

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass and Be Referred to the Committee on Ways and Means by prior reference
Vote:	8 - 0 - 1
Yeas:	Doherty, Johnson, Keny-Guyer, Lively, Richardson, Smith, Vega Pederson, Holvey
Nays:	0
Exc.:	Thatcher
Prepared By:	Bob Estabrook, Administrator
Meeting Dates:	2/7, 2/12

WHAT THE MEASURE DOES: Allows investment of local government sinking funds, bond funds or surplus funds in commingled investment pool established by State Treasurer for investment of funds of state agency or local government. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Anticipated local government and political subdivision participation in Oregon Intermediate Term Pool (OITP)
- Longevity and risk of OITP
- Limits on liquidity of OITP

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: ORS 293.728 establishes the Oregon Short Term Fund, a pool of state and local government funds, as the investment vehicle for funds not authorized for discrete investment. The State and Local Government Efficiency Task Force, established by House Bill 2855 in 2011, recommends allowing local governments the option to invest in the Intermediate Term Pool, a separate investment pool managed by the State Treasurer's office but currently limited to funds of state agencies and state-sponsored entities. For calendar 2012, the rate of return on the Short Term Fund was 1.65 percent, while the Intermediate Term Pool had a rate of return of 5.72 percent in the same period. House Bill 2140 adds commingled investment pools established by the State Treasurer, such as the Intermediate Term Pool, to the list of authorized investments for local governments.

2/15/2013 9:15:00 AM

This summary has not been adopted or officially endorsed by action of the committee.