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Date: (Filing No. H-)

LABOR AND HOUSING

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
130TH LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 65, L.D. 99, “An Act To Require the State To Divest Itself of Assets Invested in the Fossil Fuel Industry”

Amend the bill by striking out everything after the enacting clause and inserting the following:

Sec. 1. 5 MRSA §135, as amended by PL 2005, c. 386, Pt. CC, §2 and PL 2013, c. 16, §10, is further amended by adding at the end a new paragraph to read:

The Treasurer of State may not invest in any prime commercial paper or corporate bonds issued by a fossil fuel company, as defined in section 1957, subsection 1, paragraph C.

Sec. 2. 5 MRSA §138, as amended by PL 2001, c. 44, §11 and affected by §14, is further amended by adding at the end a new paragraph to read:

The Treasurer of State shall review the extent to which the assets of any permanent funds held in trust by the State are invested in the stocks, securities or other obligations of any fossil fuel company or any subsidiary, affiliate or parent of any fossil fuel company, as defined in section 1957, subsection 1, paragraph C. The Treasurer of State shall, in accordance with sound investment criteria and consistent with fiduciary obligations, divest any such holdings and may not invest any assets in any such stocks, securities or other obligations. Divestment pursuant to this paragraph must be complete by January 1, 2026. Nothing in this paragraph precludes de minimis exposure of any permanent funds held in trust by the State to the stocks, securities or other obligations of any fossil fuel company or any subsidiary, affiliate or parent of any fossil fuel company.

Sec. 3. 5 MRSA §1957 is enacted to read:

§1957. Limitation on investment in fossil fuel companies; divestment

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Board" means the Board of Trustees of the Maine Public Employees Retirement System.

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1 B. "Fossil fuel" means coal, petroleum, natural gas or any derivative of coal, petroleum
2 or natural gas that is used for fuel.

3 C. "Fossil fuel company" means any company that:

4 (1) Is among the 200 publicly traded companies with the largest fossil fuel reserves
5 in the world;

6 (2) Is among the 30 largest public company owners in the world of coal-fired
7 power plants;

8 (3) Has as its core business the construction or operation of fossil fuel
9 infrastructure;

10 (4) Has as its core business the exploration, extraction, refining, processing or
11 distribution of fossil fuels; or

12 (5) Receives more than 50% of its gross revenue from companies that meet the
13 definition under subparagraph (1), (2), (3) or (4).

14 D. "Fossil fuel infrastructure" means oil or gas wells, oil or gas pipelines and refineries;
15 oil, coal or gas-fired power plants; oil and gas storage tanks; fossil fuel export
16 terminals; and any other infrastructure used exclusively for fossil fuels.

17 **2. Limitation on investment in fossil fuel company.** The board, in accordance with
18 sound investment criteria and consistent with fiduciary obligations, may not invest the
19 assets of any state pension or annuity fund in the stocks, securities or other obligations of
20 any fossil fuel company or any subsidiary, affiliate or parent of any fossil fuel company.
21 Nothing in this subsection precludes de minimis exposure of any funds held by the board
22 to the stocks, securities or other obligations of any fossil fuel company or any subsidiary,
23 affiliate or parent of any fossil fuel company.

24 **3. Review and divestment of assets.** The board shall review the extent to which the
25 assets of any state pension or annuity fund are invested in the stocks, securities or other
26 obligations of any fossil fuel company or any subsidiary, affiliate or parent of any fossil
27 fuel company. The board shall, in accordance with sound investment criteria and consistent
28 with fiduciary obligations, divest any such holdings. Divestment pursuant to this
29 subsection must be complete by January 1, 2026. Nothing in this subsection precludes de
30 minimis exposure of any funds held by the board to the stocks, securities or other
31 obligations of any fossil fuel company or any subsidiary, affiliate or parent of any fossil
32 fuel company.

33 **4. Post on website.** On a quarterly basis, the board shall post on the publicly accessible
34 website of the Maine Public Employees Retirement System information detailing all its
35 holdings in the public market and private equity investments.

36 **5. Annual report.** Beginning January 1, 2022 and annually thereafter, the board shall
37 issue a report reviewing its environmental, social and governance investment policy. The
38 report must disclose commonly available environmental performance metrics on the
39 environmental effects of the board's investments.

40 **Sec. 4. Report to Legislature.** The Treasurer of State and the Board of Trustees
41 of the Maine Public Employees Retirement System shall report annually to the joint
42 standing committee of the Legislature having jurisdiction over retirement matters by
43 January 1, 2023, 2024 and 2025 regarding the progress of divestment under and the

1 implementation of the Maine Revised Statutes, Title 5, sections 138 and 1957. The
2 Treasurer of State and the Board of Trustees of the Maine Public Employees Retirement
3 System shall make a final report to the joint standing committee of the Legislature having
4 jurisdiction over appropriations and financial affairs by January 1, 2026 regarding
5 completion of the divestment pursuant to this section.'

6 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
7 number to read consecutively.

8 **SUMMARY**

9 This amendment is the majority report of the committee. It replaces the bill. The
10 amendment adds definitions. It creates a fiduciary duty exception and allows for de
11 minimis exposure policies for both the Treasurer of State and the Board of Trustees of the
12 Maine Public Employees Retirement System. It requires the board to post on the Maine
13 Public Employees Retirement System's publicly accessible website information detailing
14 its investments. It also requires the board to disclose commonly available environmental
15 performance metrics in its annual environmental, social and governance report. It requires
16 the Treasurer of State and the board to annually report to the legislative committee of
17 jurisdiction regarding the progress of divestment.

18 **FISCAL NOTE REQUIRED**

19 **(See attached)**