



Council Bill 21-0066

1 § 7. Management of funds.

2 (a) *Trustee of funds.*

3 ...

4 (2) *FOSSIL FUEL INVESTMENTS.*

5 (i) *DEFINITIONS.*

6 1. IN THIS PARAGRAPH (2), THE FOLLOWING TERMS HAVE THE MEANINGS  
7 INDICATED.

8 2. A. "ACTIVELY MANAGED SEPARATE ACCOUNT" MEANS ASSETS OF THE  
9 SYSTEM THAT ARE ACTIVELY MANAGED AT THE DIRECTION OF THE BOARD  
10 OF TRUSTEES AND HELD IN A SEPARATE ACCOUNT.

11 B. "ACTIVELY MANAGED SEPARATE ACCOUNT" DOES NOT INCLUDE:

12 1. AN INDEXED FUND;

13 2. A PRIVATE EQUITY FUND;

14 3. A HEDGE FUND;

15 4. A REAL ESTATE FUND; OR

16 5. ANY OTHER COMMINGLED OR PASSIVELY MANAGED FUND.

17 3. "COMPANY" MEANS ANY SOLE PROPRIETORSHIP, ORGANIZATION,  
18 ASSOCIATION, CORPORATION, LIMITED LIABILITY COMPANY, UTILITY,  
19 PARTNERSHIP, JOINT VENTURE, OR ANY OTHER ENTITY OR BUSINESS  
20 ASSOCIATION, INCLUDING ANY WHOLLY-OWNED SUBSIDIARY, MAJORITY-  
21 OWNED SUBSIDIARY, OR PARENT ENTITY OF ANY COMPANY.

22 4. "DIVEST" OR "DIVESTMENT ACTION" MEANS SELLING, REDEEMING,  
23 TRANSFERRING, EXCHANGING, OR OTHERWISE DISPOSING OR REFRAINING FROM  
24 FURTHER INVESTMENT IN CERTAIN INVESTMENTS.

25 5. "FOSSIL FUEL COMPANY" MEANS A COMPANY LISTED IN THE 200 PUBLICLY  
26 TRADED COAL, OIL, AND GAS COMPANIES THAT HOLD REPORTED FOSSIL FUEL  
27 RESERVES WITH THE LARGEST POTENTIAL CARBON EMISSIONS, AS RANKED AND  
28 UPDATED ANNUALLY IN THE FOSSIL FREE INDEXES US ("FFIUS") THE CARBON  
29 UNDERGROUND 200 OR ANY SUCCESSOR INDEX.

30 (ii) *NEW INVESTMENTS PROHIBITED.*

31 EXCEPT AS OTHERWISE PROVIDED IN THIS PARAGRAPH (2), THE BOARD OF  
32 TRUSTEES MAY NOT MAKE ANY NEW INVESTMENTS IN ANY FOSSIL FUEL COMPANY  
33 WITHIN AN ACTIVELY MANAGED SEPARATE ACCOUNT.

**Council Bill 21-0066**

1 (III) *PERIODIC REVIEW.*

2 AT LEAST EVERY 6 MONTHS, THE BOARD OF TRUSTEES SHALL REVIEW THE  
3 INVESTMENT HOLDINGS IN EACH ACTIVELY MANAGED SEPARATE ACCOUNT AND  
4 IDENTIFY EACH INVESTMENT IN ANY FOSSIL FUEL COMPANY.

5 (IV) *DIVESTMENT.*

6 EXCEPT AS OTHERWISE PROVIDED IN THIS PARAGRAPH (2), THE BOARD OF  
7 TRUSTEES SHALL:

- 8 1. BY JULY 1, 2022, DIVEST AT LEAST 20% OF ITS INVESTMENTS IN FOSSIL  
9 FUEL COMPANIES HELD IN ANY ACTIVELY MANAGED SEPARATE ACCOUNT  
10 AS OF JANUARY 1, 2022;
- 11 2. BY JULY 1, 2023, DIVEST AT LEAST 40% OF ITS INVESTMENTS IN FOSSIL  
12 FUEL COMPANIES HELD IN ANY ACTIVELY MANAGED SEPARATE ACCOUNT  
13 AS OF JANUARY 1, 2022;
- 14 3. BY JULY 1, 2024, DIVEST AT LEAST 60% OF ITS INVESTMENTS IN FOSSIL  
15 FUEL COMPANIES HELD IN ANY ACTIVELY MANAGED SEPARATE ACCOUNT  
16 AS OF JANUARY 1, 2022;
- 17 4. BY JULY 1, 2025, DIVEST AT LEAST 80% OF ITS INVESTMENTS IN FOSSIL  
18 FUEL COMPANIES HELD IN ANY ACTIVELY MANAGED SEPARATE ACCOUNT  
19 AS OF JANUARY 1, 2022; AND
- 20 5. BY JULY 1, 2026, DIVEST AT LEAST 100% OF ITS INVESTMENTS IN FOSSIL  
21 FUEL COMPANIES HELD IN ANY ACTIVELY MANAGED SEPARATE ACCOUNT  
22 AS OF JANUARY 1, 2022.

23 (V) *FIDUCIARY DUTY; ~~DIVESTMENT DELAY.~~*

24 ~~1. NOTHING IN THIS PARAGRAPH (2) REQUIRES THE BOARD OF TRUSTEES TO TAKE~~  
25 ~~ANY ACTION DESCRIBED IN THIS PARAGRAPH (2) THAT THE BOARD~~  
26 ~~DETERMINES IN GOOD FAITH TO BE INCONSISTENT WITH THE FIDUCIARY~~  
27 ~~RESPONSIBILITIES OF THE BOARD UNDER THIS ARTICLE 22.~~

28 1. NOTHING IN THIS PARAGRAPH (2) SHALL REQUIRE THE BOARD TO TAKE ACTION  
29 AS DESCRIBED IN THIS PARAGRAPH (2) UNLESS THE BOARD DETERMINES, IN  
30 GOOD FAITH, THAT THE ACTION IS CONSISTENT WITH THE FIDUCIARY DUTIES  
31 AND RESPONSIBILITIES OF THE BOARD AS REQUIRED BY LAW.

32 2. IF THE BOARD OF TRUSTEES FINDS THAT A DELAY IN DIVESTING FROM A FOSSIL  
33 FUEL COMPANY IS NECESSARY DUE TO ITS FIDUCIARY DUTY, THE BOARD  
34 SHALL, WITHIN 30 DAYS OF THAT FINDING, REPORT THE DELAY TO THE MAYOR,  
35 THE BOARD OF ESTIMATES, AND THE CITY COUNCIL AND REPORT AN  
36 ESTIMATED TIMELINE FOR THE RESUMPTION OF DIVESTMENT.

**Council Bill 21-0066**

1 (VI) *NOTICE.*

- 2 1. BEFORE DIVESTING FROM A FOSSIL FUEL COMPANY UNDER THIS  
3 PARAGRAPH (2), THE BOARD SHALL PROVIDE WRITTEN NOTICE AND AN  
4 OPPORTUNITY TO RESPOND IN WRITING TO EACH COMPANY SUBJECT TO THE  
5 DIVESTMENT ACTION.
- 6 2. NO DIVESTMENT ACTION MAY OCCUR UNTIL 90 DAYS FROM THE DATE OF THE  
7 NOTICE DESCRIBED IN SUB-SUBPARAGRAPH 1. OF THIS SUBPARAGRAPH (VI).
- 8 3. NO DIVESTMENT ACTION MAY OCCUR IF THE COMPANY DEMONSTRATES TO THE  
9 BOARD OF TRUSTEES THAT IT IS EXEMPT FROM DIVESTMENT UNDER  
10 SUBPARAGRAPH (VII) OF THIS PARAGRAPH (2).

11 (VII) *EXEMPTION.*

12 THE DIVESTMENT REQUIREMENTS AND INVESTMENT PROHIBITIONS OF THIS  
13 PARAGRAPH (2) DO NOT APPLY TO ANY COMPANY THAT CAN DEMONSTRATE TO  
14 THE BOARD OF TRUSTEES THAT THE COMPANY:

- 15 1. HAS STOPPED EXPLORING FOR NEW HYDROCARBONS;
- 16 2. CONTRACTUALLY AGREES NOT TO DEVELOP OR SELL 80% OF ITS CURRENT  
17 PROVEN FOSSIL FUEL RESERVES; AND
- 18 3. HAS CEASED LOBBYING OR ATTEMPTING TO INFLUENCE CITY, STATE, OR  
19 FEDERAL GOVERNMENT OFFICIALS TO PRESERVE FOSSIL FUEL SUBSIDIES,  
20 TAX BREAKS, OR THE COMPANY'S COMPETITIVE ADVANTAGE WITH  
21 RESPECT TO CLEAN, RENEWABLE ENERGY.

22 (VII) *ANNUAL REPORT.*

23 ON OR BEFORE JUNE 30 OF EACH YEAR, THE BOARD OF TRUSTEES SHALL SUBMIT A  
24 REPORT TO THE MAYOR AND CITY COUNCIL DETAILING THE OPERATION AND  
25 COMPLIANCE WITH THIS PARAGRAPH (2). THE REPORT SHALL INCLUDE:

- 26 1. IDENTIFICATION OF EACH INVESTMENT IN A FOSSIL FUEL COMPANY HELD IN  
27 AN ACTIVELY MANAGED SEPARATE ACCOUNT;
- 28 2. A LIST OF EACH DIVESTMENT ACTION TAKEN UNDER THIS PARAGRAPH (2) IN  
29 THE PRIOR FISCAL YEAR;
- 30 3. A DESCRIPTION OF EACH DECISION TO DELAY DIVESTMENT; AND
- 31 4. A CALCULATION OF THE ADMINISTRATIVE COST OF COMPLIANCE WITH THIS  
32 PARAGRAPH (2).



Council Bill 21-0066

1 5. "FOSSIL FUEL COMPANY" MEANS A COMPANY LISTED IN THE 200 PUBLICLY  
2 TRADED COAL, OIL, AND GAS COMPANIES THAT HOLD REPORTED FOSSIL FUEL  
3 RESERVES WITH THE LARGEST POTENTIAL CARBON EMISSIONS, AS RANKED AND  
4 UPDATED ANNUALLY IN ~~THE FOSSIL-FREE INDEXES US ("FFIUS")~~ THE CARBON  
5 UNDERGROUND 200 OR ANY SUCCESSOR INDEX.

6 (II) *NEW INVESTMENTS PROHIBITED.*

7 EXCEPT AS OTHERWISE PROVIDED IN THIS PARAGRAPH (3), THE BOARD OF  
8 TRUSTEES MAY NOT MAKE ANY NEW INVESTMENTS IN ANY FOSSIL FUEL COMPANY  
9 WITHIN AN ACTIVELY MANAGED SEPARATE ACCOUNT.

10 (III) *PERIODIC REVIEW.*

11 AT LEAST EVERY 6 MONTHS, THE BOARD OF TRUSTEES SHALL REVIEW THE  
12 INVESTMENT HOLDINGS IN EACH ACTIVELY MANAGED SEPARATE ACCOUNT AND  
13 IDENTIFY EACH INVESTMENT IN ANY FOSSIL FUEL COMPANY.

14 (IV) *DIVESTMENT.*

15 EXCEPT AS OTHERWISE PROVIDED IN THIS PARAGRAPH (3), THE BOARD OF  
16 TRUSTEES SHALL:

- 17 1. BY JULY 1, 2022, DIVEST AT LEAST 20% OF ITS INVESTMENTS IN FOSSIL  
18 FUEL COMPANIES HELD IN ANY ACTIVELY MANAGED SEPARATE ACCOUNT  
19 AS OF JANUARY 1, 2022;
- 20 2. BY JULY 1, 2023, DIVEST AT LEAST 40% OF ITS INVESTMENTS IN FOSSIL  
21 FUEL COMPANIES HELD IN ANY ACTIVELY MANAGED SEPARATE ACCOUNT  
22 AS OF JANUARY 1, 2022;
- 23 3. BY JULY 1, 2024, DIVEST AT LEAST 60% OF ITS INVESTMENTS IN FOSSIL  
24 FUEL COMPANIES HELD IN ANY ACTIVELY MANAGED SEPARATE ACCOUNT  
25 AS OF JANUARY 1, 2022;
- 26 4. BY JULY 1, 2025, DIVEST AT LEAST 80% OF ITS INVESTMENTS IN FOSSIL  
27 FUEL COMPANIES HELD IN ANY ACTIVELY MANAGED SEPARATE ACCOUNT  
28 AS OF JANUARY 1, 2022; AND
- 29 5. BY JULY 1, 2026, DIVEST AT LEAST 100% OF ITS INVESTMENTS IN FOSSIL  
30 FUEL COMPANIES HELD IN ANY ACTIVELY MANAGED SEPARATE ACCOUNT  
31 AS OF JANUARY 1, 2022.

32 (V) *FIDUCIARY DUTY; DIVESTMENT DELAY.*

33 ~~1. NOTHING IN THIS PARAGRAPH (3) REQUIRES THE BOARD OF TRUSTEES TO TAKE~~  
34 ~~ANY ACTION DESCRIBED IN THIS PARAGRAPH (3) THAT THE BOARD~~  
35 ~~DETERMINES IN GOOD FAITH TO BE INCONSISTENT WITH THE FIDUCIARY~~  
36 ~~RESPONSIBILITIES OF THE BOARD UNDER THIS ARTICLE 22.~~

**Council Bill 21-0066**

1           1. NOTHING IN THIS PARAGRAPH (3) SHALL REQUIRE THE BOARD TO TAKE ACTION  
2           AS DESCRIBED IN THIS PARAGRAPH (3) UNLESS THE BOARD DETERMINES, IN  
3           GOOD FAITH, THAT THE ACTION IS CONSISTENT WITH THE FIDUCIARY DUTIES  
4           AND RESPONSIBILITIES OF THE BOARD AS REQUIRED BY LAW.

5           2. IF THE BOARD OF TRUSTEES FINDS THAT A DELAY IN DIVESTING FROM A FOSSIL  
6           FUEL COMPANY IS NECESSARY DUE TO ITS FIDUCIARY DUTY, THE BOARD  
7           SHALL, WITHIN 30 DAYS OF THAT FINDING, REPORT THE DELAY TO THE MAYOR,  
8           THE BOARD OF ESTIMATES, AND THE CITY COUNCIL AND REPORT AN  
9           ESTIMATED TIMELINE FOR THE RESUMPTION OF DIVESTMENT.

10           (VI) *NOTICE.*

11           1. BEFORE DIVESTING FROM A FOSSIL FUEL COMPANY UNDER THIS  
12           PARAGRAPH (3), THE BOARD SHALL PROVIDE WRITTEN NOTICE AND AN  
13           OPPORTUNITY TO RESPOND IN WRITING TO EACH COMPANY SUBJECT TO THE  
14           DIVESTMENT ACTION.

15           2. NO DIVESTMENT ACTION MAY OCCUR UNTIL 90 DAYS FROM THE DATE OF THE  
16           NOTICE DESCRIBED IN SUB-SUBPARAGRAPH 1. OF THIS SUBPARAGRAPH (VI).

17           3. NO DIVESTMENT ACTION MAY OCCUR IF THE COMPANY DEMONSTRATES TO THE  
18           BOARD OF TRUSTEES THAT IT IS EXEMPT FROM DIVESTMENT UNDER  
19           SUBPARAGRAPH (VII) OF THIS PARAGRAPH (3).

20           (VII) *EXEMPTION.*

21           THE DIVESTMENT REQUIREMENTS AND INVESTMENT PROHIBITIONS OF THIS  
22           PARAGRAPH (3) DO NOT APPLY TO ANY COMPANY THAT CAN DEMONSTRATE TO  
23           THE BOARD OF TRUSTEES THAT THE COMPANY:

24           1. HAS STOPPED EXPLORING FOR NEW HYDROCARBONS;

25           2. CONTRACTUALLY AGREES NOT TO DEVELOP OR SELL 80% OF ITS CURRENT  
26           PROVEN FOSSIL FUEL RESERVES; AND

27           3. HAS CEASED LOBBYING OR ATTEMPTING TO INFLUENCE CITY, STATE, OR  
28           FEDERAL GOVERNMENT OFFICIALS TO PRESERVE FOSSIL FUEL SUBSIDIES,  
29           TAX BREAKS, OR THE COMPANY'S COMPETITIVE ADVANTAGE WITH  
30           RESPECT TO CLEAN, RENEWABLE ENERGY.

31           (VII) *ANNUAL REPORT.*

32           ON OR BEFORE JUNE 30 OF EACH YEAR, THE BOARD OF TRUSTEES SHALL SUBMIT A  
33           REPORT TO THE MAYOR AND CITY COUNCIL DETAILING THE OPERATION AND  
34           COMPLIANCE WITH THIS PARAGRAPH (3). THE REPORT SHALL INCLUDE:

35           1. IDENTIFICATION OF EACH INVESTMENT IN A FOSSIL FUEL COMPANY HELD IN  
36           AN ACTIVELY MANAGED SEPARATE ACCOUNT;

**Council Bill 21-0066**

- 1                                   2. A LIST OF EACH DIVESTMENT ACTION TAKEN UNDER THIS PARAGRAPH (3) IN  
2                                   THE PRIOR FISCAL YEAR;
- 3                                   3. A DESCRIPTION OF EACH DECISION TO DELAY DIVESTMENT; AND
- 4                                   4. A CALCULATION OF THE ADMINISTRATIVE COST OF COMPLIANCE WITH THIS  
5                                   PARAGRAPH (3).

6           **SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance  
7 are not law and may not be considered to have been enacted as a part of this or any prior  
8 Ordinance.

9           **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on January 1,  
10 2022.



**Council Bill 21-0066**

Certified as duly passed this 19 day of July, 2021

\_\_\_\_\_  
President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,

this 19 day of July, 2021

\_\_\_\_\_  
Chief Clerk

Approved this 1 day of October, 2021

\_\_\_\_\_  
Mayor, Baltimore City

Approved for Form and Legal Sufficiency  
This 21st Day of July, 2021.

\_\_\_\_\_  
Chief Solicitor