

HB 2200 A STAFF MEASURE SUMMARY

Carrier: Rep. Grayber

House Committee On Emergency Management, General Government, and Veterans

Action Date: 04/08/25

Action: Do pass with amendments and rescind subsequent referral to Ways and Means. (Printed A-Eng).

Vote: 5-2-0-0

Yeas: 5 - Boice, Evans, Grayber, Tran, Watanabe

Nays: 2 - Lewis, Skarlatos

Fiscal: No fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 1/28, 3/13, 4/8

WHAT THE MEASURE DOES:

The measure requires the Oregon Investment Council (OIC) and the State Treasurer to analyze and manage the risks of climate change to the Public Employees Retirement Fund and pursue the goal of reducing carbon intensity of the fund through investment preference.

Detailed Summary

- 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 OIC, the State Treasurer, and its employees harmless from any claims and damages incurred.
- Does not require OIC 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.

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:

The amendment replaces the original measure.

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.

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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.