

Requested by Representative LEWIS

**PROPOSED MINORITY REPORT AMENDMENTS TO  
HOUSE BILL 2200**

1 Delete lines 4 through 15 of the printed bill and insert:

2 **“SECTION 1. Sections 1 to 6 of this 2025 Act shall be known and**  
3 **may be cited as the Public Pension Protection Act.**

4 **“SECTION 2. As used in sections 1 to 6 of this 2025 Act:**

5 **“(1) ‘Fiduciary’ means a person who with respect to a pension ben-**  
6 **efit plan:**

7 **“(a) Exercises any discretionary authority or discretionary control**  
8 **respecting management of the plan or exercises any authority or**  
9 **control respecting management or disposition of the plan’s assets;**

10 **“(b) Renders investment advice for a fee or other compensation,**  
11 **direct or indirect, with respect to any moneys or other property of the**  
12 **plan, or has any authority or responsibility to do so; or**

13 **“(c) Has any discretionary authority or discretionary responsibility**  
14 **in the administration of the plan, including making recommendations**  
15 **or voting a plan’s shares or proxies.**

16 **“(2)(a) ‘Material’ means, with respect to a risk or return, that there**  
17 **is a substantial likelihood that a reasonable investor would attach**  
18 **importance when:**

19 **“(A) Evaluating the potential financial return and financial risks**  
20 **of an existing or prospective investment; or**

21 **“(B) Exercising, or declining to exercise, any rights appurtenant to**

1 securities.

2 “(b) ‘Material’ does not mean, with respect to a risk or return:

3 “(A) Furthering nonpecuniary, environmental, social, political, id-  
4 eological or other goals or objectives; or

5 “(B) Any portion of a risk or return that primarily relates to events  
6 that:

7 “(i) Involve a high degree of uncertainty regarding what may or  
8 may not occur in the distant future; and

9 “(ii) Are systemic, general or not investment-specific in nature.

10 “(3) ‘Nonpecuniary’ means, with respect to any action taken or  
11 factor considered by a fiduciary, having any purpose to further envi-  
12 ronmental, social or political goals. A fiduciary purpose may be rea-  
13 sonably determined by evidence including, but not limited to, a  
14 fiduciary’s statements indicating its purpose in selecting investments,  
15 engaging with portfolio companies or voting shares or proxies, or any  
16 such statements by any coalition, initiative or organization that the  
17 fiduciary has joined, participated in or become a signatory to, in its  
18 capacity as a fiduciary.

19 “(4)(a) ‘Pecuniary factor’ means a factor that has a material effect  
20 on the financial risk or financial return of an investment based on  
21 appropriate investment horizons consistent with a pension benefit  
22 plan’s investment objectives and the funding policy.

23 “(b) ‘Pecuniary factor’ does not include nonpecuniary factors.

24 “(5) ‘Pension benefit plan’ means any plan, fund or program estab-  
25 lished, maintained or offered by a public body, to the extent that by  
26 its terms or as a result of surrounding circumstances:

27 “(a) The plan provides retirement income or other retirement ben-  
28 efits to employees or former employees; or

29 “(b) The plan results in a deferral of income by employees for a  
30 period extending to the termination of covered employment or beyond.

1       “(6) ‘Public body’ has the meaning given that term in ORS 174.109.

2       “SECTION 3. A fiduciary shall discharge the fiduciary’s duties with  
3 respect to a pension benefit plan:

4       “(1) Solely in the pecuniary interest of the participants and benefi-  
5 ciaries for the exclusive purpose of:

6       “(a) Providing pecuniary benefits to participants and their benefi-  
7 ciaries; and

8       “(b) Defraying reasonable expenses of administering the plan;

9       “(2) With the care, skill, prudence and diligence under the circum-  
10 stances then prevailing that a prudent person acting in a like capacity  
11 and familiar with such matters would use in the conduct of an enter-  
12 prise of a like character and with like aims;

13       “(3) By diversifying the investments of the plan so as to minimize  
14 the risk of large losses, unless under the circumstances it is clearly  
15 prudent not to do so; and

16       “(4) In accordance with the documents and instruments governing  
17 the plan insofar as such documents and instruments are consistent  
18 with the provisions of sections 1 to 6 of this 2025 Act.

19       “SECTION 4. A fiduciary’s evaluation of an investment, or evalu-  
20 ation or exercise of any right appurtenant to an investment, must take  
21 into account only pecuniary factors. A fiduciary may not promote  
22 nonpecuniary benefits or any other nonpecuniary goals. Environ-  
23 mental, social, corporate governance and other similarly oriented  
24 considerations are pecuniary factors only if they present economic  
25 risks or opportunities that qualified investment professionals would  
26 treat as material economic considerations under generally accepted  
27 investment theories. The weight given to those factors must solely  
28 reflect a prudent assessment of the factors’ impact on risk and return.  
29 A fiduciary considering environmental, social, corporate governance  
30 or other similarly oriented factors as pecuniary factors shall examine

1 the level of diversification, the degree of liquidity and the potential  
2 risk-return in comparison with other available alternative investments  
3 that would play a similar role in the plans' portfolios. Any pecuniary  
4 consideration of environmental, social or corporate governance factors  
5 must necessarily include evaluating whether greater returns can be  
6 achieved through investments that rank poorly on such factors.

7 **“SECTION 5. (1) All shares held directly or indirectly by or on be-**  
8 **half of a pension benefit plan or the beneficiaries of a plan shall be**  
9 **voted solely in the pecuniary interest of plan participants. Voting to**  
10 **further nonpecuniary, environmental, social, political, ideological or**  
11 **other benefits or goals is prohibited.**

12 **“(2) Unless no economically practicable alternative is available, a**  
13 **fiduciary may not adopt a practice of following the recommendations**  
14 **of a proxy advisory firm or other service provider unless such firm or**  
15 **service provider has a practice of following, and in writing commits**  
16 **to follow, proxy voting guidelines that are consistent with the**  
17 **fiduciary's obligation to act based only on pecuniary factors.**

18 **“(3) Unless no economically practicable alternative is available,**  
19 **pension benefit plan assets may not be entrusted to a fiduciary unless**  
20 **that fiduciary has a practice of following, and in writing commits to**  
21 **follow, guidelines, when engaging with portfolio companies and voting**  
22 **shares or proxies, that match the public body's obligation to act based**  
23 **only on pecuniary factors.**

24 **“(4) Authority to vote shares held by a pension benefit plan must**  
25 **be in the hands of a politically accountable official of the public body**  
26 **responsible for the plan.**

27 **“SECTION 6. The Attorney General may enforce violations of**  
28 **sections 1 to 6 of this 2025 Act.”.**

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