

HOUSE No. 03170

The Commonwealth of Massachusetts

PRESENTED BY:

Antonio F. D. Cabral

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 bill:

An Act to reinvest in Massachusetts.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Antonio F. D. Cabral</i>	<i>13th Bristol</i>
<i>Patricia A. Haddad</i>	<i>5th Bristol</i>
<i>Carl M. Sciortino, Jr.</i>	<i>34th Middlesex</i>

HOUSE No. 03170

By Mr. Cabral of New Bedford, a petition (accompanied by bill, House, No. 3170) of Haddad and others that certain public employee retirement funds be invested in assets in businesses, real estate, or other investments located within gateway cities, so-called Joint Committee on Public Service.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
□ HOUSE
□ , NO. 3726 OF 2009-2010.]

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act to reinvest in Massachusetts.

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

1 SECTION 1. Section 23 of Chapter 32 of the General Laws, as appearing in the 2008 Official
2 Edition, is hereby amended by adding after (3) the following:--

3 (3A) All public retirement systems identified in section 23 (1) and 23 (2) of Chapter 32
4 shall invest not less than five percent (5%) of its assets in businesses, real estate, or other
5 investments located within a Gateway Municipality, as defined by section 3A of Chapter 23A.
6 Such economically targeted investments shall not constitute a breach of fiduciary duty to
7 retirement systems.

8 SECTION 2. The Massachusetts General Laws are hereby amended by inserting after Chapter
9 32B the following new section:--

10 CHAPTER 32C

11 THE MASSACHUSETTS ECONOMICALLY TARGETED INVESTMENT AUTHORITY
12 (META)

13 Section 1. Definitions

14 “Authority”, the Massachusetts Economically Targeted Investment Authority (META)
15 established pursuant to section 2 of Chapter 32C.

16 “Economically targeted investment” an investment, with the goal of stimulating
17 economic activity as well as generating an investment return, made in gateway municipalities.

18 “Gateway Municipalities” as defined in section 3A of chapter 23A of the General Laws.

19 “Massachusetts economically targeted investment fund” an investment fund which contains the
20 assets necessary economically targeted investments. Such fund shall contain the 5% of assets
21 from all public retirement systems in the Commonwealth and other public or private assets which
22 choose to invest in this fund.

23 “PERAC” The Public Employee Retirement Administration Commission as organized
24 under Chapter 32.

25 “Targeted areas” an investment providing public benefits to Massachusetts through the
26 establishment, expansion, securing, financing or operation of an industrial, recreational, research
27 and development, commercial or service enterprise or facility, or any parts or combinations,

28 thereof, located within or partially within the Commonwealth and including, but not limited to,
29 all facilities necessary or desirable in connection therewith or incidental thereto, including
30 provision for working capital.

31 Section2. There is hereby created a body politic and corporate to be known as the Massachusetts
32 Economically Targeted Investment Authority or META as it should be commonly known.
33 META is hereby constituted a public instrumentality and the exercise by the META of the
34 powers conferred by this chapter shall be deemed to be the performance of an essential
35 governmental function. META is hereby placed in the office of the state treasurer, but shall not
36 be subject to the supervision or control of said department or of any board, bureau, or agency of
37 the Commonwealth except as specifically provided in this act. The authority shall be governed
38 and its powers exercise by a board of nine commissioners. The commissioners shall be the
39 following:

40 The state treasurer or designee, and ;

41 The executive director of PERAC, or designee, and

42 Four other commissioners appointed by the state treasurer. These commissioners must
43 have skill and experience in providing economic development, starting and operating business,
44 providing professional services to business, obtaining and administering grants from
45 governmental or philanthropic sources, at least one of the treasurer's appointments shall be from
46 Western Massachusetts and at least one of the treasurer's appointments shall be from South
47 Cove-Southeaster Massachusetts, and three other commissioners appointed by the governor.
48 These commissioners must have skill and experience in providing economic development,
49 starting and operating business, providing professional services to business, obtaining and grants

50 from government or philanthropic sources, at least one of the governor's appointments shall be
51 from South Cove-Southeastern Massachusetts.

52 Each appointed commissioner shall serve a term of five years, except that in making
53 the initial appointments the state treasurer shall appoint one commissioner to serve a two year
54 term.

55 The governor and state treasurer shall individually appoint one commissioner for a term of three
56 years, one commissioner to serve for a term of four years, and one commissioner for a term of
57 five years.

58 Any person appointed to fill a vacancy in the office of a commissioner shall be
59 appointed in a like manner and shall serve for only the unexpired term. Any commissioner shall
60 be eligible for reappointment. The governor and state treasurer may remove their respective
61 appointees only for good cause. The state treasurer shall serve as the chairperson. The
62 commissioners shall annually elect one of their commissioners as vice-chairperson and designate
63 a clerk who need not be a commissioner of the board. The clerk shall keep a record of the
64 proceedings of the agency and shall be the custodian of all books, documents and papers filed
65 with the agency, the minute books of the agency and of its official seal.

66 Five of the commissioners of the authority shall constitute a quorum and a majority of
67 votes shall be necessary for the transaction of business or the exercise of any power or function
68 of the authority. Each director shall be entitled to reimbursement for actual and necessary
69 expenses incurred in the performance of official duties.

70 The authority, its commissioners, officers and employees shall be subject to the
71 provisions of sections one to four, inclusive, of chapter two hundred and sixty eight A, except

72 that the authority any purchase from, sell to, borrow from, loan to, contract with or otherwise
73 deal with any public nonprofit community development agency organized to carry out the
74 purposes of this act of which any director of the authority is also a commissioner or officer,
75 provided that such interest is disclosed in advance to commissioners of the board and recorded in
76 the minutes of the authority and provided further, that no director having such a financial
77 interest may participate in any decision affecting such transaction.

78 The commissioners may appoint an executive director and also establish the salary.
79 The executive director shall be the chief administrative and operational officer of the authority
80 and shall direct and supervise administrative affairs and the general management of the authority.
81 The executive director may employ such other employees as shall be designated by the board of
82 directors, shall attend meetings of the board of directors, shall cause copies to be made of all
83 minutes and other records and documents of the authority and shall certify that such copies are
84 true copies, and all persons dealing the authority may rely upon such certification.

85 Section 3. Powers of META.

86 META shall have the power to:

87 1) Adopt by-laws for the regulation of its affairs and the conduct of its business;

88 and

89 2) Adopt an official seal; and

90 3) Sue and be sued in its own name; and

91 4) Make and execute contracts and all other instruments necessary or convenient for the
92 exercise of its power and functions; and

- 93 5) Acquire, hold and dispose of personal property for its corporate purposes; and
- 94 6) Enter into agreements or other transaction with any federal or state agency; and
- 95 7) Acquire real property, or an interest therein, by purchase or foreclosure, where such
96 acquisition is necessary or appropriate to protect or secure any investment or loan in which the
97 agency has an interest; to sell, transfer and convey and such property to a buyer and in the event
98 such sale, transfer or conveyance cannot be effected with reasonable promptness or at a
99 reasonable price, to lease such property to a tenant; and
- 100 8) Invest any funds held in reserves or sinking funds, or any funds not required for immediate
101 disbursement, in such investments as may be lawful for fiduciaries in the Commonwealth; and
- 102 9) Employ an executive director, who shall be the chief executive officer of the authority,
103 and such other agents, employees, professional and business advisors as may from time to time
104 be necessary in the judgment of the board of directors and to fix their compensation. The
105 executive director, professional advisers and business advisers shall not be subject to the
106 provision of chapter thirty one or section nine A of chapter thirty; and
- 107 10) Appear in its own behalf before boards, commissions, department or other agencies of
108 government, municipal, state or federal; and
- 109 11) Procure insurance against any loss in connection with its property in such amounts, and
110 from such insurer, as may be necessary or desirable; and
- 111 12) Consent, subject to the provisions or any contract with note holders or bondholders,
112 whenever it deems it necessary or desirable in the fulfillment of the purposes of this act, to the
113 modification, with respect to rate of interest, time of payment of any installment of principal or

114 interest, or any other terms of any mortgage, mortgage loan, mortgage loan commitment,
115 contract or agreement of any kind to which the META is party; and

116 13) Do any and all things necessary or convenient to carry out its purposes and exercise the
117 powers expressly given and granted in this act; and

118 14) Receive and accept from federal or state agency grants, loans, or advances in aid of the
119 purposes of this chapter and to receive and accept contributions of either money, property, labor,
120 or other things of value, to be held, used and applied for said purposes; and

121 15) Create, issue, buy and sell stock and other capital participation instruments; to hold such
122 stock in capital participation instruments and to underwrite the creation of a capital market
123 which provides first offer of resale to the community development agency, business or residents
124 of the target area which is designed to enhance development of capital ownership in the target
125 area; and

126 16) Provide and pay for such advisory services and technical assistance as may be necessary or
127 desirable to carry out the purposes of this act; and

128 17) Give assistance to local authorities, public bodies and sponsors through the providing of
129 information, guidelines and suggested forms of procedures for implementation of their financing
130 programs; and

131 18) Establish and collect such fees and charges as the authority without appropriation shall
132 determine to be reasonable; and to receive and apply revenues from fees and charges for the
133 purposes of the authority or allotment by the commonwealth or any political subdivision thereof;
134 and

135 19) Develop targeted investments; and

136 20) Market economically targeted investments to potential investors; and

137 21) Manage the META funds

138 Section 4. There is hereby created and placed within the authority the META fund referred to in
139 the chapter as the Fund. The Fund's purpose is to collect investment capital and invest in
140 exclusively in economically targeted investments.

141 22) The fund shall allow retirement systems, corporations or sponsors to participate in the
142 fund. The agency shall invest and reinvest any income in the fund only as follows;

143 a. for defraying the ordinary and necessary expenses of administration and operation
144 associated with the fund;

145 b. for investing funds not required for immediate disbursement in the purchase of such
146 securities as may be lawful investments for fiduciaries in the commonwealth;

147 c. for the payment of binding obligations associated with such investments which are
148 secured by the fund as the same become payable; and

149 d. for the payment of principal or interest on investments secured by the fund or the payment
150 of any redemption premium required to be paid when such qualified investments are redeemed
151 prior to maturity; provided, however, that monies in the fund shall not be withdrawn at any time
152 in such an amount as would reduce the amount of the fund to less than the minimum requirement
153 thereof established by the Agency, except for the purpose of paying binding obligations
154 associated with investments which are secured by the fund as the investments become payable;

155 e. for affordable housing within and outside the commonwealth and especially affordable
156 housing for active and retired public employees and their families.

157 23) The authority shall credit assets and earnings to individual investors. Investors may
158 include, but are not limited to Massachusetts employee retirement systems, governmental entities
159 and private investors.

160 24) Withdrawal of assets from the Fund may occur when the investor gives the Agency 60
161 days notice.

162 Section 5. Investment in an economically targeted investment shall not constitute a breach of
163 fiduciary duty.