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Summary of Senate Bill 17 (with 17-1 and 17-3 amendments)

As introduced, Senate Bill 17 is a technical fix to the state's Sudan Divestiture program. The State Treasury is asking that Senate Bill 17 be amended with the 17-1 and 17-3 amendments to incorporate a total of four concepts:

Version	Concept	Need
SB 17	Technical fixes to Sudan Divestiture program in order to better conform the program with federal law (as informed by the Department of Justice).	After discussions with the Department of Justice, Treasury staff recommend that the Sudan Divestiture program be modeled after the recent Iran Divestiture program (HB 4110, 2012) in order to better comply with federal law. Specifically, program will need to be 1) funded by a source other than OPERF moneys, and 2) limited to federally-approved activities.
17-1	Allowing adjustments to maturity dates of XI-Q bonds.	Over the years, we have issued Certificates of Participation with different semi-annual payment dates. As these COPs are refinanced with XI-Q bonds, the Treasury would like to be able to normalize debt service payment dates around a uniform set of dates. At times, this might mean extending the term a few months so that these payment dates all eventually line up. Treasury is asking for an allowance us to slightly extend such terms, but no longer than six months.
17-3	Clarifying that in issuing School Bond Guarantees, the Treasurer may require a security pledge.	The Treasurer may already establish various procedures and standards with regard to issuing a School Bond Guaranty to a local district. The amendment here clarifies that the Treasurer may require security pledges or other conditions to help ensure that the State is made whole in the unlikely event that the State is required to intercede.
17-3	Clarifying that the Deferred Compensation Committee may select mutual funds with the oversight of the Investment Council.	In 1997, HB 2187 created a provision requiring the Oregon Investment Council to "approve all mutual funds" in which the Deferred Compensation Fund moneys were invested. The OIC established a committee to make such recommendations, subject to strict oversight by the OIC, but staff has recommended that the statute be clarified to better conform with the intent.

The State Treasury recommends that Senate Bill 17 be passed out of committee <u>as amended by the 17-1 and 17-3 amendments</u>.

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