

# SENATE . . . . . No.

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## The Commonwealth of Massachusetts

PRESENTED BY:

*Cindy F. Friedman*

*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 sexual harassment.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Cindy F. Friedman</i>	<i>Fourth Middlesex</i>	
<i>Rebecca L. Rausch</i>	<i>Norfolk, Worcester and Middlesex</i>	<i>1/30/2025</i>

# SENATE . . . . . No.

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[Pin Slip]

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## The Commonwealth of Massachusetts

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

An Act relative to sexual harassment.

*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. The General Laws are hereby amended by inserting after Chapter 151F the  
2 following chapter:-

3           Chapter 151G.

4           PROTECTIONS AGAINST SEXUAL HARASSMENT.

5           Section 1. As used in this chapter, the following words shall have the following meanings  
6 unless the context clearly requires otherwise:

7           “Derivative investment”, an acquisition of securities by a venture capital company in the  
8 ordinary course of the venture capital company’s business in exchange for an existing venture  
9 capital investment either: (i) upon the exercise or conversion of the existing venture capital  
10 investment; or (ii) in connection with a public offering of securities or the merger or  
11 reorganization of the operating company to which the existing venture capital investment relates.

“Professional investor”, one or more persons, including but not limited to, a bank, bank holding company, savings institution, trust company, insurance company, investment company registered under the Federal Investment Company Act of 1940, pension or profit-sharing trust or other financial institution or institutional buyer, licensee under the Federal Small Business Investment Act of 1958, partnership, association, corporation, legal representative, trustee, trustee in bankruptcy, receiver, and venture capital fund, whose business includes sponsoring, guaranteeing or granting funds or engaging in investment transactions.

“Venture capital company”, an entity that: (i) on at least one occasion during the annual period commencing with the date of the entity’s initial capitalization, and on at least one occasion during each annual period thereafter, at least 50 per cent of the entity’s assets other than short-term investments pending long-term commitment or distribution to investors, valued at cost, are venture capital investments or derivative investments; (ii) the entity is a “venture capital fund” as defined in 17 C.F.R. 275.203 section (l)-(1); or (iii) the entity is a “venture capital operating company” as defined in 29 C.F.R. section 2510.3-101(d).

“Venture capital fund”, shall have the same meaning as defined in 17 C.F.R. section 275.203 (l)-(1).

“Venture capital investment”, an acquisition of securities in an operating company as to which the investment adviser, the entity advised by the investment adviser, or an affiliated person of either has or obtains management rights.

Section 2. It shall be unlawful for a professional investor doing business in the commonwealth to make sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature either directly or indirectly through an intermediary when: (i)

34 submission to or rejection of such advances, requests or conduct is made explicitly or implicitly a  
35 basis for business investment transactions, including the sponsoring, guaranteeing or granting of  
36 funds; or (ii) such advances, requests or conduct have the purpose or effect of unreasonably  
37 interfering with an individual's working relationship with a person, business, partnership, or  
38 other entity or venture by creating an intimidating, hostile, humiliating or sexually offensive  
39 environment, relationship, partnership or other situation; provided, that discrimination on the  
40 basis of sex shall include, but not be limited to, sexual harassment.

41       Section 3. (a) An individual doing business in the commonwealth who is injured by a  
42 violation of section 2, or any business, partnership or other venture or entity doing or planning to  
43 do business in the commonwealth, which employed the individual as its agent to conduct its  
44 business with the professional investor during the course of the injuring actions, may bring an  
45 action in any court of competent jurisdiction against a professional investor who commits an  
46 unlawful act under section 2. A professional investor shall be liable to the individual, entity or  
47 venture bringing suit for damages, including, but not limited to, compensatory, incidental,  
48 consequential or punitive damages. A plaintiff may also seek, and the court may grant, injunctive  
49 and other appropriate equitable relief. The court shall, in addition to any judgment awarded to  
50 the plaintiff, award reasonable attorneys' fees to be paid by the defendant and the costs of the  
51 action.

52       (b) The attorney general may bring enforcement action against a professional investor for  
53 violations of section 2. A professional investor subject to such action shall be liable for damages,  
54 including, but not limited to, compensatory, incidental, consequential and punitive damages. The  
55 attorney general may also seek, and the court may grant, injunctive and other appropriate  
56 equitable relief. The court shall, in addition to any judgment awarded, award reasonable

attorneys' fees to be paid by the defendant and the costs of the action. Costs and attorneys' fees shall be paid to the commonwealth and damages shall be paid to the individual, venture or entity injured due to the violation of section 2. Prior to or in connection with bringing an enforcement action, the attorney general's office shall be permitted to investigate potential violations with the powers granted by, and in a manner consistent with, section 6 of chapter 93A.

(c) Any action based upon or arising under this chapter shall be instituted within 3 years after the date of the last alleged unlawful act, the last alleged injury, when an injured individual became aware of the last alleged injury or when the attorney general's office became aware of the last alleged injury, whichever is most recent.

Section 4. This chapter shall be construed liberally to accomplish its purposes. Nothing contained in this chapter shall be deemed to repeal any provision of any other law of this commonwealth.