

1 TO THE HONORABLE SENATE:

2 The Committee on Government Operations to which was referred Senate
3 Bill No. 42 entitled “An act relating to divestment of State pension funds of
4 investments in the fossil fuel industry” respectfully reports that it has
5 considered the same and recommends that the bill be amended as follows:

6 First: In Sec. 1, divestment of public pension funds; fossil fuels; Vermont
7 Pension Investment Commission; plan and report, in subsection (a), by adding
8 a new subdivision (4) to read as follows:

9 (4) “De minimis exposure” means direct fossil fuel holdings that
10 compose less than two percent of all pension investments.

11 Second: In Sec. 1, divestment of public pension funds; fossil fuels;
12 Vermont Pension Investment Commission; plan and report, by striking out
13 subsection (c) and inserting in lieu thereof the following:

14 (c) Plan.

15 (1) Except as provided in subdivision (2) of this subsection, the
16 Commission, in accordance with sound investment criteria and consistent with
17 fiduciary obligations, shall develop a plan to divest any such holdings
18 identified in the review described in subsection (b) of this section on or before
19 December 31, 2030; provided, however, nothing in the plan shall preclude de
20 minimis exposure of any funds held by the Commission to the stocks,

1 securities, or other obligations of any fossil fuel company or any subsidiary,
2 affiliate, or parent of any fossil fuel company.

3 (2) The plan and de minimis exposure limits described in subdivision (1)
4 of this subsection shall not apply to investments in index funds, private equity,
5 and private credit funds that contain fossil fuel company stocks, securities, and
6 obligations.

7 Second: In Sec. 3, 3 V.S.A. § 521, by adding a subdivision (8) to read as
8 follows:

9 (8) “De minimis exposure” means direct fossil fuel holdings that
10 compose less than two percent of all pension investments.

11 Third: In Sec. 4, 3 V.S.A. § 523, by striking out subsection (i) and inserting
12 in lieu thereof the following:

13 (i)(1) Notwithstanding any other provision of law to the contrary, and
14 except as provided in subdivision (2) of this subsection, the Commission, in
15 accordance with sound investment criteria and consistent with fiduciary
16 obligations, shall not invest the assets of the Vermont State Teachers’
17 Retirement System, the Vermont State Employees’ Retirement System, and the
18 Vermont Municipal Employees’ Retirement System in the stocks, securities, or
19 other obligations of any fossil fuel company or any subsidiary, affiliate, or
20 parent of any fossil fuel company.

1 (2) The requirements of subdivision (1) of this subsection shall not
2 apply to investments in index funds, private equity, and private credit funds
3 that contain fossil fuel company stocks, securities, and obligations.

4 Fourth: In Sec. 5, effective dates, in subsection (b), by striking out “2031”
5 and inserting in lieu thereof 2028

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9 (Committee vote: _____)

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Senator _____
FOR THE COMMITTEE