

**HOUSE . . . . . No. 965**

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PRESENTED BY:

***William Smitty Pignatelli***

*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 charitable life insurance policies.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>William Smitty Pignatelli</i>	<i>4th Berkshire</i>	
<i>Randy Hunt</i>	<i>5th Barnstable</i>	<i>1/18/2013</i>
<i>Paul McMurtry</i>	<i>11th Norfolk</i>	<i>1/28/2013</i>
<i>Bradley H. Jones, Jr.</i>	<i>20th Middlesex</i>	
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	
<i>Ryan C. Fattman</i>	<i>18th Worcester</i>	
<i>Nicholas A. Boldyga</i>	<i>3rd Hampden</i>	

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By Mr. Pignatelli of Lenox, a petition (accompanied by bill, House, No. 965) of William Smitty Pignatelli and others for legislation to allow the designation of a donor's retirement account as a collateral assignee of certain life insurance policies. Financial Services.

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**In the Year Two Thousand Thirteen**

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An Act authorizing charitable life insurance policies.

*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. This Act shall be known as the “Massachusetts Charitable Investment  
2 Recovery Act of 2013”.

3           Whereas, the General Court desires to support the economic development goals of this  
4 Commonwealth by improving the availability of capital for bona fide charities and not-for-profit  
5 enterprises in Massachusetts, and seeks to advance these goals through this Act as set forth in  
6 this preamble; and

7           Whereas, this act intends to support the social structure of this Commonwealth through  
8 private capital by encouraging charitably inclined donors to invest in and redirect private  
9 retirement capital to bona fide charities resulting in continuity of services for local communities,  
10 job creation, and economic activity; and

11           Whereas, this act also seeks to encourage monetary velocity from passive treatment  
12 accounts to state and local communities for the active use and betterment of our Commonwealth  
13 as determined by private citizens; and

14           Whereas, an addition intention of this act is to expand the economy of this  
15 Commonwealth by preserving and enlarging its base of bona fide charities and fostering the use  
16 of private capital for social programs desired by private citizens; and

17           Whereas, a final intention of this act is to foster continued gratuity in the citizenry of this  
18 Commonwealth without increasing individual taxation or depleting the tax base.

19 SECTION 2. The definition of “Professional fund-raising counsel” contained in section  
20 18 of chapter 68 of the General Laws, as appearing in the 2010 Official Edition, is hereby  
21 amended by striking out the second sentence and inserting in place thereof the following:-

22 A bona fide salaried officer or regular, non-temporary employee of a charitable  
23 organization maintaining a permanent establishment within the commonwealth shall not be  
24 deemed to be a professional fund-raising counsel. An insurance commission paid by an insurer to  
25 a licensed insurance agent pursuant to an insurance policy issued in accordance with the  
26 provisions of sub-section (3) of section 123A of chapter 175 shall not be deemed to be  
27 consideration paid by a charitable organization;

28 SECTION 3. The definition of “Professional solicitor” contained in said section 18 of  
29 said chapter 68, as so appearing, is hereby amended by striking out the fourth sentence and  
30 inserting the following:- No attorney, investment counselor or banker who advises an individual  
31 corporation or association to make a charitable contribution shall be deemed, as a result of such  
32 advice, to be a professional fund-raising counsel or a professional solicitor. An insurance  
33 commission paid by an insurer to a licensed insurance agent pursuant to an insurance policy  
34 issued in accordance with the provisions of sub-section 3 of chapter 175 shall not be deemed to  
35 be consideration paid by a charitable organization;

36 SECTION 4. Section 123A of chapter 175 of the General Laws, as appearing in the 2008  
37 Official Edition, is hereby amended by adding the following sub-section:-

38 (3) A donor’s retirement account may be designated as a collateral assignee of a life  
39 insurance policy made to secure the repayment of a loan made to the charitable institution from  
40 the retirement account; provided that no further assignment may be made by the retirement  
41 account.