

**75TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
SENATE FINANCE & REVENUE COMMITTEE**

**MEASURE: SB 62 A
CARRIER:**

REVENUE: No Revenue Impact

FISCAL: May have Fiscal Impact, no statement issued

Action: Do Pass with Amendments and be printed A-Engrossed. Refer to Ways and Means by Prior Reference

Vote: 5-0-0

Yeas: Hass, Morse, Rosenbaum, Telfer, Burdick

Nays: 0

Exc.: 0

Prepared By: Mazen Malik, Economist

Meeting Dates: 2/09, 4/23

WHAT THE BILL DOES: Creates Oregon Short Term Fund. Revises provisions governing investment of moneys by State Treasurer. Allows treasurer to buy Oregon debt as investment. Allows the state treasury more investment flexibility, changes reporting requirements, and repeals five subsections of ORS 293.

ISSUES DISCUSSED:

- The structures of the different funds and management of the state funds.
- Reports being phased out with the repealed statutes.
- Counties desire to invest in new fund.
- The impact on the banking industry in the state.
- Protection of the system, and new regulations for banks.

EFFECT OF COMMITTEE AMENDMENTS: The amendment redefines banking requirements to equate their risk for the purpose of holding government deposits. With the institution's maximum liability capped at 10% of the public funds deposits they hold. Changes and shortens timelines in reporting by the banks to the officials and the treasury when changes occur, that might affect securing uninsured public deposit. Gives the director of DCBS the authority to receive reports and require the level of collateralization for banks, with the corporation of the state treasure.

BACKGROUND:

The funds that are not specifically intended for investments are kept with the state treasurer without specific fund to include them. This measure Creates the Oregon Short term fund, and specifies the funds to be included in it.

Allows the state treasurer to buy Oregon bonds as investment in funds under the treasury management, in addition to the allowance in ORS 294.035 (3,b).

Changes the percentage that the state treasurer charges for fund management to "reasonable fees" Section 6, 23, and 30).

Changes the reporting requirements (Section 15) to GAAP, and reduce the requirements in other places (Sec 28, 59.15)

Allows the state treasurer to invest the funds explicitly and for the interest to stay in the funds in most independent state other funds.

Makes the DOR and DAS responsible for paying the property tax deferral payments. Repeals a number of Statutes.

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