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.

Presented by Representative O'NEIL of Saco.
Cosponsored by Senator BREEN of Cumberland and Representatives: BRENAN of Portland, McDonald of Stonington, Morales of South Portland, Osher of Orono, Talbot Ross of Portland, Warren of Scarborough, Senators: Daughtry of Cumberland, Maxman of Lincoln.
Be it enacted by the People of the State of Maine as follows:

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

§1957. Fossil fuels

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

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

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

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

SUMMARY

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