HOUSE DOCKET, NO. FILED ON: 1/14/2009

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

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The Commonwealth of Massachusetts

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PRESENTED BY:

**Antonio F.D. Cabral**

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*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.

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PETITION OF:

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| --- | --- |
| Name: | District/Address: |
| Antonio F.D. Cabral | 13th Bristol |

The Commonwealth of Massachusetts

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**In the Year Two Thousand and Nine**

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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:*

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

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

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

CHAPTER 32C

THE MASSACHUSETTS ECONOMICALLY TARGETED INVESTMENT AUTHORITY (META)

Section 1. Definitions

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

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

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

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

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

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

Section2. There is hereby created a body politic and corporate to be known as the Massachusetts Economically Targeted Investment Authority or META as it should be commonly known.  META is hereby constituted a public instrumentality and the exercise by the META of the powers conferred by this chapter shall be deemed to be the performance of an essential governmental function.  META is hereby placed in the office of the state treasurer, but shall not be subject to the supervision or control of said department or of any board, bureau, or agency of the Commonwealth except as specifically provided in this act.  The authority shall be governed and its powers exercise by a board of nine commissioners.  The commissioners shall be the following:

                The state treasurer or designee, and ;

                The executive director of PERAC, or designee, and

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

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

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

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

                Five of the commissioners of the authority shall constitute a quorum and a majority of votes shall be necessary for the transaction of business or the exercise of any power or function of the authority.  Each director shall be entitled to reimbursement for actual and necessary expenses incurred in the performance of official duties.

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

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

                Section 3. Powers of META.

                META shall have the power to:

1)       Adopt by-laws for the regulation of its affairs and the conduct of its business;

and

2)       Adopt an official seal; and

3)       Sue and be sued in its own name; and

4)       Make and execute contracts and all other instruments necessary or convenient for the exercise of its power and functions; and

5)       Acquire, hold and dispose of personal property for its corporate purposes; and

6)       Enter into agreements or other transaction with any federal or state agency; and

7)       Acquire real property, or an interest therein, by purchase or foreclosure, where such acquisition is necessary or appropriate to protect or secure any investment or loan in which the agency has an interest; to sell, transfer and convey and such property to a buyer and in the event such sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, to lease such property to a tenant; and

8)       Invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in such investments as may be lawful for fiduciaries in the Commonwealth; and

9)       Employ an executive director, who shall be the chief executive officer of the authority, and such other agents, employees, professional and business advisors as may from time to time be necessary in the judgment of the board of directors and to fix their compensation.  The executive director, professional advisers and business advisers shall not be subject to the provision of chapter thirty one or section nine A of chapter thirty; and

10)    Appear in its own behalf before boards, commissions, department or other agencies of government, municipal, state or federal; and

11)    Procure insurance against any loss in connection with its property in such amounts, and from such insurer, as may be necessary or desirable; and

12)    Consent, subject to the provisions or any contract with note holders or bondholders, whenever it deems it necessary or desirable in the fulfillment of the purposes of this act, to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, or any other terms of any mortgage, mortgage loan, mortgage loan commitment, contract or agreement of any kind to which the META is party; and

13)    Do any and all things necessary or convenient to carry out its purposes and exercise the powers expressly given and granted in this act; and

14)    Receive and accept from federal or state agency grants, loans, or advances in aid of the purposes of this chapter and to receive and accept contributions of either money, property, labor, or other things of value, to be held, used and applied for said purposes; and

15)    Crate, issue, buy and sell stock and other capital participation instruments; to hold such stock in capital participation instrument s and to underwrite the creation of a capital market which provides first offer of resale to the community development agency, business or residents of the target area which is designed to enhance development of capital ownership in the target area; and

16)    Provide and pay for such advisory services and technical assistance as may be necessary or desirable to carry out the purposes of this act; and

17)    Give assistance to local authorities, public bodies and sponsors through the providing of information, guidelines and suggested forms of procedures for implementation of their financing programs; and

18)    Establish and collect such fees and charges as the authority without appropriation shall determine to be reasonable; and to receive and apply revenues from fees and charges for the purposes of the authority or allotment by the commonwealth or any political subdivision thereof; and

19)    Develop targeted investments; and

20)    Market economically targeted investments to potential investors; and

21)    Manage the META funds

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

22)    The fund shall allow retirement systems, corporations or sponsors to participate in the fund.  The agency shall invest and reinvest any income in the fund only as follows;

a.        for defraying the ordinary and necessary expenses of administration and operation associated with the fund;

b.       for investing funds not required for immediate disbursement in the purchase of such securities as may be lawful investments for fiduciaries in the commonwealth;

c.        for the payment of binding obligations associated with such investments which are secured by the fund as the same become payable; and

d.       for the payment of principal or interest on investments secured by the fund or the payment of any redemption premium required to be paid when such qualified investments are redeemed prior to maturity; provided, however, that monies in the fund shall not be withdrawn at any time in such an amount as would reduce the amount of the fund to less than the minimum requirement thereof established by the Agency, except for the purpose of paying binding obligations associated with investments which are secured by the fund as the investments become payable;

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

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

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

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