



128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 981

S.P. 320

In Senate, March 9, 2017

An Act Regarding State Investments and the Dakota Access Pipeline

Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator CHIPMAN of Cumberland.
Cosponsored by Representative SYLVESTER of Portland and
Senators: JACKSON of Aroostook, MIRAMANT of Knox, Representatives: BEEBE-
CENTER of Rockland, BRYANT of Windham, CASÁS of Rockport, HAMANN of South
Portland, MARTIN of Sinclair, RYKERSON of Kittery.

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

2 **Sec. 1. 5 MRSA §135-B** is enacted to read:

3 **§135-B. Limitation on deposits; Dakota Access pipeline**

4 Notwithstanding section 135 or any other provision of law to the contrary, the
5 Treasurer of State may not deposit the money of the State in any national bank or in any
6 banking institution, trust company, state or federal savings and loan association or mutual
7 savings bank that is providing funds, extending credit or otherwise engaged in financing
8 the construction of the Dakota Access pipeline. For the purposes of this section, "Dakota
9 Access pipeline" means the oil pipeline designed to connect the Bakken oil fields in
10 North Dakota to Illinois, traveling through South Dakota and Iowa, constructed by
11 Dakota Access, LLC.

12 **Sec. 2. 5 MRSA §138-A** is enacted to read:

13 **§138-A. Limitation on investments; Dakota Access pipeline**

14 Notwithstanding section 138 or any other provision of law to the contrary, the
15 Treasurer of State may not invest any permanent funds held in trust by the State in the
16 securities of any corporation or company or any subsidiary, affiliate or parent of any
17 corporation or company that is providing funds, extending credit or otherwise engaged in
18 financing the construction of the Dakota Access pipeline. For the purposes of this section,
19 "Dakota Access pipeline" means the oil pipeline designed to connect the Bakken oil fields
20 in North Dakota to Illinois, traveling through South Dakota and Iowa, constructed by
21 Dakota Access, LLC.

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

23 **§1957. Dakota Access pipeline**

24 **1. Divestment.** The Board of Trustees of the Maine Public Employees Retirement
25 System shall review the extent to which the assets of any state pension or annuity fund
26 are invested in the stocks, securities or other obligations of any corporation or company,
27 or any subsidiary, affiliate or parent of any corporation or company, constructing or
28 funding the construction of the Dakota Access pipeline. Except as provided in subsection
29 2, the board shall, in accordance with sound investment criteria and consistent with the
30 board's fiduciary obligations, divest any such holdings and may not invest any assets in
31 any such stocks, securities or other obligations. Divestment pursuant to this subsection
32 must be complete by January 1, 2019. For the purposes of this section, "Dakota Access
33 pipeline" means the oil pipeline designed to connect the Bakken oil fields in North
34 Dakota to Illinois, traveling through South Dakota and Iowa, constructed by Dakota
35 Access, LLC.

36 **2. Exemption.** Short-term investment funds that commingle commercial paper or
37 futures and other commingled investment or index funds are exempt from the restrictions
38 imposed by this section.

1 **SUMMARY**

2 This bill prohibits the Treasurer of State from depositing funds in any bank that is
3 providing funds, extending credit or otherwise engaged in financing the construction of
4 the Dakota Access pipeline. This bill also prohibits the Treasurer of State from investing
5 in the securities of a corporation or company or other entity that is providing funds,
6 extending credit or otherwise engaged in financing the construction of the Dakota Access
7 pipeline.

8 This bill requires the Maine Public Employees Retirement System to divest its
9 holdings in any corporation or company that is constructing or funding construction of
10 the so-called Dakota Access pipeline. The bill requires divestment to be completed by
11 January 1, 2019.