

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 99

H.P. 65

House of Representatives, January 13, 2021

**An Act To Require the State To Divest Itself of Assets Invested in
the Fossil Fuel Industry**

Received by the Clerk of the House on January 11, 2021. Referred to the Committee on Labor and Housing pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative O'NEIL of Saco.
Cosponsored by Senator BREEN of Cumberland and
Representatives: BRENNAN of Portland, McDONALD of Stonington, MORALES of South
Portland, OSHER of Orono, TALBOT ROSS of Portland, WARREN of Scarborough,
Senators: DAUGHTRY of Cumberland, MAXMIN of Lincoln.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §1957** is enacted to read:

3 **§1957. Fossil fuels**

4 **1. Divestment.** The Treasurer of State and the Board of Trustees of the Maine Public
5 Employees Retirement System may not invest the assets of any state pension or annuity
6 fund in any stocks or other securities of any corporation or company within the fossil fuel
7 industry or any subsidiary, affiliate or parent of any corporation or company among the
8 200 largest publicly traded fossil fuel companies, as established by carbon in the
9 companies' proven oil, gas and coal reserves. Except as provided in subsection 2, the
10 Treasurer of State and the Board of Trustees of the Maine Public Employees Retirement
11 System shall, in accordance with sound investment criteria and consistent with the board's
12 fiduciary obligations, divest any such stocks or other securities whether they are owned
13 directly or held through separate accounts or any commingled funds. Divestment pursuant
14 to this subsection must be complete by January 1, 2026.

15 **2. Exemption.** Short-term investment funds that commingle commercial paper or
16 futures are exempt from the restrictions imposed pursuant to subsection 1.

17 **Sec. 2. Fossil fuel industry; divestment.** The Treasurer of State and the Board of
18 Trustees of the Maine Public Employees Retirement System shall review the extent to
19 which the assets of any state pension or annuity fund are invested in any stocks or other
20 securities of any corporation or company within the fossil fuel industry or any subsidiary,
21 affiliate or parent of any corporation or company within the fossil fuel industry. Pursuant
22 to the Maine Revised Statutes, Title 5, section 1957, the Treasurer of State and the Board
23 of Trustees of the Maine Public Employees Retirement System shall, in accordance with
24 sound investment criteria and consistent with the board's fiduciary obligations, divest any
25 such stocks or other securities. Divestment pursuant to this section must be complete by
26 January 1, 2026.

27 The Treasurer of State and the Board of Trustees of the Maine Public Employees
28 Retirement System shall report to the joint standing committee of the Legislature having
29 jurisdiction over appropriations and financial affairs by January 1, 2023, 2024 and 2025
30 regarding the progress of divestment and the implementation of this section. The Treasurer
31 of State and the Board of Trustees of the Maine Public Employees Retirement System shall
32 make a final report to the joint standing committee of the Legislature having jurisdiction
33 over appropriations and financial affairs by January 1, 2026 regarding completion of the
34 divestment pursuant to this section.

35 **SUMMARY**

36 This bill requires the State to divest itself of assets invested in the fossil fuel industry.