

One Hundred Fourth Legislature - Second Session - 2016

Introducer's Statement of Intent

LB1069

Chairperson: Senator Mark Kolterman

Committee: Nebraska Retirement Systems

Date of Hearing: February 09, 2016

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Investment decisions can have a huge impact on public policy. For example, Nebraska was one of the first states to divest from South Africa in the 1980's. Divestment helped lead to the downfall of that country's apartheid regime.

An overwhelming body of scientific evidence has concluded that fossil fuels are the leading cause of climate change at the present time. Climate change is already having serious impacts on human life. Future impacts will be devastating if we do not take steps as soon as possible to address it.

Similarly, investment managers have an obligation to make investments that generate an appropriate return. Fossil fuels are becoming increasingly risky investments. Several coal companies have filed bankruptcy in the past two years and oil prices are a fraction of what they were just a few years ago.

LB 1069 would require the state investment officer to review investments in both clean energy and fossil fuels. To the extent it is prudent, the state would begin the process of divesting from fossil fuels and investing in clean energy. The state investment officer would be required to make a report to the Legislature on the process of divesting from fossil fuels and investing in clean energy by December 15, 2016.

Principal Introducer: _____

Senator Ken Haar