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.

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.
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, 2018.

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, 2018.

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, 2015, 2016 and 2017 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, 2018 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.