

STATE OF MAINE

IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-ONE

H.P. 223 - L.D. 319

An Act To Promote Socially Responsible Investing by the Maine Public Employees Retirement System by Prohibiting Investment in For-profit Prisons

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

Sec. 1. 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 corporation or company or any subsidiary, affiliate or parent of any company that owns or operates prisons for profit. 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. Nothing in this section precludes de minimis exposure of any permanent funds held in trust by the State to the stocks, securities or other obligations of any corporation or company or any subsidiary, affiliate or parent of any company that owns or operates prisons for profit.

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

§1957. For-profit prisons

1. Definitions. For the purposes of this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Board" has the same meaning as in section 17001, subsection 7.

B. "Retirement system" means the Maine Public Employees Retirement System.

2. Board may not invest. The board, in accordance with sound investment criteria and consistent with fiduciary obligations, may not invest the assets of the retirement system in any stocks or other securities of any corporation or company that owns or operates prisons for profit. Nothing in this subsection precludes de minimis exposure of any funds held by the board to the stocks, securities or other obligations of any corporation or company that owns or operates prisons for profit.

3. Board to divest. The board shall review the extent to which the assets of the retirement system are invested in any stocks or other securities of any corporation or company that owns or operates prisons for profit. The board shall, in accordance with sound investment criteria and consistent with fiduciary obligations, divest any such holdings. Nothing in this subsection precludes de minimis exposure of any funds held by the board to the stocks, securities or other obligations of any corporation or company that owns or operates prisons for profit.

Sec. 3. Policy review. The Board of Trustees of the Maine Public Employees Retirement System shall review its "Environmental, Social and Governance Policy" adopted January 8, 2015 and shall make any changes necessary to its policy to conform to the requirements of the Maine Revised Statutes, Title 5, section 1957. The board shall submit its report of the review of the policy and any amendments adopted by the board to the Joint Standing Committee on Labor and Housing by January 1, 2022.