

HB 2081 -1 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Chris Allanach, Legislative Revenue Officer

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 4/22, 4/24

WHAT THE MEASURE DOES:

Requires the Legislative Revenue Officer to study the state financial system and produce a report that may include recommendations for legislation. Requires the report to be submitted to the interim committees of the Legislative Assembly related to revenue no later than December 1, 2026.

ISSUES DISCUSSED:

- Fiduciary obligation of the State Treasurer
- Deliberation of the identical policy in HB 2200-1
- Importance of the Oregon Public Employees Retirement Fund
- Opportunities to explore transition investments
- Importance of paying attention to market forces and a focus on long-term investment strategies
- Concerns about possible distortionary action
- Need to balance market risk and reward
- How to adequately evaluate the risks of climate change

EFFECT OF AMENDMENT:

-1 Replaces the measure.

Requires the Oregon Investment Council and State Treasurer to: analyze and manage the risks of climate change to the Public Employees Retirement Fund; analyze how the integration of climate change analysis will help achieve portfolio return objectives; pursue the goal of reducing the carbon intensity of the fund; and submit biennial reports to the Legislative Assembly regarding progress toward an investment program that addresses the impact of climate change factors on the portfolio. Neither the Oregon Investment Council nor the State Treasurer is required to take action unless they are able to make a good faith determination that such action is consistent with their fiduciary responsibilities outlined in statute. Takes effect on the 91st day following adjournment sine die.

BACKGROUND:

The biennial report may include information such as progress toward carbon intensity investment goals, progress toward investing in holdings that incorporate the tenets of a transition in priorities and portfolio, and any pertinent advancements and methods in measuring progress toward goals and benchmarks within an environment where science and carbon intensity measurement constantly evolve.