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**FOR DISCUSSION PURPOSES ONLY**  
**Sen. Government Operations**  
**Feb. 11, 2016**

S.28

Senator Pollina moves that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

\* \* \*

**OPTION #1: The original version of Sen. Pollina’s amendment.**

Sec. 1. 3 V.S.A. § 523 is amended to read:

§ 523. VERMONT PENSION INVESTMENT COMMITTEE; DUTIES

\* \* \*

(h)(1) On or before January 1, 2020, the Committee shall divest the assets of the State Teachers’ Retirement System of Vermont, the Vermont State Employees’ Retirement System, and the Vermont Municipal Employees’ Retirement System of any interest in:

(A) ExxonMobil; and

(B) any publically traded company that generates 50 percent or more of its revenue from the mining of thermal coal, as determined by the Committee, and shall not invest in any such company.

(2) As used in this subsection, “thermal coal” means coal that is used to generate electricity, including coal that is burned to create steam used to run

1 turbines. However, thermal coal does not include metallurgical coal or coking  
2 coal that is used to produce steel.

3 Sec. 2. 14A V.S.A. § 902 is amended to read:

4 § 902. STANDARD OF CARE; PORTFOLIO STRATEGY; RISK AND  
5 RETURN OBJECTIVES

6 (a) A trustee shall invest and manage trust assets as a prudent investor  
7 would, by considering the purposes, terms, distribution requirements, and other  
8 circumstances of the trust. In satisfying this standard, the trustee shall exercise  
9 reasonable care, skill, and caution.

10 (b) A trustee's investment and management decisions respecting individual  
11 assets must be evaluated not in isolation but in the context of the trust portfolio  
12 as a whole and as a part of an overall investment strategy having risk and  
13 return objectives reasonably suited to the trust.

14 (c) Among circumstances that a trustee shall consider in investing and  
15 managing trust assets are such of the following as are relevant to the trust or its  
16 beneficiaries:

- 17 (1) general economic conditions;  
18 (2) the possible effect of inflation or deflation;  
19 (3) the expected tax consequences of investment decisions or strategies;

1 (4) the role that each investment or course of action plays within the  
2 overall trust portfolio, which may include financial assets, interests in closely  
3 held enterprises, tangible and intangible personal property, and real property;

4 (5) the expected total return from income and the appreciation of capital;

5 (6) other resources of the beneficiaries;

6 (7) needs for liquidity, regularity of income, and preservation or  
7 appreciation of capital; ~~and~~

8 (8) an asset's special relationship or special value, if any, to the  
9 purposes of the trust or to one or more of the beneficiaries; and

10 (9) whether the investment or asset is consistent with the State  
11 Comprehensive Energy Plan adopted pursuant to 30 V.S.A. § 202b.

12 (d) A trustee shall make a reasonable effort to verify facts relevant to the  
13 investment and management of trust assets.

14 (e) A trustee may invest in any kind of property or type of investment  
15 consistent with the standards of this chapter.

16 \* \* \*

17 **OPTION #2: The version also amends 2 V.S.A. § 523 to require VPIC to**  
18 **divest (same language as option #1) but does not amend 14A V.S.A. § 902.**

19 Sec. 1. 3 V.S.A. § 523 is amended to read:

20 § 523. VERMONT PENSION INVESTMENT COMMITTEE; DUTIES

21 \* \* \*

1        (h)(1) Notwithstanding 14A V.S.A. § 902, on or before January 1, 2020,  
2        the Committee shall divest the assets of the State Teachers’ Retirement System  
3        of Vermont, the Vermont State Employees’ Retirement System, and the  
4        Vermont Municipal Employees’ Retirement System of any interest in:

5                (A) ExxonMobil; and

6                (B) any publically traded company that generates 50 percent or more  
7        of its revenue from the mining of thermal coal, as determined by the  
8        Committee, and shall not invest in any such company.

9                (2) As used in this subsection, “thermal coal” means coal that is used to  
10        generate electricity, including coal that is burned to create steam used to run  
11        turbines. However, thermal coal does not include metallurgical coal or coking  
12        coal that is used to produce steel.

13                                \* \* \*

14        **OPTION #3: Same language as option #2, but adds a new subsection**  
15        **requiring that VPIC consider climate change goals as to other investments**  
16        **and in future.**

17        Sec. 1. 3 V.S.A. § 523 is amended to read:

18        § 523. VERMONT PENSION INVESTMENT COMMITTEE; DUTIES

19                                \* \* \*

20        (h)(1) Notwithstanding 14A V.S.A. § 902, on or before January 1, 2020,  
21        the Committee shall divest the assets of the State Teachers’ Retirement System

1 of Vermont, the Vermont State Employees' Retirement System, and the  
2 Vermont Municipal Employees' Retirement System of any interest in:

3 (A) ExxonMobil; and

4 (B) any publically traded company that generates 50 percent or more  
5 of its revenue from the mining of thermal coal, as determined by the  
6 Committee, and shall not invest in any such company.

7 (2) As used in this subsection, "thermal coal" means coal that is used to  
8 generate electricity, including coal that is burned to create steam used to run  
9 turbines. However, thermal coal does not include metallurgical coal or coking  
10 coal that is used to produce steel.

11 (i) Notwithstanding any provision of law to the contrary, the Committee  
12 shall...

13 \* \* \*

14 Sec. 2. EFFECTIVE DATE

15 This act shall take effect on July 1, 2016.