

HOUSE No. 2729

By Mr. Rushing of Boston, petition of Byron Rushing and others relative to investment in companies doing business in Burma. Public Service.

The Commonwealth of Massachusetts

PETITION OF:

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|------------------------|------------------------|
| Byron Rushing | Alice K. Wolf |
| Ruth B. Balsler | Todd M. Smola |
| Elizabeth A. Malia | Peter V. Kocot |
| Antonio F. D. Cabral | Anne M. Gobi |
| J. James Marzilli, Jr. | Bradley H. Jones, Jr. |
| Martha M. Walz | Robert L. Hedlund |
| Timothy J. Toomey, Jr. | Carl M. Sciortino, Jr. |
| Willie Mae Allen | Barbara A. L'Italien |
| Gloria L. Fox | Susan C. Fargo |
| Benjamin Swan | Frank I. Smizik |
| Kay Khan | Denise Provost |
| Marie P. St. Fleur | James B. Eldridge |
| Patricia D. Jehlen | |

In the Year Two Thousand and Seven.

AN ACT RELATIVE TO INVESTMENT IN COMPANIES DOING BUSINESS IN BURMA.

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

- 1 Subdivision (2) of Section 23 of Chapter 32 of the General Laws,
- 2 as amended by Chapter 119 of the Acts of 1997 first annual session,
- 3 is hereby amended by inserting after the word “products”, the
- 4 following:
- 5 and no new investment funds shall be made in stocks, securities,
- 6 or other obligations of any company doing business in or with the
- 7 country of Burma (Myanmar). For the purposes of Section 23, the
- 8 following words shall, unless the context indicates otherwise, have
- 9 the following meanings:
- 10 Section 1. DEFINITIONS.
- 11 (1) “Company”: any partnership, firm, association, corporation or
- 12 other entity, or their subsidiaries.

13 (2) “Doing business with Burma”:

14 (A) providing goods, commercial services or financial services to
15 the government of Burma or an enterprise in which the government
16 of Burma has an ownership interest. For purposes of this section,
17 financial services include providing direct loans, underwriting gov-
18 ernment securities, providing any consulting advice or assistance,
19 providing brokerage services or acting as a trustee or escrow agent;
20 or

21 (B) participating in a joint venture or investment with the govern-
22 ment of Burma or an enterprise in which the government of Burma
23 has an ownership interest.

24 (C) “Government of Burma” includes any public or quasi-public
25 entity operating within Burma (Myanmar), including, but not limited
26 to, municipal, provincial, national or other governmental and mili-
27 tary bodies, including all departments and agencies of such bodies,
28 public utilities, public facilities, or any national corporation in which
29 Burma has a financial interest or operational responsibilities.

30 Section 2. SUPPORT FOR SHAREHOLDER RESOLUTIONS.

31 (a) For companies doing business with the government of Burma
32 whose securities are held in the portfolios of the boards of the
33 municipal employees’ retirement system, the Massachusetts state
34 retirement system or the state teachers’ retirement system, the state
35 treasurer shall implement the purposes of this act by filing share-
36 holder resolutions and/or voting in favor of shareholder resolutions
37 filed by other shareholders when those resolutions raise concerns
38 about doing business in Burma, including requests:

39 (1) to report on company activities in Burma;

40 (2) to report on the full costs of doing business in Burma;

41 (3) to address human rights or drug trafficking conditions in
42 Burma; or

43 (4) to establish human rights guidelines.

44 (b) For companies doing business with the government of Burma
45 whose securities are held in the portfolios of the boards of the
46 municipal employees’ retirement system, the Massachusetts state
47 retirement system or the state teachers’ retirement system, the state
48 treasurer may co-file shareholder resolutions filed by shareholders of
49 companies that do business with the government of Burma when
50 those resolutions raise concerns about doing business in Burma.

51 (c) This section authorizes only those actions that comply with the
52 relevant rules of the U.S. Securities and Exchange Commission.

53 Section 3. NOTIFICATION OF COMPANY.

54 When voting for a resolution under Sec. 3 of this act, the state
55 treasurer shall separately notify the company in a letter reciting the
56 legislative findings contained in Section 1 of this act and stating that
57 Massachusetts wishes to express its grave concern regarding the
58 company's economic ties to the government of Burma and its
59 oppressive system, including the serious moral issues and the
60 potential economic risk associated with investing with the govern-
61 ment of Burma.

62 Section 4. REPORTS.

63 The state treasurer shall produce a written report to the General
64 Court of Massachusetts by July 31st each year describing the actions
65 that the state treasurer has taken in compliance with this act.

66 Section 5. EFFECTIVE DATE; SUNSET.

67 (a) This act shall take effect upon passage.

68 (b) This act shall be repealed on the date the state treasurer certi-
69 fies to the General Court that the United States Secretary of State has
70 determined that the democratically elected leaders of Burma are
71 exercising the powers and duties of the offices to which they were
72 elected.