained in paragraph (a) shall not apply to any corporation that is primarily engaged in supplying goods or services intended to relieve human suffering, a corporation that promotes public health, education, journalistic, religious, or welfare activities, or a United States corporation authorized by the federal government to have businesses operations within the designated countries.

(c) The state treasurer shall make every reasonable effort to sell, redeem, divest or withdraw any investment currently held in violation of the provisions of paragraph (a) of this section within one year from the passage of this act.

18 (d) The state treasurer shall annually issue a report, not later than January 30
19 each year, listing all corporations which the Commonwealth has divested funds from, under the
20 provisions of paragraph (c) of this section, during the previous calendar year. The state treasurer
21 shall also list any and all corporations known to the treasurer which directly, or through a
22 subsidiary, engage in business with, or with any instrumentality of, any country designated by
23 the United States Department of State as a state sponsor of terrorism under the provisions of 22
24 U.S.C. 2371, 22 U.S.C 278, or 50 U.S.C. app. 2405(j) or any other applicable federal law. The
25 treasurer may utilize all information available to make such determinations.

26 SECTION 2. Notwithstanding any special or general law to the contrary, no
27 contributory retirement system operating under the terms of section 1 to 28, inclusive, of chapter
28 32, including those operating under the terms of section 19 of chapter 34B, shall permit the
29 investment of any funds in the stock, securities or other obligations in any corporation listed by
30 the state treasurer under the provisions of paragraph (c) of section 1 of this act. Moreover,
31 within one year of a corporation being listed on said report any aforementioned contributory
32 retirement system shall make every reasonable effort to sell, redeem, divest or withdraw any
33 investment currently held in such a corporation.

34 SECTION 3. The state treasurer may continue any existing or and make new
35 investments in any corporation prohibited from investment under the provisions of section 1 of
36 this act; if, by a majority vote of investment advisory council, said council moves to exempt any
37 such designated country. Such exemption must be made prior to April 1 in any given year and
38 shall be applicable until March 31 of the following year.

39 SECTION 4. Nothing in this act shall alter or diminish existing fiduciary or
40 statutory obligations and other terms, conditions, and limitations on the investment of retirement
41 system assets for the exclusive interest and benefit of participants and beneficiaries of a
42 retirement system.