

77TH OREGON LEGISLATIVE ASSEMBLY
2013 REGULAR SESSION
STAFF MEASURE SUMMARY
SENATE FINANCE AND REVENUE COMMITTEE

MEASURE: SB 17-1,-3
CARRIER:
Preliminary

REVENUE: No
FISCAL: ?

Action:
Vote:

Yeas:
Nays:
Exc.:

Prepared By: Mazen Malik, Economist
Meeting Dates: 02/20, 03/11

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 Sudan. Applies to investments for which federal law allows divestment by public pension plans. Directs State Treasurer to adopt engagement policy with private investment fund managers and to encourage managers to end investments with companies with interest in Sudan. Requires notices to fund managers, companies and Oregon Investment Council. Specifies contents of notices

ISSUES DISCUSSED:

- Replacement of description and language (investment to fund or funds)
- Model the Sudan divesture law after the Iran Divestment (HB4110, 2012) (-1)
- Allow adjustment to maturity dates of XI-Q bonds (-1)
- Treasure may ask for security pledge when issuing guaranties for School bond programs.
- Deferred Compensation committee may select mutual funds with oversight of Investment council (-3 amendment)

EFFECT OF COMMITTEE AMENDMENTS: “-1” amendment fixes the Sudan divestment statutes to conform to federal law. It also allows for extension of maturity dates foe XI-Q bonds. “-3” amendments Takes out the requirement of directly approve mutual funds of Differed compensation. The second category deals with asking for security pledge by the state for school district Bond guarantees.

BACKGROUND:

The Oregon Legislative Assembly passed Senate Bill 1089 during the 2005 session, setting guidelines for divestiture from companies doing business in the Republic of Sudan. The bill was codified as the Oregon Human Rights and Anti-Genocide Act of 2005, ORS 293.811 to 293.817 (“the Act”). The investment funds subject to the Act are the Oregon Public Employees Retirement Fund, the State Accident Insurance Fund, the Common School Fund, the Oregon War Veterans Fund, and the Higher Education Endowment Fund. The Act was effective on August 23, 2005, and requires an annual report to the Legislative Assembly by January 15 on actions taken by the State Treasurer and Oregon Investment Council (OIC) under the Act.

State Capitol Building
900 Court St NE, Room 143
Salem, OR 97301-1347

Phone: 503-986-1266
Fax: 503-986-1770
<http://www.leg.state.or.us>