

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4110

Seventy-Sixth Oregon Legislative Assembly – 2012 Regular Session
Legislative Fiscal Office

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Measure Description:

Directs Oregon Investment Council and State Treasurer to try to ensure that moneys in Public Employees Retirement Fund are not invested in companies with interest in energy sector of Iran.

Government Unit(s) Affected:

Oregon State Treasurer

Summary of Fiscal Impact:

Please see analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure requires the State Treasurer to identify a number of publicly traded companies, develop a policy dealing with fund managers who manage monies in the Public Employees Retirement Fund (PERS) that invest in these companies that includes providing them notice that PERS monies should not be invested in the subject companies and encourage them to divest these companies from their funds within 90 days. The bill also requires the Treasurer to post a list of the companies and a summary of the actions taken by the Treasurer in carrying out this measure on their website, updated annually.

The Treasurer has identified similar legislation in the State of Arizona and has estimated costs for the implementation of this legislation based on the costs of that implementation; about \$136,000 each biennium. The measure, however, prohibits using investment fund fee revenues, which otherwise finance the State Treasury's Investment Division functions, from being used to enforce most of the provisions of this Act, and exempts the applicability of those provisions unless the Legislature provides adequate funding to carry them out.

This measure, unless the Legislature provides additional funding to the agency, would only require the Treasurer to adopt a statement of policy, and would have minimal fiscal impact to the agency. An additional fiscal impact would be created if specific funding is added for the bill. The Legislative Fiscal Office believes this measure warrants a subsequent referral to the Joint Committee on Ways and Means Committee for consideration of this measure's impact on the agency budget.