

**SENATE . . . . . No.**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

**Brian A. Joyce**

*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 relative to the divestment of state assets from nations that sponsor terrorism.

PETITION OF:

NAME:

Brian A. Joyce

DISTRICT/ADDRESS:

Norfolk, Bristol and Plymouth

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. S02383 OF 2007-2008.]

## The Commonwealth of Massachusetts

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In the Year Two Thousand and Nine  
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### AN ACT RELATIVE TO THE DIVESTMENT OF STATE ASSETS FROM NATIONS THAT SPONSOR TERRORISM.

*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. Chapter 10 of the General Laws is hereby amended by inserting after section 5C the  
2 following new section:-

3 “Section 5D. (a) The state treasurer shall not knowingly permit, whenever feasible, the investment of  
4 any of the funds of the commonwealth, including but not limited to all pension and annuity funds, in the  
5 stock, securities or other obligations of any corporation, which directly, or through a subsidiary, engage in  
6 business with, or with any instrumentality of, any state designated by the United States Department of  
7 State as a state sponsor of terrorism under the provisions of 22 U.S.C. 2371, 22 U.S.C 2780, or 50 U.S.C.  
8 app. 2405(j), or any other applicable federal law, except for those corporations specified in paragraph (b)  
9 of this section.

10 (b) The prohibitions contained in paragraph (a) shall not apply to any corporation that is primarily  
11 engaged in supplying goods or services intended to relieve human suffering, a corporation that promotes  
12 public health, education, journalistic, religious, or welfare activities, or a United States corporation  
13 authorized by the federal government to have businesses operations within the designated countries.

14 (c) The state treasurer shall make every reasonable effort to sell, redeem, divest or withdraw any  
15 investment currently held in violation of the provisions of paragraph (a) of this section within one year  
16 from the passage of this act.

17 (d) The state treasurer shall annually issue a report, not later than January 30 each year, listing all  
18 corporations which the Commonwealth has divested funds from, under the provisions of paragraph (c) of  
19 this section, during the previous calendar year. The state treasurer shall also list any and all corporations  
20 known to the treasurer which directly, or through a subsidiary, engage in business with, or with any  
21 instrumentality of, any country designated by the United States Department of State as a state sponsor of  
22 terrorism under the provisions of 22 U.S.C. 2371, 22 U.S.C 278, or 50 U.S.C. app. 2405(j) or any other  
23 applicable federal law. The treasurer may utilize all information available to make such determinations.

24 SECTION 2. Notwithstanding any special or general law to the contrary, no contributory retirement  
25 system operating under the terms of section 1 to 28, inclusive, of chapter 32, including those operating  
26 under the terms of section 19 of chapter 34B, shall permit the investment of any funds in the stock,  
27 securities or other obligations in any corporation listed by the state treasurer under the provisions of  
28 paragraph (c) of section 1 of this act. Moreover, within one year of a corporation being listed on said  
29 report any aforementioned contributory retirement system shall make every reasonable effort to sell,  
30 redeem, divest or withdraw any investment currently held in such a corporation.

31 SECTION 3. The state treasurer may continue any existing or and make new investments in any  
32 corporation prohibited from investment under the provisions of section 1 of this act; if, by a majority vote  
33 of investment advisory council, said council moves to exempt any such designated country. Such  
34 exemption must be made prior to April 1 in any given year and shall be applicable until March 31 of the  
35 following year.

36 SECTION 4. Nothing in this act shall alter or diminish existing fiduciary or statutory obligations and  
37 other terms, conditions, and limitations on the investment of retirement system assets for the exclusive  
38 interest and benefit of participants and beneficiaries of a retirement system.