

**HB 2081 A    STAFF MEASURE SUMMARY****Carrier:** Rep. Grayber**House Committee On Revenue****Action Date:** 04/24/25**Action:** Do pass with amendments and rescind subsequent referral to Ways and Means. (Printed A-Eng.)**Vote:** 4-2-1-0**Yeas:** 4 - Hudson, Marsh, Nathanson, Walters**Nays:** 2 - Reschke, Smith G**Exc:** 1 - Levy B**Fiscal:** No fiscal impact**Revenue:** No revenue impact**Prepared By:** Chris Allanach, Legislative Revenue Officer**Meeting Dates:** 4/22, 4/24**WHAT THE MEASURE DOES:**

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. The biennial reports 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. 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.

**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:**

Replaces Bill

**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 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. House Bill 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.