

**SB 1005 STAFF MEASURE SUMMARY**

**Senate Committee On Judiciary**

---

**Prepared By:** Whitney Perez, Counsel

**Meeting Dates:** 4/5

---

**WHAT THE MEASURE DOES:**

Directs Oregon Investment Council and State Treasurer to try to ensure that money in the Public Employees Retirement Fund is not invested in companies that operate private prisons or own more than one million shares in a company that operates a private prison. Directs State Treasurer to adopt a policy to engage with fund managers who act on behalf of the fund and have invested in these companies. Policy must include notice encouraging managers to end investments in these companies. Requires to continue to follow specified fiduciary standards. Requires State Treasurer to update website with summary of actions taken under these provisions. Defines key term. Declares emergency, effective on passage.

*REVENUE: May have revenue impact, but no statement yet issued*

*FISCAL: May have fiscal impact, but no statement yet issued*

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Senate Bill 1005 directs the Oregon Investment Council (council) and the State Treasurer to try to ensure that money in the Public Employees Retirement Fund is not invested in companies that operate a private prison or own more than one million shares in a company that operates a private prison. It also directs the State Treasurer, consistent with fiduciary standards, to adopt a policy statement directed to managers who have invested funds in these companies. The policy must include written notice to these managers to end investment in the companies within 90 days if this can be done without monetary loss. SB 1005 allows a company to dispute in writing its identification as one of these companies. The State Treasurer must notify the council if a manager does not respond to this notice within 180 days. SB 1005 also directs the State Treasurer, by March 15th of each year, to update his website with a summary of actions taken under these provisions. The notice and website posting provisions only apply if the Legislative Assembly appropriates sufficient money to the State Treasurer to administer this program. These provisions become operative on January 1, 2018. Finally, SB 1005 defines key terms.