

HB 2200 -1 STAFF MEASURE SUMMARY

House Committee On Emergency Management, General Government, and Veterans

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 1/28, 3/13

WHAT THE MEASURE DOES:

The measure requires the Oregon Investment Council (OIC) and the State Treasurer to reduce the carbon intensity of the state's investment portfolio.

Detailed Summary

The measure requires the OIC and State Treasurer to act within their current objectives of investments and standard of judgment and care in state investments that will:

- Reduce carbon investments.
- Address the investment risk resulting from climate change to the Public Employees Retirement Fund.
- Make efforts to achieve net-zero carbon emissions within the fund by the year 2050.
- Track and report on carbon intensity investments within the Fund.

ISSUES DISCUSSED:

- Concerns that a new law is not needed to define the investment responsibilities of the Oregon Investment Council and the State Treasurer.
- Questions about the constitutionality of the measure.
- Concerns about the impacts on climate change on businesses and industries.

EFFECT OF AMENDMENT:

-1 Replaces measure.

Detailed Summary

- Defines terms.
- Adds effective date.
- Requires the Oregon Investment Council (OIC) and State Treasurer to act reasonable and in a manner consistent with state statutes, including general objectives of investments; standards of judgment and care in state investments; public record disclosure laws, and contractual obligations to:
 - Analyze and manage the risks of climate change to the Public Employees Retirement Fund, including fossil fuel investments; analyze how the integration of climate change analysis will help achieve portfolio return objectives; and pursue the goal of reducing carbon intensity of the fund through investment preference
- Requires a report to the Legislative assembly each biennium on progress.
- Requires beneficiary input on report; describes reporting requirements.
- Holds OIT, the State Treasurer, and its employees harmless from claims and damages incurred.
- Does not require OIT or the State Treasurer to take action unless a good faith determination is consistent with their fiduciary responsibilities.
- Takes effect on the 91st day following adjournment sine die.

BACKGROUND:

The Oregon State Treasury is charged with fiduciary responsibility for managing investments for several large funds, including the Oregon Public Employee Retirement Funds (OPERF), the Industrial Accident Fund, the Consumer and Business Services Fund, and others. The Oregon Investment Council oversees the investment and

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allocation of all State of Oregon trust funds. Council members are appointed by the Governor and establish investment policies, asset allocation, risk levels, and targeted returns.

HB 4083 (2024) directed the Oregon Investment Council and the State Treasurer to try to ensure that OPERF are not invested in thermal coal companies or any fund containing a thermal coal company.