



# Commonwealth of Massachusetts - H.3662 and S.636

(Successor to H.4365 in 2017-2018)

## LOCAL OPTION BILL THAT WOULD ALLOW PUBLIC PENSIONS TO DIVEST FROM FOSSIL FUEL COMPANIES, IF THEY CHOOSE

With 79  
Cosponsors!

Representative Dylan Fernandes (Barnstable, Dukes & Nantucket) and Representative Jay Livingstone (Eighth Suffolk) co-filed the bill in the House. Senator Marc Pacheco (First Plymouth & Bristol) filed in the Senate.

### Why divest from fossil fuels?

The fossil fuel era is ending and is being replaced by a low-carbon economy. This is necessary to mitigate climate change. Prudent investors must recognize climate-related financial risks and manage their portfolios accordingly, to fulfill their fiduciary duty. By divesting, retirement systems eliminate exposure to substantial losses from the fossil fuel industry, which is now considered high risk.

### Purpose of Bill:

To allow local, independent public retirement systems, subject to oversight by the Public Employee Retirement Administration Commission (PERAC), to divest their holdings in full or in part from the fossil fuel industry. Currently, PERAC is blocking systems from doing so, stating that there needs to be a statutory requirement. There are 104 city and county retirement systems in MA. 66 systems, with over \$25 billion in assets, have their investments fully or partially independent of the MA Pension Reserves Investment Trust. A review of the holdings for the Somerville and Cambridge retirement systems show that up to 4% of their total assets under management were in fossil fuels.

### Legislative History:

This bill is a direct reflection of feedback from leadership on the Public Service Committee. It is a successor to H.4365, filed by Rep. Provost in 2018: An Act authorizing the Somerville Retirement Board to divest from fossil fuel companies. In a letter to Rep. Provost from Public Service Committee Chair Rep. Parisella dated May 8, 2018, he suggested a legislative approach that allows retirement systems to make investment decisions based on social concerns, while maintaining their fiduciary duty to retirees, and eliminates the need for many home rule petitions and divestment bills in future legislative sessions.

### Who supports fossil fuel divestment?

Municipalities that have passed resolutions in support of fossil fuel divestment include: Amherst<sup>1</sup>, Boston<sup>2</sup>, Brookline<sup>3</sup>, Cambridge<sup>4</sup>, Concord<sup>5</sup>, Falmouth<sup>6</sup>, Framingham<sup>7</sup>, Great Barrington<sup>8</sup>, Lexington<sup>9</sup>, Lowell<sup>10</sup>, Newton<sup>11</sup>, Northampton<sup>12</sup>, Provincetown<sup>13</sup>, Somerville<sup>14</sup>, Sudbury<sup>15</sup>, and Truro<sup>16</sup>.

Five public sector unions have endorsed fossil fuel divestment: SEIU Local 509<sup>17</sup>, SEIU Local 888<sup>18</sup>, MA Nurses Association<sup>19</sup>, Boston Teachers Union<sup>20</sup>, and MA Teachers Association<sup>21</sup>. Educational institutions that have committed to divest in full or in part, include Boston University<sup>22</sup>, Brandeis University<sup>23</sup>, Hampshire College<sup>24</sup>, Salem State University<sup>25</sup>, and University of Massachusetts<sup>26</sup>. Notably, the MA Clean Energy Center also has divested.

### Attorney Generals From Massachusetts and New York Sue Exxonmobil For Defrauding Investors Regarding Financial Risk

Attorney General Maura Healey and New York's AG are suing Exxon Mobil for misleading investors and consumers regarding financial risk and the impact of fossil fuels on climate change.

The [attorney general's press release](#) states that "...Exxon has hidden from investors its own knowledge of the systemic financial risk of climate change to the global economy and to Exxon's fossil fuel business."

In addition, nine US cities and counties, including New York City, San Francisco, Oakland have filed lawsuits against a range of oil, gas, and coal companies, each seeking damages worth billions of dollars to help pay for current and future infrastructure updates necessitated by climate change.

Want to support this bill? Email Ms. Randi Mail of MassDivest at [randi@massdivest.org](mailto:randi@massdivest.org), Mary Ollen, Legislative Aide to Rep. Fernandes at [mary.ollen@mahouse.gov](mailto:mary.ollen@mahouse.gov) or Kyle Murray, Legislative Director to Sen. Pacheco at [kyle.murray@masenate.gov](mailto:kyle.murray@masenate.gov).

**AROUND THE WORLD, 1100+ ORGANIZATIONS HAVE COMMITTED TO DIVEST FROM FOSSIL FUELS, WITH COMBINED ASSETS OF \$9 TRILLION<sup>27</sup>.**

**The fossil fuel divestment movement is growing exponentially and in the financial mainstream.**

Globally, over 130 pension funds<sup>28</sup> have divested from fossil fuels in Australia, Denmark, France, Germany, Netherlands, New Zealand, Norway, Sweden, Switzerland, and the UK. In the United States, there are efforts to get pensions to divest in at least 9 states including Alaska, California, Colorado, Massachusetts, Minnesota, North Carolina, New Jersey, New York, and Washington.

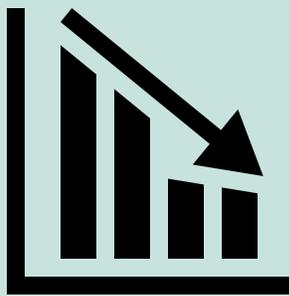
Thank you to our organizational endorsers: Mass Power Forward, Environment Massachusetts, 350 Mass for a Better Future, Mass Sierra Club, Massachusetts Teachers Association, Boston Teachers Union, Climate Action Business Association, Mothers Out Front Massachusetts, SEIU Local 888 and SEIU 1199 Massachusetts.

**To learn more, visit [massdivest.org](https://massdivest.org).**

**Investing in fossil fuels is high risk, low return.**



**If we are to stay well below 2°C as the Paris Agreement requires, more than 75% of fossil fuel reserves have to stay in the ground.** Fossil fuel companies therefore face the reality of stranded assets and \$33 trillion lost revenue.



**Demand for fossil fuel power is expected to decline from 2020.** Renewable energy and electric cars becoming cheaper, and government policies to address climate change and pollution, are driving the change.



**There are an increasing number of legal cases against fossil fuel companies** for damage caused by climate change and for misleading investors about the risks of climate change. This increases the financial risks of investing in these companies.