

HOUSE No. 3170

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 adoption of the accompanying bill:

An Act to reinvest in Massachusetts.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Antonio F. D. Cabral</i>	<i>13th Bristol</i>	<i>1/21/2011</i>
<i>Patricia A. Haddad</i>	<i>5th Bristol</i>	<i>2/3/2011</i>
<i>Carl M. Sciortino, Jr.</i>	<i>34th Middlesex</i>	<i>2/4/2011</i>

HOUSE No. 3170

By Mr. Cabral of New Bedford, a petition (accompanied by bill, House, No. 3170) of Antonio F. D. Cabral, Patricia A. Haddad and Carl M. Sciortino, Jr. that certain public employee retirement funds be invested in assets in businesses, real estate, or other investments located within gateway cities, so-called. Public Service.

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

The Commonwealth of Massachusetts

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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
2 Official 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
4 Chapter 32 shall invest not less than five percent (5%) of its assets in businesses, real estate, or
5 other investments located within a Gateway Municipality, as defined by section 3A of Chapter
6 23A. 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
9 Chapter 32B the following new section:--

10 CHAPTER 32C

11 THE MASSACHUSETTS ECONOMICALLY TARGETED INVESTMENT

12 AUTHORITY (META)

13 Section 1. Definitions

14 “Authority”, the Massachusetts Economically Targeted Investment Authority
15 (META) 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
20 contains the assets necessary economically targeted investments. Such fund shall contain the 5%
21 of assets from all public retirement systems in the Commonwealth and other public or private
22 assets which choose to invest in this fund.

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

25 “Targeted areas” an investment providing public benefits to Massachusetts
26 through the establishment, expansion, securing, financing or operation of an industrial,
27 recreational, research and development, commercial or service enterprise or facility, or any parts
28 or combinations, thereof, located within or partially within the Commonwealth and including,
29 but not limited to, all facilities necessary or desirable in connection therewith or incidental
30 thereto, including provision for working capital.

31 Section2. There is hereby created a body politic and corporate to be known as the
32 Massachusetts Economically Targeted Investment Authority or META as it should be commonly
33 known. META is hereby constituted a public instrumentality and the exercise by the META of
34 the 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
43 commissioners must have skill and experience in providing economic development, starting and
44 operating business, providing professional services to business, obtaining and administering
45 grants from governmental or philanthropic sources, at least one of the treasurer's appointments
46 shall be from Western Massachusetts and at least one of the treasurer's appointments shall be
47 from South Cove-Southeaster Massachusetts, and three other commissioners appointed by the
48 governor. These commissioners must have skill and experience in providing economic
49 development, starting and operating business, providing professional services to business,
50 obtaining and grants from government or philanthropic sources, at least one of the governor's
51 appointments shall be from South Cove-Southeastern Massachusetts.

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

55 The governor and state treasurer shall individually appoint one commissioner for a term
56 of three years, one commissioner to serve for a term of four years, and one commissioner for a
57 term of 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
67 majority of votes shall be necessary for the transaction of business or the exercise of any power
68 or function of the authority. Each director shall be entitled to reimbursement for actual and
69 necessary 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
79 salary. The executive director shall be the chief administrative and operational officer of the
80 authority and shall direct and supervise administrative affairs and the general management of the
81 authority. The executive director may employ such other employees as shall be designated by
82 the board of directors, shall attend meetings of the board of directors, shall cause copies to be
83 made of all minutes and other records and documents of the authority and shall certify that such
84 copies are 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
92 the 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
96 such acquisition is necessary or appropriate to protect or secure any investment or loan in which
97 the agency has an interest; to sell, transfer and convey and such property to a buyer and in the
98 event 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
101 immediate disbursement, in such investments as may be lawful for fiduciaries in the
102 Commonwealth; and

103 9) Employ an executive director, who shall be the chief executive officer of the
104 authority, and such other agents, employees, professional and business advisors as may from
105 time to time be necessary in the judgment of the board of directors and to fix their compensation.
106 The executive director, professional advisers and business advisers shall not be subject to the
107 provision of chapter thirty one or section nine A of chapter thirty; and

108 10) Appear in its own behalf before boards, commissions, department or other agencies
109 of government, municipal, state or federal; and

110 11) Procure insurance against any loss in connection with its property in such amounts,
111 and from such insurer, as may be necessary or desirable; and

112 12) Consent, subject to the provisions or any contract with note holders or bondholders,
113 whenever it deems it necessary or desirable in the fulfillment of the purposes of this act, to the
114 modification, with respect to rate of interest, time of payment of any installment of principal or

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

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

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

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

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

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

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

136 19) Develop targeted investments; and

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

138 21) Manage the META funds

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

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

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

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

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

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

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

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

162 24) Withdrawal of assets from the Fund may occur when the investor gives the Agency
163 60 days notice.

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