

HOUSE No. 352

The Commonwealth of Massachusetts

PETITION OF:

Paul C. Casey

In the Year Two Thousand and Seven.

AN ACT RELATIVE TO PRIVATE EQUITY INVESTMENTS MADE BY THE
COMMONWEALTH.

*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. (a) There shall be established within the executive office of administration and finance, but not subject to its control, a position to be known as the state investment officer. It shall be the duty of the officer to serve on the private equity investment advisory committee, pursuant to section 2 of this chapter, and to carry-out and oversee investments in private equity funds pursuant to section 3 of this chapter.

(b) The state investment officer shall be appointed by the governor for a term coterminous with the governor, and shall not be subject to chapter 31 or section 9A of chapter 30. Upon expiration of the term of office of the officer or in the event of a vacancy, a successor shall be appointed by the governor for a term coterminous with the governor. The officer should have at least fifteen years of related experience and shall devote his full time during business hours to the duties of his office.

(c) The state investment officer shall receive such salary as the governor shall determine.

(d) The state investment officer shall be provided with suitable offices and may, subject to appropriation, incur expenses. The officer shall also adopt such

reasonable rules and regulations as may be necessary for the administration of this chapter and shall make an annual report to the governor and to the general court which shall include a summary of the officer's activities and all private equity investments.

Section 2. (a) There shall be established within the executive office of administration and finance, but not subject to its control, an unpaid committee known as the private equity investment advisory committee. It shall be the duty of the committee to recommend and approve the investments in private equity funds made pursuant to section 3 of this chapter.

(b) The committee shall consist of the state investment officer and four members appointed by the governor for a term not to exceed two years. One of the four appointive members, not the state investment officer, shall be chosen by the members of the committee to act as chairman. Not more than three members of the committee shall be members of the same political party. Upon the expiration of the term of office of any appointive member, his successor shall be appointed in like manner for a term of two years. Each appointive member should have at least 10 years of related experience.

(c) There shall be paid by the commonwealth to each appointive member of said committee the necessary expenses actually incurred in the discharge of his official duties.

(d) The private equity investment advisory committee shall be provided with suitable offices and may, subject to appropriation, incur expenses. The committee shall adopt such reasonable rules and regulations as may be necessary for the administration of this chapter and shall make an annual report to the governor and to the general court which shall include a summary of the committee's activities and all private equity investments.

Section 3. Chapter 29 of the Massachusetts General Laws, as appearing in the 2002 Official Edition, is hereby amended in Section 2H by adding in line 19 after the words "units." the following words:

“(4) to have, upon the approval of the private equity investment advisory committee, the state investment officer invest in Massachusetts private equity funds, provided that these funds establish and staff a full-time office in the Commonwealth, and provided further that these private equity funds agree to invest or cause to be invested in Massachusetts companies, an amount equal or greater to the state's commitment to their fund. (5) to have, upon the approval of the private equity investment advisory committee, the state investment officer invest in private equity funds whose investments enhance the economic

development objectives of the state, provided such investments offer a rate of return and safety comparable to other private equity investments currently available, and provided further that no more than 10% of the allocation may be invested in any one private equity fund.”