

HOUSE No. 4440

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, February 24, 2020.

The committee on Public Service, to whom were referred the petition (accompanied by bill, Senate, No. 636) of Marc R. Pacheco, Jack Patrick Lewis, Maria Duaine Robinson, Mike Connolly and other members of the General Court for legislation to authorize independent retirement boards to divest from fossil fuel companies and the petition (accompanied by bill, House, No. 3662) of Dylan A. Fernandes, Jay D. Livingstone and others for legislation to authorize independent retirement systems to divest from fossil fuel companies, reports recommending that the accompanying bill (House, No. 4440) ought to pass.

For the committee,

JERALD A. PARISELLA.

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**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act authorizing independent retirement systems to divest from fossil fuel companies.

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. For the purposes of this section, an “independent retirement system” shall
2 mean any Massachusetts public pension system under the oversight, monitoring, and regulation
3 of the public employee retirement administration commission, except the state employees
4 retirement system, the state teachers’ retirement system, and the State-Boston retirement system
5 in so far as the assets attributable to teachers who are members of that system; and a “fossil fuel
6 company” shall mean a company identified by a Global Industry Classification Standard code in
7 one of the following sectors: (1) coal and consumable fuels; (2) integrated oil and gas; or (3) oil
8 and gas exploration and production.

9 Notwithstanding any general or special law to the contrary, any independent retirement
10 system may, in accordance with the procurement process under section 23B of chapter 32 of the
11 General Laws, divest in whole or in part from any investment in fossil fuel companies, the assets
12 of which remain under the direct control and management of the independent retirement system,
13 and are not separately managed or invested by the Pension Reserves Investment Management
14 Board. In accordance with this section, the board of an independent retirement system may, after

15 following the procurement process under said section 23B of said chapter 32, invest in index
16 funds or other investment vehicles that may not include fossil fuel companies.

17 SECTION 2. Notwithstanding any general or special law to the contrary, with respect to
18 actions taken in compliance with this act, the public fund shall be exempt from any conflicting
19 statutory or common law obligations, including any such obligations with respect to choice of
20 asset managers, investment funds or investments for the public fund's securities portfolios and
21 all good faith determinations regarding companies as required by this act

22 SECTION 3. This act shall take effect upon its passage.