HOUSE DOCKET, NO. 2849 FILED ON: 1/18/2013

HOUSE . . . . . No. 3377

The Commonwealth of Massachusetts

PRESENTED BY:

Garrett J. Bradley

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 authorizing the Plymouth County Contributory Retirement System to issue pension funding bonds or notes.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Garrett J. Bradley	*3rd Plymouth*	*1/18/2013*
Michael D. Brady	*9th Plymouth*	*1/18/2013*
Thomas J. Calter	*12th Plymouth*	*1/18/2013*
James M. Cantwell	*4th Plymouth*	*1/18/2013*
Christine E. Canavan	*10th Plymouth*	*1/18/2013*
Geoff Diehl	*7th Plymouth*	*1/18/2013*
Josh S. Cutler	*6th Plymouth*	*1/18/2013*
Susan Williams Gifford	*2nd Plymouth*	*1/18/2013*
Keiko M. Orrall	*12th Bristol*	*1/18/2013*
Angelo L. D'Emilia	*8th Plymouth*	*1/18/2013*

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By Mr. Bradley of Hingham, a petition (subject to Joint Rule 7A) of Garrett J. Bradley and others for legislation to authorize the Plymouth County Contributory Retirement System to issue pension funding bonds or notes. Public Service.

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act authorizing the Plymouth County Contributory Retirement System to issue pension funding bonds or notes.

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. As used in this act, the following words shall have the following meanings: -

"Plymouth County Contributory Retirement System" shall mean the contributory retirement system established by Plymouth county pursuant to chapter 32 of the General Laws.

"Plymouth County Retirement Board" means the five member retirement board managing the Plymouth Country Contributory Retirement System.

SECTION 2. Plymouth County Contributory Retirement System may issue bonds or notes from time to time for the purpose of funding all or a portion of the unfunded pension liability of the Plymouth County Contributory Retirement System. The bonds or notes shall be signed by the Chairman of the Plymouth County Retirement Board and countersigned by the manual or facsimile signature of a majority of the members of the Plymouth County Retirement Board. Bonds or notes issued under this act shall be outside any limit of indebtedness other than as set forth in this act, and shall be issued for terms not in excess of 20 years from their date of issue. The aggregate amount of bonds or notes which may be issued by Plymouth County Contributory Retirement System under this act shall not exceed the amount which the Plymouth County Retirement Board, with the approval of the Plymouth County Retirement Advisory Board, shall determine to be necessary to be issued to fund the unfunded pension liability of the Plymouth County Contributory Retirement System as of a particular date and to provide for issuance costs, interest on the bonds or notes, a reserve fund to secure the bonds, if any, and

other expenses necessary or incidental thereto. Such determination by the Plymouth County Retirement Board of the unfunded pension liability shall be based upon the report of a nationally recognized independent consulting firm, which shall be acceptable to the Public Employee Retirement Administration Commission, and which may be the consulting actuary generally retained by the Plymouth County Retirement Board on behalf of the Plymouth County Contributory Retirement System.

SECTION 3. The maturities of bonds or notes issued under this act shall be arranged as determined by the Chairman of the Plymouth County Retirement Board, with the approval of a majority of the members of the Plymouth County Retirement Board. The bonds or notes may be sold at public or private sale, on terms approved by the Chairman of the Plymouth County Retirement Board, with approval of a majority of the members of the Plymouth County Retirement Board. Such bonds or notes may be sold at a premium or discount. Such bonds or notes shall bear such rate or rates of interest as may be fixed by the Chairman of the Plymouth County Retirement Board, with the approval of a majority of the members of the Plymouth County Retirement Board. Such bonds or notes may, in the discretion of the Chairman of the Plymouth County Retirement Board, with the approval of a majority of the members of the Plymouth County Retirement Board, be subject to prepayment at the option of the holder thereof at such times and prices and under such circumstances as the Chairman of the Plymouth County Retirement Board, with the approval of a majority of the members of the Plymouth County Retirement Board, shall specify.

Bond or notes issued under this act may be secured in whole or in part by insurance or by letters or lines of credit or other credit facilities upon approval of the Chairman of the Plymouth Country Retirement Board, with approval of a majority of the members of the Plymouth County Retirement Board. Any such insurance, letter or line of credit or credit facility may provide for reimbursement to be made over such period of time, not to exceed two years beyond the maturity date of the bonds or notes so secured, as the Chairman of the Plymouth County Retirement Board, with the approval of a majority of the members of the Plymouth County Retirement Board, shall deem proper, including rates variable from time to time as determined by such index, banker's loan rate or other method as may be specified therein. For the purpose of securing such bonds or notes Plymouth County Contributory Retirement System, acting by the Chairman of the Plymouth County Retirement Board, with the approval of a majority of the members of the Plymouth County Retirement Board, may enter into a trust agreement between Plymouth County Contributory Retirement System and a corporate trustee which shall be a bank or trust company doing business in the Commonwealth. Any such trust agreement, and any remarketing or other agreements necessary or incidental to the issuance of such bonds or notes, shall be in such form as may be deemed proper by the Chairman, with the approval of a majority of the members of the Plymouth County Retirement Board, and shall be executed by the Chairman. It shall be lawful for any bank or trust company doing business in the Commonwealth to act as a depository or trustee under any such trust agreement and to furnish such

indemnification and pledge such securities as may be required by Plymouth County Contributory Retirement System. Any trustee under a trust agreement established pursuant to this section may bring suit upon the bonds or notes and may, either at law or equity, by suit, action, mandamus or other proceedings for legal or equitable relief, enforce all rights under the laws of the Commonwealth or granted hereunder or under such trust agreement, and may enforce and compel the performance of all duties required under such trust agreement to be performed by the Plymouth County Contributory Retirement System or by any unit thereof. All expenses incurred in carrying out the provisions of this Act may be treated by Plymouth County Contributory Retirement System as a cost of issuance.

SECTION 4. Proceeds of any bonds or notes issued under this act, other than amounts to be applied for the issuance costs or other expenses, to fund a reserve fund, if needed, or to pay interest on the bonds or notes, shall be paid to the Plymouth County Contributory Retirement System and shall be allocated solely to reduce the unfunded pension liability to which the bonds or notes relate. Proceeds of any bonds or notes under this act shall be invested in any investments which are permitted under chapter 32 of the General Laws, and shall otherwise be held and expended by the Plymouth County Contributory Retirement System in accordance with the law.

SECTION 5. Before the issue of any bonds or notes under this act the Chairman of the Plymouth County Retirement Board and the Executive Director of the Plymouth County Contributory Retirement System shall submit to the members of the Plymouth County Retirement Board a plan showing the amount of the bonds and notes to be issued, the amount of the unfunded pension liability to be funded with the proceeds of the bonds and notes, the proposed maturity schedule of the bonds and notes, the proposed allocation of, if any, and plan to finance the principal of and interest on the bonds and notes, the present value savings reasonably expected to be achieved as a result of the issue of the bonds or notes, and any other information requested by the members of the Plymouth County Retirement Board relating to the bonds and notes and no bonds or notes shall be issued hereunder until a majority of the members of the Plymouth County Retirement Board has approved the plan and specifically approved the maturity schedule of the bonds or notes.

SECTION 6. Each of Plymouth county and the other governmental units that are members of the Plymouth County Contributory Retirement System shall annually dedicate revenue received by such governmental units in the course of its respective operations for the purposes of meeting its allocable share of the debt obligations payable upon issuance of such bonds or notes as determined in accordance with this section. Each such governmental unit shall be responsible for such proportion of the annual debt service expense payable by Plymouth County Contributory Retirement System for bonds or notes issued hereunder as is equal to the proportion of the total unfunded pension liability to be funded with the proceeds of the bonds or notes as relates to that governmental unit, including Plymouth county. Plymouth County Contributory Retirement System shall have the legal rights and authority to collect any amount so assessed to any such governmental unit. Notwithstanding any general or special law to the

contrary, the Public Employee Retirement Administration Commission shall increase the annual amount to be certified under section 22 of Chapter 32 of the General Laws as the amount necessary to be paid by each governmental unit's proportionate share of the annual debt service expense as determined herein.

SECTION 7. Governmental units of the Plymouth County Contributory Retirement System will have 60 days from the date of passage of this Act to affirmatively opt out of the bond issuance, but will still be liable for any debts it owes to the Plymouth County Contributory Retirement System. To affirmatively opt out of this bond issuance the authorized agent of the governmental unit shall confirm in writing to the Plymouth County Retirement Board that it will not participate in the pension funding bond program and that it acknowledges it is still liable for any and all of the governmental unit's debts.

SECTION 8. Notwithstanding chapter 70 of the General Laws or any other general or special law to the contrary, the portion of the annual debt service paid by Plymouth County Contributory Retirement System for bonds or notes issued under this act applicable to school department personnel who are members of the Plymouth County Contributory Retirement System shall be included in the computation of net school spending for the purposes of said chapter 70 or any other law.

SECTION 9. This act shall take effect upon its passage.