

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.