

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 1461

H.P. 1046

House of Representatives, April 25, 2013

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

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative JONES of Freedom.
Cosponsored by Senator LACHOWICZ of Kennebec and
Representatives: CASAVANT of Biddeford, CHAPMAN of Brooksville, CHIPMAN of
Portland, HARLOW of Portland, KENT of Woolwich, McGOWAN of York, NOON of
Sanford, STUCKEY of Portland.

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
5 Public Employees Retirement System may not invest the assets of any state pension or
6 annuity fund in any stocks or other securities of any corporation or company within the
7 fossil fuel industry or any subsidiary, affiliate or parent of any corporation or company
8 among the 200 largest publicly traded fossil fuel companies, as established by carbon in
9 the 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, 2018.

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
18 of 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, 2018.

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, 2015, 2016 and 2017
30 regarding the progress of divestment and the implementation of this section. The
31 Treasurer of State and the Board of Trustees of the Maine Public Employees Retirement
32 System shall make a final report to the joint standing committee of the Legislature having
33 jurisdiction over appropriations and financial affairs by January 1, 2018 regarding
34 completion of the divestment pursuant to this section.

35 **SUMMARY**

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