

**HOUSE . . . . . No. 3937**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Joan Meschino***

*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 creating a climate bank in Massachusetts.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Joan Meschino</i>	<i>3rd Plymouth</i>	<i>1/16/2025</i>
<i>Rebecca L. Rausch</i>	<i>Norfolk, Worcester and Middlesex</i>	<i>1/16/2025</i>
<i>James C. Arena-DeRosa</i>	<i>8th Middlesex</i>	<i>4/5/2025</i>
<i>John Barrett, III</i>	<i>1st Berkshire</i>	<i>9/30/2025</i>
<i>Natalie M. Blais</i>	<i>1st Franklin</i>	<i>12/22/2025</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>3/20/2025</i>
<i>Manny Cruz</i>	<i>7th Essex</i>	<i>2/4/2025</i>
<i>Leigh Davis</i>	<i>3rd Berkshire</i>	<i>9/22/2025</i>
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>	<i>6/26/2025</i>
<i>Patricia A. Duffy</i>	<i>5th Hampden</i>	<i>10/21/2025</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>5/15/2025</i>
<i>Tricia Farley-Bouvier</i>	<i>2nd Berkshire</i>	<i>9/26/2025</i>
<i>Carmine Lawrence Gentile</i>	<i>13th Middlesex</i>	<i>10/12/2025</i>
<i>Homar Gómez</i>	<i>2nd Hampshire</i>	<i>9/26/2025</i>
<i>Natalie M. Higgins</i>	<i>4th Worcester</i>	<i>2/10/2025</i>
<i>Vanna Howard</i>	<i>17th Middlesex</i>	<i>5/7/2025</i>
<i>Kristin E. Kassner</i>	<i>2nd Essex</i>	<i>11/14/2025</i>
<i>Thomas W. Moakley</i>	<i>Barnstable, Dukes and Nantucket</i>	<i>6/2/2025</i>

<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>9/26/2025</i>
<i>Margaret R. Scarsdale</i>	<i>1st Middlesex</i>	<i>10/5/2025</i>
<i>Dawne Shand</i>	<i>1st Essex</i>	<i>11/12/2025</i>
<i>Thomas P. Walsh</i>	<i>12th Essex</i>	<i>4/16/2025</i>
<i>Hannah Bowen</i>	<i>6th Essex</i>	<i>10/9/2025</i>

**HOUSE . . . . . No. 3937**

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By Representative Meschino of Hull, a petition (subject to Joint Rule 9) of Joan Meschino and others for legislation to create a climate bank to facilitate innovative financing solutions for climate and clean energy innovations in the public, private, and non-profit sectors. Financial Services.

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**The Commonwealth of Massachusetts**

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

An Act creating a climate bank 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           The General Laws are hereby amended by inserting after section 14 of chapter 23J the  
2 following new section:-

3           Section 15.

4           (a) As used in this chapter the following words shall have the following meanings unless  
5 the context clearly requires otherwise:-

6           “Bank”, the Massachusetts Climate Bank established pursuant to subsection (b).

7           “Board”, the Massachusetts Climate Board established pursuant to subsection (c).

8           “Bonds” or “notes”, such bonds and notes as are issued by the bank pursuant to this  
9 chapter.

10 “Climate and clean energy innovations”, all innovations, or uses of technologies,  
11 services, and solutions, or innovative financing to address climate resiliency, mitigate  
12 greenhouse gas emissions or support clean energy. This could include greenhouse gas mitigation  
13 through decarbonization or deployment of climate and clean energy innovations to advance  
14 compliance with the statewide greenhouse gas emission limits and sub-limits established  
15 pursuant to chapter 21N.

16 “Climate Chief”, the Climate Chief for the Commonwealth of Massachusetts

17 “State Treasurer”, the Massachusetts State Treasurer and Receiver General

18 “Secretary A&F”, Secretary of the Executive Office for Administration and Finance.

19 “Secretary EEA”, the secretary of the executive office of energy and environmental  
20 affairs.

21 “Secretary EOED”, the secretary of the executive office of economic development.

22 “Rural Communities”, are municipalities with population densities of less than 500  
23 persons per square mile or a population of less than 7,000 persons, in each case as shown in the  
24 most recent U.S. decennial census.

25 (b) There is hereby created a body politic and corporate and a public instrumentality  
26 to be known as the Massachusetts Climate Bank, which shall be an independent public authority  
27 not subject to the supervision and control of any other executive office, department, commission,  
28 board, bureau, agency or political subdivision of the commonwealth except as specifically  
29 provided in any general or special law. The exercise by the authority of the powers conferred by  
30 this chapter shall be considered to be the performance of an essential public function.

31 (c) The bank shall be governed by the board and shall continue as long as it shall have  
32 bonds or notes or guarantee commitments outstanding and until its existence is terminated by  
33 law. Upon the termination of the existence of the bank, all right, title and interest in and to all of  
34 its assets and all of its obligations, duties, covenants, agreements and obligations shall vest in and  
35 be possessed, performed and assumed by the state

36 (d) It shall be the duty and purpose of the bank to: (1) evaluate, coordinate and facilitate  
37 innovative financing solutions for climate and clean energy innovations in the public, private,  
38 and non-profit sectors throughout the commonwealth and in line with achieving the  
39 commonwealth's greenhouse gas emissions limits and sub-limits pursuant to chapter 21N; (2)  
40 provide loans including loan refinancing, loan guarantees, credit enhancements, debt  
41 securitization, insurance, portfolio insurance, and other forms of financing support, technical  
42 assistance or risk management to qualified climate and clean energy innovations; (3) foster the  
43 development and consistent application of transparent underwriting standards, standard  
44 contractual terms, and measurement and verification protocols for qualified climate and clean  
45 energy innovations; (4) ease the economic effects of transitioning from a carbon-based economy  
46 to a clean energy economy; (5) facilitate job creation through the construction and operation of  
47 climate and clean energy innovations; (6) facilitate and accelerate the deployment of climate and  
48 clean energy innovations and promote climate resilience in disadvantaged and low-income  
49 communities; and (7) eliminate the use of fossil fuels and carbon emitting fuels throughout the  
50 commonwealth and across all sectors (8) enable economically underdeveloped but valuable rural  
51 communities and coastal communities in Massachusetts.

52 (e) The bank shall be governed, and its corporate powers exercised by a board of  
53 directors known as the Massachusetts Climate Finance Board. The board shall consist of 11

54 members, 1 of whom shall be the commissioner of banks, who shall serve ex officio, or her  
55 designee, 1 of whom shall be the secretary a&f , who shall serve ex officio or her designee, 1 of  
56 whom shall be the state treasurer, who shall serve ex officio, or her designee, 1 of whom shall be  
57 the climate chief, who shall serve ex officio, or her designee, and 7 members appointed by the  
58 governor, 1 of whom shall be experienced in the field of evaluating and underwriting  
59 sustainability-focused (Environmental, Social and Governance) public or private finance  
60 transactions, 1 of whom shall be a historically under-represented group (women, or minority)  
61 with experience in the field of banking, public or private finance transactions selected from a list  
62 of 3 nominees submitted by the president of the senate, 1 of whom shall have at least 10 years'  
63 experience in climate impact and resiliency including land, water, or air issues, 1 of whom shall  
64 be a technical expert with at least 10 years' experience in the securitization and structuring of  
65 ecosystem service credits, 1 of whom has expertise in sustainability (Environmental, Social and  
66 Governance) investment measurement and reporting selected from a list of 3 nominees submitted  
67 by the speaker of the house of representatives, 1 of whom shall be the leader of a reserve banking  
68 organization providing funds to other banks selected from a list of 3 nominees submitted by the  
69 president of the senate, and 1 of whom shall be a representative of historically climate-impacted  
70 rural or coastal towns or municipalities selected from a list of 3 nominees submitted by the  
71 speaker of the house of representatives. Each of the 7 directors appointed by the governor shall  
72 serve for a term of 3 years, potentially extendable by another 2 years with board consent.

73           The climate chief designee shall serve as the chairperson of the board and board members  
74 shall annually elect a vice-chairperson of the board. Each director shall serve without  
75 compensation but may be reimbursed for actual and necessary expenses reasonably incurred in  
76 the performance of their duties, including reimbursement for reasonable travel. Any person

77 appointed to fill a vacancy in the office of a member of the board shall be appointed in a like  
78 manner and shall serve for only the unexpired term of such former member. Any director shall  
79 be eligible for reappointment. Any director may be removed from his appointment by the  
80 governor for cause.

81 (f) A majority of directors shall constitute a quorum and the affirmative vote of a  
82 majority of directors present at a duly called meeting if a quorum is present, shall be necessary  
83 for any action to be taken by the board. Any action required or permitted to be taken at a meeting  
84 of the directors may be taken without a meeting if all of the directors' consent in writing to such  
85 action and such written consent is filed with the records of the minutes of the meetings of the  
86 board. Such consent shall be treated for all purposes as a vote at a meeting. Each director shall  
87 make full disclosure, under subsection (g), of his or her financial interest, if any, in matters  
88 before the board by notifying the state ethics commission, in writing, and shall abstain from  
89 voting on any matter before the board in which he or she has a financial interest, unless  
90 otherwise permissible under chapter 268A.

91 (g) Chapters 268A and 268B shall apply to all ex-officio directors of the bank. Said  
92 chapters 268A and 268B shall apply to all other directors, except that the bank may purchase  
93 from, sell to, borrow from, loan to, contract with or otherwise deal with any person in which any  
94 director of the bank is in any way interested or involved; provided, however, that such interest or  
95 involvement is disclosed in advance to the members of the board and recorded in the minutes of  
96 the board; and provided, further, that no director having such an interest or involvement may  
97 vote on any matter in which he has a financial interest, unless otherwise permissible under  
98 chapter 268A. Employment by the commonwealth or service in any agency thereof shall not be  
99 deemed to be such an interest or involvement.

100           (h) The board shall have the power to appoint and employ an executive director who shall  
101 be the chief executive, administrator and operational officer of the bank and shall direct and  
102 supervise the administrative affairs and the general management of the bank. The chairman of  
103 the bank shall report to and be under the general supervision of the state treasurer. The executive  
104 director of the bank shall appoint and the bank shall employ a chief financial and accounting  
105 officer and may, subject to the general supervision of the board and the state treasurer, employ  
106 other employees, consultants, agents, including legal counsel and advisors, and shall attend  
107 meetings of the board. Employees of the state treasury may also serve as officers and employees  
108 of the bank. No funds shall be loaned, transferred or otherwise dispersed by the bank without the  
109 approval of the board and the signature of an executive of the bank and in accordance with  
110 policies and procedures approved by the board.

111           (i) The board shall elect a treasurer and a secretary. The secretary of the board shall keep  
112 a record of the proceedings of the board and shall be custodian of all books, documents, and  
113 papers filed by the board and of its minute book and seal. The secretary of the board shall cause  
114 copies to be made of all minutes and other records and documents of the bank and shall certify  
115 that such copies are true copies, and all persons dealing with the bank may rely upon such  
116 certification.

117           (j) All officers and employees of the bank having access to its cash or negotiable  
118 securities shall give a bond to the bank at its expense in such amounts and with such surety as the  
119 board may prescribe. The persons required to give a bond may be included in one or more  
120 blanket or scheduled bonds.

121 (k) Board members, officers, and employees of the bank shall not be liable to the  
122 commonwealth, to the bank or to any other person as a result of their activities, whether  
123 ministerial or discretionary, as such board members, employees or officers, except for willful  
124 dishonesty or intentional violations of law. Neither members of the board nor any person  
125 executing bonds or policies of insurance shall be liable personally thereon or be subject to any  
126 personal liability or accountability by reason of the issuance thereof. The board shall purchase  
127 liability insurance for board members, officers and employees of the bank and may indemnify  
128 such persons against claims of others.

129 (l) An action of the bank may take effect immediately and need not be published or  
130 posted unless otherwise provided by law. Meetings of the board shall be subject to section 18-25  
131 of chapter 30A; but said section 18-25 shall not apply to any meeting of members of the bank  
132 serving ex officio in the exercise of their duties as officers of the commonwealth so long as no  
133 matters relating to the official business of the bank are discussed and decided at the meeting. The  
134 bank shall be subject to all other provisions of said chapter 30A, and records pertaining to the  
135 administration of the bank shall be subject to section 42 of chapter 30 and section 10 of chapter  
136 66. All monies of the bank shall be considered to be public funds for purposes of chapter 12A.  
137 The operations of the bank shall be subject to chapters 268A and 268B and all other operational  
138 or administrative standards or requirements to the same extent as the office of state treasurer.

139 (m) Any documentary materials or data whatsoever made or received by a member or  
140 employee of the bank and consisting of, or to the extent that such materials or data consist of,  
141 trade secrets or commercial or financial information regarding the operation of any business  
142 conducted by an applicant for any form of assistance that the bank is empowered to render or  
143 regarding the competitive position of such applicant in a particular field of endeavor, shall not be

144 deemed public records of the bank and shall not be subject to section 10 of chapter 66. Any  
145 discussion or consideration of such trade secrets or commercial or financial information may be  
146 held by the board in executive sessions closed to the public, notwithstanding section 11A1/2 of  
147 chapter 30A, but the purpose of any such executive session shall be set forth in the official  
148 minutes of the bank and no business that is not directly related to such purpose shall be  
149 transacted nor shall any vote be taken during such executive session.

150 (n) In furtherance of the public purposes set forth in subsection (d), the bank may expend  
151 money to: (i) make grants, contracts, loans, equity investments, energy production credits, ensure  
152 climate mitigation covenants or green covenants, bill credits or rebates or make other forms of  
153 financial or technical assistance or instruments available to customers and government entities;  
154 (ii) provide financial or debt service obligation assistance; or (iii) take any other action, in such  
155 forms, under such terms and conditions and under such selection procedures as the bank deems  
156 appropriate and otherwise in a manner consistent with good business practices; provided that the  
157 bank shall endeavor to leverage the full range of resources, expertise and participation of other  
158 states and instrumentalities in the design and implementation of programs conducted pursuant to  
159 this section.

160 (o) The bank shall have all powers necessary and convenient to carry out and effectuate  
161 its purposes, including, without limiting the generality of the foregoing, the power to:

162 (1) adopt and amend by-laws, regulations and procedures for the governance of its affairs  
163 and the conduct of its business for the administration and enforcement of this chapter  
164 notwithstanding chapter 30A;

165 (2) exercise any powers necessary for the commonwealth to be in compliance with  
166 federal law;

167 (3) maintain offices at places within the commonwealth and conduct meetings of the  
168 bank in accordance with its by-laws;

169 (4) promote economy and efficiency and leverage other government funding and private  
170 sector investment;

171 (5) establish criteria and establish procedures for project selection for use in selecting  
172 qualifying climate and clean energy innovations to receive funds, provided not less than 20% of  
173 such funds are designated for rural communities and coastal communities in direct project  
174 investments;

175 (6) enter into agreements and transactions with other government, state and municipal  
176 agencies and other public institutions and private individuals, partnerships, firms, corporations,  
177 associations and other entities on behalf of the bank;

178 (7) institute and administer separate accounts and funds for the purposes of making  
179 allocations, grants or loans to qualifying climate and clean energy innovations to receive funds  
180 pursuant to section 5;

181 (8) sue and be sued in its own name, plead and be impleaded;

182 (9) issue bonds, notes and other evidences of indebtedness as provided in this chapter;

183 (10) lease, assign, sell, exchange, transfer, convey, grant, pledge, or mortgage assets, title  
184 to which has been acquired in any manner;

185           (11) acquire real and personal property, or any interest in real or personal property, by  
186 gift, purchase, transfer, foreclosure, lease, or otherwise, including rights or easements; hold, sell,  
187 assign, lease, encumber, mortgage or otherwise dispose of any real or personal property, or any  
188 interest therein, or mortgage any interest owned by it or under its control, custody or in its  
189 possession; release or relinquish any right, title, claim, lien, interest, easement or demand  
190 however acquired, including any equity or right of redemption in property foreclosed by it; take  
191 assignments of leases and rentals, proceed with foreclosure actions or take any other actions  
192 necessary or incidental to the performance of its corporate purposes including, but not limited to,  
193 making or delegating to a lessee or a licensee to make improvements or alterations to the real  
194 property of the bank, or any interest thereon or engage in construction on or renovation at such  
195 property or interest;

196           (12) invest funds held in reserves or sinking funds or funds not required for immediate  
197 disbursement in such investments as may be provided in a financing document relating to the use  
198 of such funds or, if not so provided, as the board may determine;

199           (13) appear on its own behalf before boards, commissions, departments or other agencies  
200 of municipal, state or other government;

201           (14) obtain insurance;

202           (15) apply for and accept subventions, grants, loans, advances and contributions from any  
203 source of money, property, labor or other things of value, to be held, used and applied for its  
204 corporate purposes; provided, however, that the bank shall not accept funding from any source,  
205 including any government agency, if the receipt of said funding would limit the bank's ability to

206 promote its public purposes; and provided further, that all such funds shall be placed, in their  
207 entirety, in the bank;

208 (16) provide and pay for such advisory services and technical assistance as may be  
209 necessary or desired to carry out the purposes of this chapter;

210 (17) establish and collect such fees and charges as the bank without further appropriation  
211 shall determine to be reasonable, and receive and apply revenues from fees and charges to the  
212 purposes of the bank or allotment by the commonwealth or any political subdivision thereof;  
213 provided, however, that all said revenues shall be placed, in their entirety, in the bank;

214 (18) make loans to any person for the acquisition, construction, alteration or any  
215 combination thereof, or other financing of a project including, but not limited to, loans to lending  
216 institutions under terms and conditions requiring the proceeds of such loans to be used by such  
217 lending institutions for the making of loans to users for qualified projects;

218 (19) disburse, appropriate, grant, loan or allocate funds for the purposes of investing in  
219 climate and clean energy as directed in this chapter;

220 (20) provide assistance to local entities and authorities, public bodies and private  
221 corporations for the purposes of maximizing opportunities for expanding climate and clean  
222 energy innovations, attracting new climate and clean energy entities and advanced technology  
223 investments, fostering new innovative research and creating new manufacturing and  
224 development initiatives in the commonwealth;

225 (21) prepare, publish and distribute, with or without charge, as the bank may determine,  
226 such studies, reports and bulletins and other material as the bank deems appropriate;

227 (22) exercise any other powers of a corporation organized under chapter 156B;

228 (23) engage accountants, architects, attorneys, engineers, planners, real estate experts and  
229 other consultants as may be necessary in its judgment to carry out the purposes of this section  
230 and to fix their compensation;

231 (24) take any actions necessary or convenient to the exercise of any power or the  
232 discharge of any duty provided for by this section; and

233 (25) enter into agreements or other transactions with any person, including without  
234 limitation any public entity or other governmental instrumentality or agency in connection with  
235 its powers and duties under this section.

236 Irrespective of the above powers, the bank may not invest in or hold common stock or  
237 another equity investment in natural gas and utility scale biomass projects.

238 (p) The bank may set up and maintain such separate funds and accounts as are necessary  
239 to provide and direct funding to qualifying climate and clean energy innovations. Such funds or  
240 accounts shall be credited with any appropriations authorized by the general court, bond or note  
241 proceeds, grants, gifts, donations, bequests or other monies received in accordance with the law.  
242 The bank may make loans from such funds or accounts.

243 (q) The bank may issue and sell bonds or notes of the bank for the purpose of providing  
244 funds to finance qualifying climate and clean energy innovations. Any bond or note issued under  
245 this section: (1) shall constitute the corporate obligation of the bank; (2) shall not constitute a  
246 debt of the commonwealth within the meaning or application of the constitution of the  
247 commonwealth; and (3) shall be payable solely as to both principal and interest from (i) the

248 proceeds of bonds or notes, if any; (ii) investment earnings on the proceeds of bonds or notes; or  
249 (iii) other funds available to the bank for such purpose.

250 (r) The board shall develop a comprehensive application process for investments by  
251 which governmental entities such as other climate banks or investment vehicles may submit  
252 plans for climate and clean energy investments for review and approval by the bank. An  
253 approved climate and clean energy plan shall be considered a qualifying plan. The bank shall  
254 enter into funding agreements with the proponents of such qualifying plans, which shall detail  
255 the terms of a disbursement of funds from the bank for the plan and specific terms for the  
256 repayment or recoupment of funds.

257 The board shall also develop a comprehensive application process for direct investments  
258 by which persons may submit plans for climate and clean energy innovations and technologies  
259 for review and approval by the bank. An approved climate and clean energy innovation and  
260 technology plan shall be considered a qualifying plan. The bank shall enter into funding  
261 agreements with the proponents of such qualifying plans, which shall detail the terms of a  
262 disbursement of funds from the bank for the plan and specific terms for the repayment or  
263 recoupment of funds.

264 (s) The board shall adopt policies and procedures as necessary to implement this chapter.

265 (t) Within 180 days of enactment, the board shall establish bylaws, policies, and  
266 procedures governing the operations of the bank not addressed specifically by the legislation.

267 (u) In addition to its purposes as defined in section (d), the bank is directed to create a  
268 public sustainability benefit policy to fulfill the purpose of the bank as defined by section (d).  
269 The board shall adopt a written public sustainability benefit policy that includes reporting

270 metrics as well as procedures. The board shall file a copy of that policy with the governor, the  
271 comptroller, the clerks of the house of representatives and senate, and the house and senate  
272 chairs of the joint committee on telecommunications, utilities and energy, within 30 days after its  
273 adoption. Whenever the board changes its public sustainability benefit policy, it shall file a copy  
274 of the new policy with the governor, the comptroller, the clerks of the house of representatives  
275 and senate, and the house and senate chairs of the joint committee on telecommunications,  
276 utilities and energy.

277         The public sustainability benefit policy shall include a statement that material, relevant,  
278 and decision-useful sustainability factors related to the goals of the bank have been or are  
279 regularly considered by the bank, within the bounds of financial and fiduciary prudence, in  
280 evaluating investment decisions. Such factors will be derived from industry accepted public  
281 sustainability benefit guidelines such as the United Nations Sustainable Development Goals and  
282 the Sustainability Accounting Standards Board (SASB) standards for impact.

283         (v) The books and records of the bank shall be subject to an audit by the state auditor, in  
284 accordance with generally accepted government auditing standards, as often as the state auditor  
285 determines is necessary.

286         (w) The bank shall annually report to the governor, the comptroller, the clerks of the  
287 house of representatives and senate, and the chairs of the joint committee on  
288 telecommunications, utilities and energy, on the financial condition and performance of the bank  
289 and provide an analysis of the bank's effect on the State to ensure that it is consistent with the  
290 bank's purposes set forth in section (d), particularly the bank's effect on the public sustainability  
291 benefit goals derived from goals of the bank.

292           (x)    The bank shall receive funding of no less than \$100,000,000 for a total of five  
293 years, which shall be available without the need for further appropriation from the following  
294 sources: (1) money generated by all cap and trade pollution control programs; (2) other funds  
295 that the secretary may provide through fees from enforcement of market-based compliance  
296 mechanisms under chapter 21N, the Climate Protection and Green Economy Act; and (3) private  
297 investments, gifts, and donations. Funds collected under this section shall be deposited into the  
298 bank for the purpose of carrying out this chapter. Any unexpended funds at the end of the fiscal  
299 year shall not revert to the General Fund and shall be carried over from year to year and may be  
300 expended in subsequent years without appropriation.

301           (y) The bank may also accept deposits of government assets and funds from any state  
302 public institution. The bank may pay interest on deposits of public funds and may offer other  
303 financial products to the state treasurer and other public institutions.

304           (z) By request of the governor, the state treasurer may also issue and sell up to  
305 \$750,000,000 in bonds within a given fiscal year to capitalize the bank.