

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1095

Introduced by Andersen, 49.

Read first time January 15, 2026

Committee:

1 A BILL FOR AN ACT relating to retirement; to amend sections 72-1246,
2 72-1254, and 84-602, Reissue Revised Statutes of Nebraska, and
3 section 72-1239.01, Revised Statutes Supplement, 2025; to prohibit
4 investment of certain retirement systems assets in restricted
5 entities; to provide duties for the Nebraska Investment Council and
6 the state investment officer; to require reports; to provide a duty
7 for the State Treasurer; to define a term; to harmonize provisions;
8 to provide an operative date; to repeal the original sections; and
9 to declare an emergency.
10 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 72-1239.01, Revised Statutes Supplement, 2025, is
2 amended to read:

3 72-1239.01 (1)(a) The appointed members of the council shall have
4 the responsibility for the investment management of the assets of the
5 retirement systems administered by the Public Employees Retirement Board
6 as provided in section 84-1503, the assets of the Nebraska educational
7 savings plan trust as provided in section 77-1420, the assets of the
8 achieving a better life experience program pursuant to sections 77-1401
9 to 77-1409, and beginning January 1, 2017, the assets of each retirement
10 system provided for under the Class V School Employees Retirement Act.
11 Except as provided in subsection (4) of this section, the appointed
12 members shall be deemed fiduciaries with respect to the investment of the
13 assets of the retirement systems, of the Nebraska educational savings
14 plan trust, and of the achieving a better life experience program and
15 shall be held to the standard of conduct of a fiduciary specified in
16 subsection (3) of this section. The nonvoting, ex officio members of the
17 council shall not be deemed fiduciaries.

18 (b) As fiduciaries, the appointed members of the council and the
19 state investment officer shall discharge their duties with respect to the
20 assets of the retirement systems, of the Nebraska educational savings
21 plan trust, and of the achieving a better life experience program solely
22 in the interests of the members and beneficiaries of the retirement
23 systems or the interests of the participants and beneficiaries of the
24 Nebraska educational savings plan trust and the achieving a better life
25 experience program, as the case may be, for the exclusive purposes of
26 providing benefits to members, members' beneficiaries, participants, and
27 participants' beneficiaries and defraying reasonable expenses incurred
28 within the limitations and according to the powers, duties, and purposes
29 prescribed by law.

30 (2)(a) The appointed members of the council shall have the
31 responsibility for the investment management of the assets of state

1 funds. The appointed members shall be deemed fiduciaries with respect to
2 the investment of the assets of state funds and shall be held to the
3 standard of conduct of a fiduciary specified in subsection (3) of this
4 section. The nonvoting, ex officio members of the council shall not be
5 deemed fiduciaries.

6 (b) As fiduciaries, the appointed members of the council and the
7 state investment officer shall discharge their duties with respect to the
8 assets of state funds solely in the interests of the citizens of the
9 state within the limitations and according to the powers, duties, and
10 purposes prescribed by law.

11 ~~(3)(a) (3)~~ The appointed members of the council shall act with the
12 care, skill, prudence, and diligence under the circumstances then
13 prevailing that a prudent person acting in like capacity and familiar
14 with such matters would use in the conduct of an enterprise of a like
15 character and with like aims by diversifying the investments of the
16 assets of the retirement systems, the Nebraska educational savings plan
17 trust, the achieving a better life experience program, and state funds so
18 as to minimize risk of large losses, unless in light of such
19 circumstances it is clearly prudent not to do so. No assets of the
20 retirement systems, the Nebraska educational savings plan trust, or the
21 achieving a better life experience program shall be invested or
22 reinvested if the sole or primary investment objective is for economic
23 development or social purposes or objectives.

24 (b)(i) For any investments related to the retirement systems, the
25 appointed members of the council shall not engage in investment
26 activities in a restricted entity.

27 (ii) The appointed members of the council shall identify any
28 holdings of the retirement systems related to any such restricted entity
29 and shall divest from all holdings and other investment activity in such
30 entity as soon as practicable. Nothing in this subdivision (b)(ii) shall
31 be construed to require divestment from any such holdings or other

1 investment activity prior to the end of the term of such holdings or
2 other investment activity, if one exists, or in a manner contrary to such
3 appointed members' duties and responsibilities.

4 (4) Neither the appointed members of the council nor the state
5 investment officer shall be deemed fiduciaries with respect to
6 investments of the assets of a retirement system provided for under the
7 Class V School Employees Retirement Act made by or on behalf of the board
8 of education as defined in section 79-978 or the board of trustees
9 provided for in section 79-980. Neither the council nor any member
10 thereof nor the state investment officer shall be liable for the action
11 or inaction of the board of education or the board of trustees with
12 respect to the investment of the assets of a retirement system provided
13 for under the Class V School Employees Retirement Act, the consequences
14 of any such action or inaction of the board of education or the board of
15 trustees, and any claims, suits, losses, damages, fees, and costs related
16 to such action or inaction or consequences thereof.

17 (5) For purposes of this section, restricted entity means:

18 (a) A Chinese entity:

19 (i) Designated by Presidential Executive Order 13959, 85 Federal
20 Register 73185, dated November 12, 2020, relating to addressing the
21 threat from securities investments that finance Communist Chinese
22 military companies;

23 (ii) Designated by Presidential Executive Order 14105, 88 Federal
24 Register 54867, dated August 9, 2023, relating to addressing United
25 States investments in certain national security technologies and products
26 in countries of concern; or

27 (iii) Included in the Specially Designated Nationals and Blocked
28 Persons list maintained by the Office of Foreign Assets Control of the
29 United States Department of the Treasury;

30 (b) A Chinese entity that:

31 (i) Is included on the Non-SDN Chinese Military-Industrial Complex

1 Companies List (NS-CMIC List), as such list existed on January 1, 2026,
2 maintained by the Office of Foreign Assets Control of the United States
3 Department of the Treasury under Presidential Executive Order 14032, 86
4 Federal Register 30145, dated June 3, 2021;

5 (ii) Is a Chinese military company or a military-civil fusion
6 contributor and included on the list maintained by the United States
7 Department of Defense in accordance with section 1260H of the National
8 Defense Authorization Act for Fiscal Year 2021, Public Law 116-283, as
9 such list and section existed on January 1, 2026;

10 (iii) Is included on the list required under section 1237 of the
11 National Defense Authorization Act for Fiscal Year 1999, Public Law
12 105-261, as such list and section existed on January 1, 2026;

13 (iv) Is included on the Entity List set forth in Supplement No. 4 to
14 Part 744, 15 C.F.R. 744, as such part existed on January 1, 2026;

15 (v) Is included on the Denied Persons List pursuant to 15 C.F.R.
16 764.3(a)(2), as such list and regulation existed on January 1, 2026;

17 (vi) Is included on the Unverified List set forth in Supplement No.
18 6 to Part 744, 15 C.F.R. 744, as such list and regulation existed on
19 January 1, 2026;

20 (vii) Is included on the Military End User List set forth in
21 Supplement No. 7 to Part 744, 15 C.F.R. 744, as such list and regulation
22 existed on January 1, 2026;

23 (viii) Produces or provides communications equipment or service on
24 the list published by the Federal Communications Commission under section
25 47 U.S.C. 1601 of the Secure and Trusted Communications Networks Act of
26 2019, as such list and section existed on January 1, 2026;

27 (ix) Is included on the Uyghur Forced Labor Prevention Act Entity
28 List, maintained by the United States Department of Homeland Security, as
29 such list existed on January 1, 2026;

30 (x) Is included on the Withhold Release Orders and Findings List
31 issued by the Commissioner of United States Customs and Border Protection

1 Agency pursuant to the Uyghur Forced Labor Prevention Act, Public Law No.
2 117-78, as such list and act existed on January 1, 2026;

3 (xi) Is included on the list of covered issuers as defined in the
4 Sarbanes-Oxley Act of 2002 maintained by the United States Securities and
5 Exchange Commission, as such list existed on January 1, 2026; or

6 (xii) Is otherwise included on any other list that existed on
7 January 1, 2026, maintained by the United States Government that
8 designates a Chinese entity for a restriction relating to investment,
9 contracting, or procurement;

10 (c) A Chinese entity otherwise subject to the control of a Chinese
11 entity listed in subdivision (a) or (b) of this subsection; and

12 (d) Any agency or instrumentality of the People's Republic of China.

13 **Sec. 2.** Section 72-1246, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 72-1246 (1) The state investment officer shall invest in investments
16 of the nature which individuals of prudence, discretion, and intelligence
17 acquire or retain in dealing with the property of another, and if the
18 state investment officer has special skills or is named on the basis of
19 representations of special skills or expertise, he or she is under a duty
20 to use such skills, subject to the direction of the Nebraska Investment
21 Council.

22 (2)(a) For any investments related to the retirement systems
23 administered by the Public Employees Retirement Board as provided in
24 section 84-1503, the state investment officer shall not engage in
25 investment activities in a restricted entity as defined in section
26 72-1239.01.

27 (b) The state investment officer shall identify any holdings of the
28 retirement systems related to any such restricted entity and shall divest
29 from any holdings or other investment activity related to any such entity
30 as soon as practicable. Nothing in this subdivision shall be construed to
31 require divestment from any such holdings or other investment activity

1 prior to the end of the term of such holdings or other investment
2 activity, if one exists, or in a manner contrary to the state investment
3 officer's duties and responsibilities.

4 **Sec. 3.** Section 72-1254, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 72-1254 (1) The state investment officer shall report no later than
7 fifteen days after the close of each month to the Governor, the State
8 Treasurer, the Auditor of Public Accounts, the Department of
9 Administrative Services, and the members of the council on the operations
10 for the pooled accounts during such month. The report shall include a
11 summary of investments, purchases, and dealers utilized. Such reports
12 shall be available for public inspection in the office of the state
13 investment officer.

14 (2)(a) The state investment officer shall electronically provide
15 semiannual written reports to the Nebraska Retirement Systems Committee
16 of the Legislature and the Clerk of the Legislature regarding any
17 investments related to the retirement systems administered by the Public
18 Employees Retirement Board as provided in section 84-1503, related to any
19 such restricted entity as defined in section 72-1239.01. The report shall
20 include the name of each such company or restricted entity, the asset
21 allocation class and sector to which it belongs pursuant to the asset
22 allocation policy and the amount of retirement systems funds invested
23 therein.

24 (b) The first report shall be due on or before January 15, 2027, and
25 shall contain information for the six-month period ending December 31,
26 2026. The second report shall be due on or before July 15, 2027, and
27 shall contain information for the six-month period ending June 30, 2027.
28 In each calendar year thereafter, reports shall be due:

29 (i) On or before January 15, containing information for the most
30 recent six-month period ending December 31; and

31 (ii) On or before July 15, containing information for the most

1 recent six-month period ending June 30.

2 **Sec. 4.** Section 84-602, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 84-602 It shall be the duty of the State Treasurer:

5 (1) To receive and keep all money of the state not expressly
6 required to be received and kept by some other person;

7 (2) To disburse the public money upon warrants drawn upon the state
8 treasury according to law and not otherwise;

9 (3) To keep a just, true, and comprehensive account of all money
10 received and disbursed;

11 (4) To keep a just account with each fund, and each head of
12 appropriation made by law, and the warrants drawn against them;

13 (5) To report electronically to the Legislature as soon as
14 practicable, but within ten days after the commencement of each regular
15 session, a detailed statement of the condition of the treasury and its
16 operations for the preceding fiscal year;

17 (6) To give information electronically to the Legislature, whenever
18 required, upon any subject connected with the treasury or touching any
19 duty of his or her office;

20 (7) To account for, and pay over, all money received by him or her
21 as such treasurer, to his or her successor in office, and deliver all
22 books, vouchers, and effects of office to him or her; and such successor
23 shall receipt therefor. In accounting for and paying over such money the
24 treasurer shall not be held liable on account of any loss occasioned by
25 any investment, when such investment shall have been made pursuant to the
26 direction of the state investment officer;

27 (8) To develop and maintain the website required under the Taxpayer
28 Transparency Act; ~~and~~

29 (9) To award grants as provided under the Municipal Inland Port
30 Authority Act; and -

31 (10) On or before October 1, 2026, to create and publish on the

1 State Treasurer's website a list of restricted entities as defined in
2 section 72-1239.01 and update such list at least every six months, and
3 notify the Nebraska Investment Council and the state investment officer
4 of any updates to such list.

5 **Sec. 5.** This act becomes operative on July 1, 2026.

6 **Sec. 6.** Original sections 72-1246, 72-1254, and 84-602, Reissue
7 Revised Statutes of Nebraska, and section 72-1239.01, Revised Statutes
8 Supplement, 2025, are repealed.

9 **Sec. 7.** Since an emergency exists, this act takes effect when
10 passed and approved according to law.