

HOUSE No. 965

The Commonwealth of Massachusetts

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>	

HOUSE No. 965

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.

The Commonwealth of Massachusetts

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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.