

**76TH OREGON LEGISLATIVE ASSEMBLY
2012 Regular Session
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: HB 4110
CARRIER: Rep. Weidner
Rep. Greenlick**

**REVENUE: No Revenue Impact
FISCAL: Fiscal Impact Issued**

Action: Do Pass
Vote: 8-0-0
Yeas: Bailey, Bentz, Brewer, Gelser, Read, Wand, Barnhart, Berger
Nays: 0
Exc.: 0

Prepared By: Mazen Malik, Economist
Meeting Dates: 2/10, 2/13

WHAT THE BILL DOES: 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. Directs State Treasurer to adopt engagement policy with private investment fund managers and to encourage managers to end investments with companies with interest in energy sector of Iran.

Requires notices to fund managers, companies and Oregon Investment Council. Specifies contents of notices. Applies subject to specified fiduciary standards.
Declares emergency, effective on passage.

ISSUES DISCUSSED:

- The reasons for the proposed law and divestment.
- How affective the law can and will be in achieving its intent.
- Where the costs to the treasure office will be and what is the resulting benefit.
- Clauses stay dormant until there are budget appropriations for implementation.
- Subsequent referral.

EFFECT OF COMMITTEE AMENDMENTS: No Amendments

BACKGROUND:

Section 2 makes definitions including the definition of what a scrutinized company is. Sections 3 and 4 describe the process to be followed, and the reports (March-15) are in section 5. Section 6 of the bill indicates the legislation applies only if the legislature appropriates sufficient moneys to the State Treasurer to administer section 4(2) to (5) and 5 of the bill.

It is difficult to estimate the impact of lost investment opportunities to the PERS Fund. Arizona currently is excluding investments in Petro China, Royal Dutch Shell, Total, and Eni in order to conform to the requirements of the law in their state.

Operative on 1/1/2013 and effective on passage.

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