

HOUSE No. 2202

The Commonwealth of Massachusetts

PRESENTED BY:

Mike Connolly

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 the divestment of state pension funds from nuclear weapons.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Mike Connolly</i>	<i>26th Middlesex</i>
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>
<i>Mindy Domb</i>	<i>3rd Hampshire</i>
<i>William J. Driscoll, Jr.</i>	<i>7th Norfolk</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>
<i>Nika C. Elugardo</i>	<i>15th Suffolk</i>
<i>Denise C. Garlick</i>	<i>13th Norfolk</i>
<i>Natalie M. Higgins</i>	<i>4th Worcester</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>
<i>David Henry Argosky LeBoeuf</i>	<i>17th Worcester</i>
<i>Jack Patrick Lewis</i>	<i>7th Middlesex</i>
<i>Jay D. Livingstone</i>	<i>8th Suffolk</i>
<i>Brian W. Murray</i>	<i>10th Worcester</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>Rebecca L. Rausch</i>	<i>Norfolk, Bristol and Middlesex</i>
<i>Maria Duaiame Robinson</i>	<i>6th Middlesex</i>

David M. Rogers
Tommy Vitolo

24th Middlesex
15th Norfolk

HOUSE No. 2202

By Mr. Connolly of Cambridge, a petition (accompanied by bill, House, No. 2202) of Mike Connolly and others relative to the divestment of state pension funds from nuclear weapons. Public Service.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act relative to the divestment of state pension funds from nuclear weapons.

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

3 “Board”, the Pension Reserves Investment Management Board established in section 23
4 of chapter 32 of the General Laws.

5 “Company”, a sole proprietorship, organization, association, corporation, partnership,
6 joint venture, limited partnership, limited liability partnership, limited liability company or other
7 entity or business association, including all wholly-owned subsidiaries, majority-owned
8 subsidiaries, parent companies or affiliates of such entities or business associations that exist for
9 profit-making purposes.

10 “Direct holdings”, all securities of a company held directly by the public fund or in an
11 account or fund in which the public fund owns all shares or interests.

12 “Indirect holdings”, all securities of a company held in an account or fund, such as a
13 mutual fund, managed by 1 or more persons not employed by the public fund, in which the
14 public fund owns shares or interests together with other investors not subject to this act.

15 “Nuclear material,”(A) plutonium; (B) uranium not in the form of ore or ore residue that
16 contains the mixture of isotopes as occurring in nature; (C) enriched uranium, defined as
17 uranium that contains the isotope 233 or 235 or both in such amount that the abundance ratio
18 of the sum of those isotopes to the isotope 238 is greater than the ratio of the isotope 235 to the
19 isotope 238 occurring in nature; or (D) uranium 233.

20 “Nuclear weapon,” any weapon that contains nuclear material.

21 “Nuclear weapon system,” any device designed exclusively to carry, contain, detonate, or
22 launch a nuclear weapon.

23 “Nuclear weapon producer,” any Company that develops, tests, produces, maintains, or
24 engages in the trade of nuclear weapons or nuclear weapon systems.

25 “Public fund”, the Pension Reserves Investment Trust or the Pension Reserves
26 Investment Management Board charged with managing the pooled investment fund consisting of
27 the assets of the state employees’ and teachers’ retirement systems as well as the assets of local
28 retirement systems under the control of the board.

29 SECTION 2. Notwithstanding any general or special law to the contrary, within 30 days
30 of enactment, the public fund shall identify all nuclear weapons producers in which the fund
31 owns

32 direct or indirect holdings and shall file a list of any such holdings with the attorney
33 general and the clerks of the senate and the House of Representatives.

34 SECTION 3. Notwithstanding any general or special law to the contrary, it shall be the
35 settled policy of the public fund and of the board of the public fund not to invest in any nuclear
36 weapon producer. The public fund shall sell, redeem, divest or withdraw all publicly-traded and
37 non-publicly traded securities of each company identified pursuant to section 2 of this act within
38 12 months of enactment. This section shall not apply to indirect holdings in actively managed
39 investment funds; provided, however, that the public fund shall submit letters to the managers of
40 any such investment funds that contain companies identified pursuant to section 2 of this act,
41 requesting that they remove such companies from the investment fund or create a similar actively
42 managed fund with indirect holdings devoid of such companies.

43 SECTION 4. Notwithstanding any general or special law to the contrary, with respect to
44 actions taken in compliance with this act, the public fund shall be exempt from any conflicting
45 statutory or common law obligation, including any such obligations with respect to choice of
46 asset managers, investment funds, or investments for the public fund's securities portfolios and
47 all good faith determinations regarding the identification of nuclear weapons producers subject to
48 divestment as provided for herein.

49 SECTION 5. Notwithstanding any general or special law to the contrary, the public fund
50 shall be permitted to cease divesting from companies identified pursuant to section 2 of this act,
51 to reinvest in companies identified pursuant to section 2 of this act, or to continue to invest in
52 companies pursuant to section 2 of this act from which it has not yet divested upon clear and
53 convincing evidence showing that the value for all assets under management by the public fund

54 becomes equal to or less than 99.5 per cent (50 basis points) of the hypothetical value of all
55 assets under management by the public fund assuming no divestment for any company had
56 occurred under said subsection. Cessation of divestment, reinvestment or any subsequent
57 ongoing investment authorized by this section shall be strictly limited to the minimum steps
58 necessary to avoid the contingency set forth in the preceding sentence. In advance of any
59 cessation of divestment authorized by this subsection, the public fund shall provide a written
60 report to the attorney general, the Senate and House Committees on Ways and Means and the
61 Joint Committee on Public Service, updated annually thereafter as applicable, setting forth the
62 reasons and justification, supported by clear and convincing evidence, for its decisions to cease
63 divestment, to reinvest or to remain invested in companies identified pursuant to section 2.

64 SECTION 6. Present, future and former board members of the public fund, jointly and
65 individually, state officers and employees, and investment managers under contract with the
66 public fund shall be indemnified from the General Fund and held harmless by the
67 Commonwealth from all claims, demands, suits, actions, damages, judgments, costs, charges and
68 expenses, including court costs and attorney's fees, and against all liability, losses, and damages
69 of any nature whatsoever that these present, future, or former board members, officers,
70 employees, or contract investment managers shall or may at any time sustain by reason of any
71 decision to restrict, reduce, or eliminate investments in nuclear weapons produces.

72 SECTION 7. The public fund shall annually, as applicable, file a report with the attorney
73 general and with the clerks of the Senate and the House of representatives, including: (i) all
74 investments sold, redeemed, divested or withdrawn in compliance with this act within the
75 preceding year; and (ii) all investments prohibited by this act from which the public fund has not
76 yet divested.