

HOUSE No. 3726

The Commonwealth of Massachusetts

PRESENTED BY:

Antonio F.D. Cabral

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 passage of the accompanying bill:

An Act to reinvest in Massachusetts.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Antonio F.D. Cabral	13th Bristol
Benjamin Swan	11th Hampden
Mark C. Montigny	Second Bristol and Plymouth

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT TO REINVEST 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 Section 23 of Chapter 32 of the General Laws, as appearing in the 2004 Official Edition, is
2 hereby amended by adding after (3) the following:--

3 (3A) All public retirement systems identified in section 23 (1) and 23 (2) of
4 Chapter 32 shall invest not less than five percent (5%) of its assets in businesses, real estate, or
5 other investments located within a Gateway City, as defined by Chapter 32C. Such
6 economically targeted investments shall not constitute a breach of fiduciary duty to retirement
7 systems.

8 SECTION 2. The Massachusetts General Laws are hereby amended by inserting after Chapter
9 32B the following new section:--

10 CHAPTER 32C

11 THE MASSACHUSETTS ECONOMICALLY TARGETED INVESTMENT AUTHORITY 12 (META)

13 Section 1. Definitions

14 "Authority", the Massachusetts Economically Targeted Investment Authority (META)
15 established pursuant to section 2 of Chapter 32C.

16 "Economically targeted investment" an investment, with the goal of stimulating
17 economic activity as well as generating an investment return, made in counties, cities, towns,
18 municipalities or regions of the Commonwealth which have a significantly high level of
19 employment as determined by the Authority.

20 "Gateway City" a municipality in the commonwealth which meet the following
21 criteria: (a) population exceeding 35,000 people; (b) median household income below the state
22 average; (c) per capita income below the state average; and (d) percentage of the city or town's
23 population having attained a bachelor's degree or higher below the state's average.

24 "Massachusetts economically targeted investment fund" an investment fund which
25 contains the assets necessary economically targeted investments. Such fund shall contain the 5%
26 of assets from all public retirement systems in the Commonwealth and other public or private
27 assets which choose to invest in this fund.

28 “PERAC” The Public Employee Retirement Administration Commission as organized
29 under Chapter 32.

30 “Targeted areas” an investment providing public benefits to Massachusetts through the
31 establishment, expansion, securing, financing or operation of an industrial, recreational, research
32 and development, commercial or service enterprise or facility, or any parts or combinations,
33 thereof, located within or partially within the Commonwealth and including, but not limited to,
34 all facilities necessary or desirable in connection therewith or incidental thereto, including
35 provision for working capital.

36 Section 2. There is hereby created a body politic and corporate to be known as the Massachusetts
37 Economically Targeted Investment Authority or META as it should be commonly
38 known. META is hereby constituted a public instrumentality and the exercise by the META of
39 the powers conferred by this chapter shall be deemed to be the performance of an essential
40 governmental function. META is hereby placed in the office of the state treasurer, but shall not
41 be subject to the supervision or control of said department or of any board, bureau, or agency of
42 the Commonwealth except as specifically provided in this act. The authority shall be governed
43 and its powers exercise by a board of nine commissioners. The commissioners shall be the
44 following:

45 The state treasurer or designee, and ;

46 The executive director of PERAC, or designee, and

47 Four other commissioners appointed by the state treasurer. These commissioners must
48 have skill and experience in providing economic development, starting and operating business,
49 providing professional services to business, obtaining and administering grants from
50 governmental or philanthropic sources, at least one of the treasurer’s appointments shall be from
51 Western Massachusetts and at least one of the treasurer’s appointments shall be from South
52 Cove-Southeaster Massachusetts, and three other commissioners appointed by the
53 governor. These commissioners must have skill and experience in providing economic
54 development, starting and operating business, providing professional services to business,
55 obtaining and grants from government or philanthropic sources, at least one of the governor’s
56 appointments shall be from South Cove-Southeastern Massachusetts.

57 Each appointed commissioner shall serve a term of five years, except that in making
58 the initial appointments the state treasurer shall appoint one commissioner to serve a two year
59 term.

60 The governor and state treasurer shall individually appoint one commissioner for a term of three
61 years, one commissioner to serve for a term of four years, and one commissioner for a term of
62 five years.

63 Any person appointed to fill a vacancy in the office of a commissioner shall be
64 appointed in a like manner and shall serve for only the unexpired term. Any commissioner shall
65 be eligible for reappointment. The governor and state treasurer may remove their respective
66 appointees only for good cause. The state treasurer shall serve as the chairperson. The
67 commissioners shall annually elect one of their commissioners as vice-chairperson and designate
68 a clerk who need not be a commissioner of the board. The clerk shall keep a record of the
69 proceedings of the agency and shall be the custodian of all books, documents and papers filed
70 with the agency, the minute books of the agency and of its official seal.

71 Five of the commissioners of the authority shall constitute a quorum and a majority of
72 votes shall be necessary for the transaction of business or the exercise of any power or function

73 of the authority. Each director shall be entitled to reimbursement for actual and necessary
74 expenses incurred in the performance of official duties.

75 The authority, its commissioners, officers and employees shall be subject to the
76 provisions of sections one to four, inclusive, of chapter two hundred and sixty eight A, except
77 that the authority any purchase from, sell to, borrow from, loan to, contract with or otherwise
78 deal with any public nonprofit community development agency organized to carry out the
79 purposes of this act of which any director of the authority is also a commissioner or officer,
80 provided that such interest is disclosed in advance to commissioners of the board and recorded in
81 the minutes of the authority and provided further, that no director having such a financial
82 interest may participate in any decision affecting such transaction.

83 The commissioners may appoint an executive director and also establish the
84 salary. The executive director shall be the chief administrative and operational officer of the
85 authority and shall direct and supervise administrative affairs and the general management of the
86 authority. The executive director may employ such other employees as shall be designated by
87 the board of directors, shall attend meetings of the board of directors, shall cause copies to be
88 made of all minutes and other records and documents of the authority and shall certify that such
89 copies are true copies, and all persons dealing the authority may rely upon such certification.

90 Section 3. Powers of META.

91 META shall have the power to:

- 92 1) Adopt by-laws for the regulation of its affairs and the conduct of its business;
93 and
- 94 2) Adopt an official seal; and
- 95 3) Sue and be sued in its own name; and
- 96 4) Make and execute contracts and all other instruments necessary or convenient for
97 the exercise of its power and functions; and
- 98 5) Acquire, hold and dispose of personal property for its corporate purposes; and
- 99 6) Enter into agreements or other transaction with any federal or state agency; and
- 100 7) Acquire real property, or an interest therein, by purchase or foreclosure, where
101 such acquisition is necessary or appropriate to protect or secure any investment or
102 loan in which the agency has an interest; to sell, transfer and convey and such
103 property to a buyer and in the event such sale, transfer or conveyance cannot be
104 effected with reasonable promptness or at a reasonable price, to lease such property to
105 a tenant; and
- 106 8) Invest any funds held in reserves or sinking funds, or any funds not required for
107 immediate disbursement, in such investments as may be lawful for fiduciaries in the
108 Commonwealth; and
- 109 9) Employ an executive director, who shall be the chief executive officer of the
110 authority, and such other agents, employees, professional and business advisors as
111 may from time to time be necessary in the judgment of the board of directors and to
112 fix their compensation. The executive director, professional advisers and business
113 advisers shall not be subject to the provision of chapter thirty one or section nine A of
114 chapter thirty; and
- 115 10) Appear in its own behalf before boards, commissions, department or other agencies
116 of government, municipal, state or federal; and
- 117 11) Procure insurance against any loss in connection with its property in such amounts,
118 and from such insurer, as may be necessary or desirable; and

- 119 12) Consent, subject to the provisions or any contract with note holders or bondholders,
120 whenever it deems it necessary or desirable in the fulfillment of the purposes of this
121 act, to the modification, with respect to rate of interest, time of payment of any
122 installment of principal or interest, or any other terms of any mortgage, mortgage
123 loan, mortgage loan commitment, contract or agreement of any kind to which the
124 META is party; and
- 125 13) Do any and all things necessary or convenient to carry out its purposes and exercise
126 the powers expressly given and granted in this act; and
- 127 14) Receive and accept from federal or state agency grants, loans, or advances in aid of
128 the purposes of this chapter and to receive and accept contributions of either money,
129 property, labor, or other things of value, to be held, used and applied for said
130 purposes; and
- 131 15) Create, issue, buy and sell stock and other capital participation instruments; to hold
132 such stock in capital participation instruments and to underwrite the creation of a
133 capital market which provides first offer of resale to the community development
134 agency, business or residents of the target area which is designed to enhance
135 development of capital ownership in the target area; and
- 136 16) Provide and pay for such advisory services and technical assistance as may be
137 necessary or desirable to carry out the purposes of this act; and
- 138 17) Give assistance to local authorities, public bodies and sponsors through the
139 providing of information, guidelines and suggested forms of procedures for
140 implementation of their financing programs; and
- 141 18) Establish and collect such fees and charges as the authority without appropriation
142 shall determine to be reasonable; and to receive and apply revenues from fees and
143 charges for the purposes of the authority or allotment by the commonwealth or any
144 political subdivision thereof; and
- 145 19) Develop targeted investments; and
- 146 20) Market economically targeted investments to potential investors; and
- 147 21) Manage the META funds

148 Section 4. There is hereby created and placed within the authority the META fund referred to in
149 the chapter as the Fund. The Fund's purpose is to collect investment capital and invest in
150 exclusively in economically targeted investments.

- 151 22) The fund shall allow retirement systems, corporations or sponsors to participate in
152 the fund. The agency shall invest and reinvest any income in the fund only as
153 follows;
 - 154 a. for defraying the ordinary and necessary expenses of administration and
155 operation associated with the fund;
 - 156 b. for investing funds not required for immediate disbursement in the purchase
157 of such securities as may be lawful investments for fiduciaries in the
158 commonwealth;
 - 159 c. for the payment of binding obligations associated with such investments
160 which are secured by the fund as the same become payable; and
 - 161 d. for the payment of principal or interest on investments secured by the fund
162 or the payment of any redemption premium required to be paid when such
163 qualified investments are redeemed prior to maturity; provided, however, that
164 monies in the fund shall not be withdrawn at any time in such an amount as

165 would reduce the amount of the fund to less than the minimum requirement
166 thereof established by the Agency, except for the purpose of paying binding
167 obligations associated with investments which are secured by the fund as the
168 investments become payable;

169 e. for affordable housing within and outside the commonwealth and
170 especially affordable housing for active and retired public employees and their
171 families.

172 23) The authority shall credit assets and earnings to individual investors. Investors may
173 include, but are not limited t Massachusetts employee retirement systems,
174 governmental entities and private investors.

175 24) Withdrawal of assets from the Fund may occur when the investor gives the Agency
176 60 days notice.

177 Section5. Investment in an economically targeted investment shall not constitute a breach of
178 fiduciary duty.