SENATE DOCKET, NO. 1399   FILED ON: 1/16/2025

SENATE . . . . No. 767

The Commonwealth of Massachusetts

PRESENTED BY:

Patricia D. Jehlen

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 promoting responsible investment.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Patricia D. Jehlen	*Second Middlesex*

SENATE DOCKET, NO. 1399   FILED ON: 1/16/2025

SENATE . . . . No. 767

By Ms. Jehlen, a petition (accompanied by bill, Senate, No. 767) of Patricia D. Jehlen for legislation relative to the divestment from entity which manufactures, produces, promotes, sells, or distributes holds weapons of mass destruction. Financial Services.

The Commonwealth of Massachusetts

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

An Act promoting responsible investment.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. As used in this act, the following words shall, unless the context clearly requires otherwise, have the following meanings:

"Board", the Pension Reserves Investment Management Board established in section 23 of chapter 32 of the General Laws.

"Investments" any investment and/or contribution (regardless of nomenclature or type) whether held and/or made directly or indirectly held and/or internally or externally managed.

"Public Fund", the Pension Reserves Investment Trust or the Pension Reserves Investment Management Board charged with managing the pooled investment fund consisting of the assets of the state employees' and teachers' retirement systems as well as the assets of local retirement systems under the control of the board.

"Weapons of mass destruction (WMD)" shall have the same meaning as provided in 18 U.S. Code § 2332a(c), as amended from time to time, which defines "weapon of mass destruction" to include: (1) any destructive device as defined in 18 U.S. Code § 921(a)(4); (2) any weapon that is designed or intended to cause death or serious bodily injury through the release, dissemination, or impact of toxic or poisonous chemicals, or their precursors; (3) any weapon involving a biological agent, toxin, or vector as defined in 18 U.S. Code § 178; or (4) any weapon that is designed to release radiation or radioactivity at a level dangerous to human life.

"WMD Entities" any entity (regardless of nomenclature or type) which manufactures, produces, promotes, sells, or distributes WMDs and/or facilitates any of the aforementioned activities.

SECTION 2. Notwithstanding any general or special law to the contrary, within 30 days of effective date of this act, the Public Fund shall identify all WMD Entities in which the Public Fund holds Investments and shall file a list of any such holdings with the attorney general and the clerks of the senate and the house of representatives. The attorney general shall make said list available to the public no later than 60 days after filing with the legislature.

SECTION 3. Notwithstanding any general or special law to the contrary, it shall be the settled policy of the Public Fund and of the Board of the Public Fund not to hold Investments in any WMD Entities. The Public Fund shall sell, redeem, divest, or withdraw all Investments in WMD Entities identified pursuant to section 2 of this act within 12 months of effective date of this act. The Board shall also amend the investment policy or equivalent instrument communicated to external asset and investment managers to forbid future Investments in WMD

Entities. The Board shall further instruct said managers to divest such Investments in WMD Entities from the investment fund or carve out such Investments and allocate them to a similar actively managed fund or funds with indirect holdings devoid of WMD Entities.

SECTION 4. Notwithstanding any general or special law to the contrary, with respect to actions taken in compliance with this act, the Public Fund shall be exempt from any conflicting statutory or common law obligation, including any such obligations with respect to choice of asset managers, investment managers, investment funds, or investments for the Public Fund's securities portfolios and all good faith determinations regarding the identification of WMD Entities subject to divestment as provided for herein.

SECTION 5. Present, future and former board members of the Public Fund, jointly and individually, state officers and employees, and investment managers under contract with the Public Fund shall be indemnified from the general fund and held harmless by the commonwealth from all claims, demands, suits, actions, damages, judgments, costs, charges and expenses, including court costs and attorneys fees and against all liability, losses and damages of any nature whatsoever that these present, future or former board members, officers, employees, or contract investment managers shall or may at any time sustain by reason of any decision to restrict, reduce, or eliminate investments in WMD entities.

SECTION 6. Notwithstanding any general or special law to the contrary, all state agencies shall: review existing contracts and determine existing contracts with WMD entities; promptly terminate existing contracts as practicable; and refrain from entering into new contracts with said WMD Entities, including those identified pursuant to section 2 of this act. State agencies shall identify all WMD Entities with which they contract and shall file a list of any such contracts with the attorney general and the clerks of the senate and the house of representatives. The attorney general shall make said list available to the public. Nothing in this section is intended to relieve state agencies of any obligations under applicable laws, rules, or regulations related to contracting and procurement.

SECTION 7. The Public Fund shall annually, as applicable, file a report with the attorney general and with the clerks of the senate and the house of representatives. Such report shall include at a minimum: (i) all Investments sold, redeemed, divested or withdrawn in compliance with this act within the preceding year; and (ii) all Investments prohibited by this act from which the public fund has not yet divested.