

HOUSE No. 1112

The Commonwealth of Massachusetts

PRESENTED BY:

Tackey Chan

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 relative to control share acquisitions.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Tackey Chan</i>	<i>2nd Norfolk</i>	<i>1/16/2025</i>

HOUSE No. 1112

By Representative Chan of Quincy, a petition (accompanied by bill, House, No. 1112) of Tackey Chan relative to control share acquisitions. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act relative to control share acquisitions.

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. Chapter 110D of the General Laws, as appearing in the 2022 Official
2 Edition, is hereby amended in section 1 by striking subsection (c)(1) in its entirety and adding in
3 place thereof the following:

4 “(c)(1) "Control share acquisition", the acquisition by any person of beneficial ownership
5 of shares of an issuing public corporation which, but for the provisions of this chapter, would
6 have voting rights and which, when added to all other shares of such corporation beneficially
7 owned by such person, would entitle such person, upon acquisition of such shares, to vote or
8 direct the voting of shares of such corporation having voting power in the election of directors
9 within any of the following ranges of such voting power:

10 (A) for listed closed-end funds only:

11 (i) one-tenth or more but less than fifteen one-hundredths of all voting power;

12 (ii) fifteen one-hundredths or more but less than one-fifth of all voting power;

13 (B) for all issuing public corporations, including listed closed-end funds:

14 (i) one-fifth or more but less than one-third of all voting power;

15 (ii) one-third or more but less than a majority of all voting power; or

16 (iii) a majority or more of all voting power.”

17 SECTION 2. Chapter 110D of the General Laws is further amended in section 1 by
18 striking subsection (c)(2) in its entirety and inserting in place the following: “Subject to the
19 provisions of the last paragraph of paragraph (1) of subsection (c), a "control share acquisition"
20 shall not include the acquisition of beneficial ownership of shares acquired:

21 (i) before June twenty-sixth, nineteen hundred and eighty-seven; provided, however, that
22 the aggregate of shares of beneficial ownership of which is acquired before such date is within
23 the range of voting power established by paragraph (1); or, in the case of an acquisition of
24 beneficial ownership of shares of a listed closed-end fund, before July thirty-first, two thousand
25 and twenty-six;

26 (ii) pursuant to a contract to acquire shares existing before June twenty-sixth, nineteen
27 hundred and eighty-seven or, in the case of an acquisition of beneficial ownership of shares of a
28 listed closed-end fund, before July thirty-first, two thousand and twenty-six;

29 (iii) during any period after July fifteenth, nineteen hundred and eighty-seven that this
30 chapter does not apply to the issuing public corporation pursuant to the provisions of section
31 two;

32 (iv) by will or pursuant to the laws of descent and distribution;

33 (v) pursuant to the satisfaction of a pledge or other security interest created in good faith
34 and not for the purpose of circumventing the provisions of this chapter;

35 (vi) pursuant to a tender offer, merger or consolidation, but only if such tender offer,
36 merger or consolidation is pursuant to an agreement of merger or consolidation to which the
37 issuing public corporation is a party, and, in the case of a listed closed-end fund, only if the
38 shares acquired pursuant to such tender offer, merger or consolidation were not acquired in
39 consideration or in respect of or in exchange for securities that were themselves acquired in a
40 control share acquisition; or

41 (vii) directly from the issuing public corporation or a wholly-owned subsidiary thereof.”

42 SECTION 3. Chapter 110D of the General Laws is further amended in section 1 by
43 striking the first paragraph of subsection (e) and inserting in place the following:

44 “(e) "Issuing public corporation", a corporation to which paragraph (a) of section 17.01 of
45 chapter- 156D apply, a gas or electric company or combined gas and electric company to which.
46 section 3 of chapter 164 apply or an association or trust which pursuant to said section 3 of said
47 chapter 164 owns beneficially a majority of the common stock of such a company, or an
48 association or trust which is a listed closed-end fund; provided, however, that, except in the case
49 of a listed closed-end fund, such issuing public corporation has:”.

50 SECTION 4. Chapter 110D of the General Laws is further amended by adding at the end
51 of section 1 thereof, the following subsections:

52 “(g) “1940 Act”, the Investment Company Act of 1940, as amended (15 U.S.C. § 80a-1 et
53 seq.) or any successor statute thereto.

54 (h) “Listed closed-end fund”, an association or trust subject to chapter 182 and registered
55 under the 1940 Act as a closed-end management investment company that has a class of equity
56 securities listed on a national securities exchange or designated for trading on the National
57 Association of Securities Dealers Automated Quotation System (NASDAQ).”

58 SECTION 5. Section 2 of chapter 110D is amended by adding at the end thereof the
59 following subsection:

60 “(f) The foregoing paragraphs (a), (b), (c) and (d) shall not apply to issuing public
61 corporations that are listed closed-end funds. In the case of an issuing public corporation that is a
62 listed closed-end fund, notwithstanding any contrary provision in the articles of organization or
63 by-laws or other governing documents of a listed closed-end fund as in effect on July thirty-first,
64 two thousand and twenty-six, a person who is the holder of the shares of such listed closed-end
65 fund that are acquired in a control share acquisition shall have only such voting rights as are
66 authorized pursuant to section five, except to the extent that the acquisition of beneficial interests
67 specifically, generally, or generally by types, has been approved, ratified or exempted by a
68 provision in the articles of organization or by-laws of such listed closed-end fund adopted by the
69 directors thereof, including a majority of such directors who are not “interested persons” of such
70 listed closed-end fund within the meaning of the 1940 Act, provided, however, that such
71 adoption shall have been based upon a finding by such directors that such provision is in the best
72 interest of such listed closed-end fund.”

73 SECTION 6. Chapter 110D is further amended in section 5 by adding to the end of the
74 first sentence after “special meeting of stockholders” the following: “or, with respect to a listed
75 closed-end fund, as otherwise set forth in subparagraph (f) of section 2 of this chapter.”

76 SECTION 7. Chapter 110D is further amended by adding at the end of section 6, the
77 following subsection:

78 “(d) This section six shall not apply to a listed closed-end fund.”

79 SECTION 8. Section 7 of chapter 110D is hereby amended by adding at the end thereof
80 the following: “This section seven shall not apply to a listed closed-end fund.”

81 SECTION 9. Chapter 110D of the General Laws is amended in section 8 by adding, in
82 the second sentence after the word “extent”, the following: “consistent with this chapter and”.