



CITY OF BOSTON IN CITY COUNCIL

AN ORDINANCE RELATIVE TO THE INVESTMENTS OF THE CITY TREASURY

WHEREAS: The City of Boston exercises significant discretion in investments of the City Treasury; and

WHEREAS: Investments of the City Treasury carry limited exposure to fossil fuels; and

WHEREAS: Climate change is an existential threat, requiring mobilization across every sector of government and society; and

WHEREAS: The City of Boston and Commonwealth of Massachusetts have established strict greenhouse gas emission reduction goals in order to combat climate change; and

WHEREAS: In 2014 and 2019, the Council held hearings related to divestment from fossil fuels; and

WHEREAS: The Council has previously voted to support state legislation authorizing and directing pension fund investment; and

WHEREAS: In February 2019, the City of Boston updated its Cash Investment Policy to promote Environmental, Social and Governance standards as part of the City's portfolio and in local investments; and

WHEREAS: The Boston City Council has taken local action to divest the City Treasury from tobacco, to promote human rights and to combat apartheid; *and*

WHEREAS: Additional measures to promote sustainability and socially responsible investing are necessary; *NOW*

THEREFORE BE IT ORDERED:

Be it ordained by the City of Boston, as follows:

SECTION 1.

The City of Boston Code, Ordinances, Chapter 6, Section 3, is hereby amended by striking section 6-3.7 and replacing it with the following:

6-3.7 Prohibiting Certain Local Investments

- (a) No public funds under the care and custody of the Collector-Treasurer of the City of Boston, as specified in subsection 6-3.11, shall be invested or remain invested in the stocks, securities or other obligations of any company which derives more than fifteen (15%) percent of its revenue from the sale of tobacco products.
- (b) No public funds under the care and custody of the Collector-Treasurer of the City of Boston, as specified in subsection 6-3.11, shall be invested or remain invested in the stocks, securities or other obligations of any company which derives more than fifteen (15%) percent of its revenue from the combustion, distribution, extraction, manufacture, or sale of fossil fuels, which shall include coal, oil and gas, or fossil fuel products. The Collector-Treasurer of the City of Boston shall divest public funds under their care from investments related to fossil fuels no later than December 31st, 2025.

An electric distribution company with corporate affiliates that combust, distribute, extract, manufacture or sell fossil fuels may be considered a fossil fuel investment for definition purposes.
- (c) No public funds under the care and custody of the Collector-Treasurer of the City of Boston, as specified in subsection 6-3.11, shall be invested or remain invested in the stocks, securities or other obligations of any company which derives more than fifteen (15%) percent of its revenue from the operation, maintenance, servicing or supply of carceral facilities.
- (d) Any proceeds of the sales required under this subsection shall be invested as much as reasonably possible in institutions or companies which invest or conduct business or operations in the City of Boston or the Commonwealth of Massachusetts so long as such use is consistent with sound investment policy.

SECTION 2.

The City of Boston Code, Ordinances, Chapter 6, Section 3, is hereby amended by inserting after section 6-3.7 the following:

6-3.7.2 Report on Local Investment

Upon compliance of 6-3.7, the Collector-Treasurer shall submit a report within 120 days to the Boston City Council regarding the status of investments affected by 6-3.7.

SECTION 3.

This ordinance shall take effect upon signing.

Filed On: November 17, 2021