



January 28, 2025

**TO:** Members of the House Committee on Emergency Management, General Government, and Veterans

**FR:** Derek Sangston, Oregon Business & Industry

**RE:** Opposition to HB 2200

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Oregon Business & Industry (OBI) is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 80% of which are small businesses, employ more than 250,000 Oregonians. Oregon's private sector businesses help drive a healthy, prosperous economy for the benefit of everyone.

Thank you for the opportunity to submit comments in opposition to HB 2200. HB 2200 would direct the Oregon Investment Council (OIC) to reduce the carbon intensity of the state's investment portfolio and make efforts to eliminate carbon emissions within the state's investment fund by 2050. OBI opposes HB 2200 because it would require the OIC to focus on divesting from politically unpopular assets instead of maximizing Oregon's investments in its trust funds, including the Oregon Public Employees Retirement Fund, the Common School Fund, and the State Accident Insurance Fund.

In its role as a fiduciary for Oregonians, the OIC has worked to grow its trust funds. Current law requires it to manage the funds prudently, under the circumstances then prevailing and in light of the purposes, terms, distribution requirements and laws governing each investment fund. *ORS 293.726*. The OIC's recent success has helped offset increasing PERS liabilities, fund schools, and grow investment accounts for many Oregonians. For example, the PERS portfolio has grown to \$94 billion and pays over \$400 million in retirement benefits each month.

While the future viability of carbon intensive investment is driving some to argue HB 2200 is necessary, current law would already allow the OIC and the Treasurer to change investment strategy when market forces dictate it. Again, current law already requires the OIC and the Treasurer to manage Oregon's funds prudently.

OBI is also concerned HB 2200 does not define what constitutes a carbon intensive investment. Several practices that lead to the development of "greener" practices are quite carbon intensive. For example, the manufacturing process for electric cars, wind turbines, semiconductors, and batteries are quite carbon intensive. Mining lithium is also carbon intensive.

Furthermore, over 6,000 products including everyday products like air mattresses, cell phones, crayons, and pharmaceuticals use petrochemicals derived from oil and natural gas. HB 2200,

without more clarification would require the OIC to begin divesting from investments, not just in the oil and gas companies, but potentially investments in those products themselves.

Thank you for your consideration.

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