

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 412**

Introduced by Bolz, 29.

Read first time January 13, 2017

Committee: Nebraska Retirement Systems

- 1 A BILL FOR AN ACT relating to state funds; to amend section 72-1260,
- 2 Reissue Revised Statutes of Nebraska; to state findings; to define
- 3 terms; to provide duties and responsibilities relating to investment
- 4 in energy-related companies or funds; to require a report; to
- 5 harmonize provisions; and to repeal the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1           Section 1. The Legislature finds and declares that:

2           (1) The State of Nebraska has a responsibility to consider the  
3 implications of its investments on the future of the state and the long-  
4 term impacts of such investments on its citizens;

5           (2) Climate change presents serious, diverse, and ongoing issues for  
6 the economy and the health and well-being of Nebraskans, with projections  
7 of far more serious impacts on future generations. There is a scientific  
8 consensus that fossil fuels are the major contributor to accelerated  
9 rates of climate change. Fossil fuel investments, particularly coal and  
10 oil, are losing value, becoming more volatile, and increasingly failing  
11 to fulfill prudent investment standards; and

12           (3) Clean energy investments can provide financial benefits for the  
13 people of Nebraska, including great potential returns from investments in  
14 wind and solar energy within the state. Clean energy investments have the  
15 potential to attract other investments to Nebraska. There are increasing  
16 opportunities for clean energy investment as a result of the United  
17 States Environmental Protection Agency's Clean Power Plan, renewable  
18 portfolio standards in other states, and international agreements on  
19 climate change. Clean energy investments are increasing throughout the  
20 world and represent greater stability and better rates of return, both  
21 now and in the long-term future.

22           Sec. 2. For purposes of sections 1 to 4 of this act:

23           (1) Clean energy means energy that does not emit greenhouse gases or  
24 other pollutants or reduces the amount or impact of greenhouse gas  
25 emissions generated by fossil fuels;

26           (2) Clean energy investment means an investment in companies, funds,  
27 or institutions that are engaged in clean energy development;

28           (3) Fossil fuel means fuel derived from decayed prehistoric plant  
29 and animal matter extracted from the earth, including coal, oil, natural  
30 gas, and their derivatives;

31           (4) Fossil fuel investment means an investment in companies, funds,

1 or institutions that are engaged in fossil fuel development; and

2 (5) Substantial means fifty percent or more.

3 Sec. 3. The state investment officer shall review all major  
4 investments of the State of Nebraska and do the following:

5 (1) Determine the extent to which state funds are invested in  
6 companies or funds which derive a substantial portion of their revenue  
7 from extraction or combustion of fossil fuels;

8 (2) Review the extent to which state funds are invested in companies  
9 or funds which derive a substantial portion of their revenue from clean  
10 energy and opportunities for clean energy investment;

11 (3) Report on the volatility and risk associated with identified  
12 fossil fuel investments; and

13 (4) Begin the process of clean energy investment to the extent it is  
14 consistent with prudent investment strategies.

15 Sec. 4. Not later than December 15, 2017, the state investment  
16 officer shall provide a report on the status of fossil fuel investment  
17 and clean energy investment to the Governor and to the Clerk of the  
18 Legislature. The report to the Legislature shall be submitted  
19 electronically.

20 Sec. 5. Section 72-1260, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 72-1260 Sections 72-1237 to 72-1260 and sections 1 to 4 of this act  
23 shall be known and may be cited as the Nebraska State Funds Investment  
24 Act.

25 Sec. 6. Original section 72-1260, Reissue Revised Statutes of  
26 Nebraska, is repealed.