



STATE OF OREGON
OREGON STATE TREASURY
159 STATE CAPITOL, 900 COURT ST NE
SALEM, OREGON 97301-4043

April 2, 2015

Senate Committee on Finance and Revenue

House Bill 2490

Chair Hass and members of the Committee:

HB 2490 provides a minor technical fix to address a problem created by 2013 legislation. The legislature passed SB 351 during the 2013 session, which allows Oregon Tribes to invest in the Local Government Investment Pool. While Treasury did not sponsor SB 351 in 2013, it was, and continues to be, supportive of the legislation. Treasury manages the Local Government Investment Pool, a fund that over 1,000 Oregon state agencies and local governments use to pool billions of dollars throughout the year to achieve short-term yields before they need to spend the money.

SB 351 amended ORS 294.810(2) in an unworkable way. That statute governs annual adjustment of the yearly contribution limit for local governments by tying it to U.S. City Average Consumer Price Index ("CPI"), with a date of September 9, rather than a day that ends the month. Fixing this drafting error in the form of a date adjustment will allow Treasury to fulfill the program's requirements going forward.

HB 2490 does one simple thing: it changes the statute's current date of September 9 to a date that ends the month, August 31. As CPI is calculated monthly, it only makes sense for the statute to use a date that ends the month, rather than an arbitrary date in the middle of the month.

Our analysis indicates that the date of September 9 is likely the result of a simple drafting error. The date carries no significance relating to the calculation or reporting of CPI. Fixing this drafting error will allow Treasury to adequately administer a program that the legislature clearly supports.

Treasury would greatly appreciate the legislature fixing this statute so that we can run the Local Government Investment Pool on behalf of Oregon's state agencies, local governments, and Tribes as the legislature intended.

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