



# 2025 LEGISLATIVE SESSION

FINAL REPORT

S|D|A|O

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## 2025 LEGISLATIVE SESSION IN REVIEW

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The 83<sup>rd</sup> Legislative Assembly was comprised of super majorities in both chambers. Speaker Julie Fahey (D-Eugene), who served as House Speaker for her first full long session, along with Majority Leader Ben Bowman (D-Tigard) had a 36-24 edge over the Republicans, led by Republican Leader Christine Drazan (R-Canby). President Rob Wagner (D-Lake Oswego) served in his second term as President along with first-time Majority Leader Kayse Jama (D-Portland) and had a 18-12 majority over their Republican colleagues who were led by Senate Republican Leader Daniel Bonham (R-The Dalles). As a result of their super-majorities, Democrats were in position to pass new taxes, which require a 3/5<sup>th</sup> majority vote, without a single Republican vote.

The House of Representatives during the 2025 session was comprised of 19 new legislators: 11 Representatives and 8 Senators including three former legislators and two family members of disqualified legislators and was split 50/50 men and women Oregon's Legislature has the greatest Vietnamese representation in the nation and BIPOC membership, roughly 25%, is at an all-time high for the state. In addition, the legislature welcomed the first Japanese American to be appointed to the House of Representatives. Other occupations represented within in membership include attorneys at 13%; 8% have worked in the health care field, and 12% are veterans.

Prior to the session beginning, Governor Tina Kotek proposed a \$39.3 billion general fund and lottery fund budget for the 2025-2027 biennium, an increase from the \$33.5 billion general fund and lottery funds budget lawmakers approved in 2023. Her total budget included \$137.7 billion federal funding that the state doesn't have much control over. The state spends nearly 90% of its general and lottery fund budget in three areas: education, human services, and public safety. Highlights of her budget included \$11.4 billion to public schools as part of a budget focused on maintaining existing programs an increase from \$10.2 billion during the previous biennium. The Oregon Department of Transportation (ODOT) received \$7.3 billion total funds, an increase of 15.3% from the previous biennium that included new revenue of \$1.75 billion, which would have largely covered the ODOT's funding needs. In comparison, the 2017 transportation package received an infusion of \$5.3 billion of new revenue over a seven-year period, \$2 billion on homelessness and housing and \$130 million toward funding the state's wildfire readiness and mitigation efforts. The Legislature was also expected to evaluate funding options and changes in wildfire policy to establish a more reliable and stable funding program.

At the beginning of the session Governor Kotek announced her legislative priorities in her state of the state address to both chambers of the assembly. Her priorities focused on staying the course on addressing homelessness and housing supply, mental health and addiction care, and improving outcomes for Oregon K-12 students. Additional priorities included: stable funding for wildfire mitigation and suppression, a transportation package that fully funded the operations and maintenance of Oregon's transportation system, and climate resilience. House and Senate Democrats announced their priorities early in the session. With transportation funding signaled as a priority for both chambers, House Democrats stated that they would focus on homelessness, increasing housing supply and holding agencies accountable. Furthermore, House Democrats stated that education remained a key pillar of their agenda with the hope of improving outcomes and test scores. Meanwhile Senate Democrats listed a host of priorities including keeping money in Oregonian's pockets, prioritizing affordable housing and homelessness, promoting community safety and improving the justice system, improving access to health care, and protecting the environment, among others.

House and Senate Republicans issued their priorities focusing on tax cuts and painting a grim picture of the state's progress on housing production, homelessness and addiction. They blamed high taxes and excessive regulations for increasing costs, making it harder to work, live and manage a business in the state, thereby driving people and businesses out of the state. More than 2,200 bills were pre-session filed, a new 25-year record, which created a concern that the sheer number of bills would slow down the system and limit the attention given to worthwhile proposals. As the legislature entered the second month of the 160-day session, the record setting pace of bill introductions continued with approximately 2,765 bills introduced. The deadline for bill introductions was February 25<sup>th</sup>, however, after that deadline members still had up to 5 priority bills that they could introduce. Furthermore, leadership was allowed to introduce additional measures as they saw fit.

In early March, with a bipartisan vote, the House passed an extension of the hospital provider tax, an assessment on health insurers and hospitals that the state uses to bolster federal funding for the Oregon Health Plan. This was one of the key pieces put in place to ultimately balance the state's budget. Meanwhile, at the federal level, the new administration announced a federal funding freeze on grants to states. This freeze put several projects and programs in jeopardy and raised serious concerns that many basic programs from health care and nutrition assistance to infrastructure projects could be jeopardized thereby creating a larger financial burden on the state. This unpredictability at the federal level continued throughout the session and made balancing the state's budget, the only constitution requirement of the Legislative

Assembly, more challenging. The assembly passed the budget rebalance bill, distributing over \$425 million in general fund resources as part of the normal process of balancing and closing the books on 2023-2025 biennium. A significant amount of those funds went towards the Oregon Health Authority and the Department of Human Services to address additional caseloads.

In mid-March, the Co-Chairs of the Joint Ways and Means Committee released their budget framework for the 2025-2027 biennium. Co-Chairs Rep. Tawna Sanchez (D-Portland) and Sen. Kate Leiber (D-Beaverton) stated that their framework stressed fiscal responsibility, protected core services and maintained flexibility during an uncertain economic time. Their references related to the federal government and the new administration's several tariff threats to some of Oregon's biggest trading partners, Oregon's reliance on federal spending in the state, and the possibility of the national economy entering a recessionary period. At the time of releasing their framework budget, the net fiscal position of the state was \$987 million, before any one-time investments. However, budget writers offered a glimpse at how the state spending could be impacted with 10%, 20% and 30% reductions in federal funding for education and human services. Those reductions would have resulted in funding gaps between \$2.6 and \$9.7 billion – holes that would have required massive adjustments to the state's spending. The Joint Ways and Means Committee also announced that the committee would conduct six public hearings across the state to hear from Oregonians in their own communities on their spending priorities.

The first important deadline that began to whittle down the number of bills was March 21<sup>st</sup> when bills had to be posted for a work session in the first chamber to remain alive and then on April 9<sup>th</sup>, if those posted bills had not proceeded through the first policy committee, they died. There were exceptions. For example, the deadlines did not apply to the Committees on Rules, Joint Ways & Means, Revenue and Finance, and Joint Transportation. These deadlines resulted in hundreds of bills dying and began to clear the playing field. The second chamber deadlines for bills to be posted was May 9<sup>th</sup> and for the bills to be moved out of the policy Committee by May 23<sup>rd</sup>.

One of the big topics for the assembly was wildfire funding. During the previous year the state suffered its worst wildfire season with over 2 million acres burned. Considering total costs accrued by both the Oregon Department of Forestry (ODF) and Department of the State Fire Marshall, the gross emergency fire cost to the state for 2024 totaled \$352 million, or roughly \$212 million higher than the previous record set in 2020. That fire season alone necessitated a special session in late 2024 to pay for the wildfire related costs that the state had incurred. Legislators were committed to being in a better position to address these costs in the future and created a 35-member wildfire funding group. This group met prior to session, and their task

was to come up with \$280 million each biennium in new resources dedicated to wildfire suppression, prevention and mitigation.

Several proposals were put on the table including sequestering a part of the kicker and using the interest to pay for costs, increasing bottle return deposits, and creating a new tax on synthetic nicotine products to name a few. The previously enacted and controversial wildfire maps became a lightning rod to the wildfire debate with Republicans demanding that those maps be repealed. In the end, the assembly enacted new funding sources for wildfire suppression and prevention and ultimately rescinded the wildfire maps.

There were several other hotly debated topics. One of the most controversial was a measure that would have enabled striking workers, whether in the private or public sector, to receive unemployment benefits. Originally, the measure would have provided up to 26 weeks of unemployment for striking workers. However, some Democratic members were under intense pressure, particularly from their school districts and local governments to oppose the measure. After intense negotiations within the majority party, they were able to come to an agreement enabling passage by drastically reducing the benefit period from 26 weeks to 10 weeks.

One of the major issues that faced the Assembly was consideration of a transportation funding package. Inflation sent road costs soaring in recent years, gas taxes have declined due to higher fuel efficiency and the increasing number of hybrid and electrical vehicles. In addition, several instances of mismanagement and poor estimating in the department were uncovered and cast doubt in lawmakers' trust with the department.

Over the interim, the Oregon Department of Transportation (ODOT) stated it would not be able to afford to fix state-owned paving projects, except for the federal interstate highway, without new revenue. And without a radical funding fix, ODOT promised "longer road closures, more trash and graffiti, worse winter driving conditions, more potholes, and slower DMV customer service." Funding in the department had become so dire that the department needed an infusion of general funds just to plow mountain passes this year and said without intervention it would have to lay off nearly 1,000 employees. Furthermore, two major projects that were approved in the 2017 Transportation package could be delayed even further, the Rose Garden bottleneck and Abernathy bridge on 205. To further complicate things, under the state's current transportation funding formula, cities and counties are entitled to roughly half of the state highway fund. That meant if lawmakers wanted to plug the state's budget hole, they would need to raise even more to ensure the cities and counties would get an adequate share to address their own local transportation funding challenges.

During the session, ODOT indicated that the state funding gap was \$1.8 billion a year, and to fund the two remaining projects passed in 2017 – they would need a couple billion more. The current state tax is 40 cents per gallon of gas. The gas tax is not indexed to inflation nor are fees (DMV, title, registration, license). As a result, the state’s buying power had declined dramatically compared to skyrocketing costs since 2017. The Co-Chairs of the Joint Transportation Committee unveiled an ambitious transportation funding framework plan in early April. That framework set the stage for the debate to begin. It included significant increases in the gas tax and several entirely new taxes. The framework included a 20-cent increase to the gas tax, a 1% sales tax on all cars, whether new or used, a new road usage charge for electric and highly efficient vehicles, a new tax on delivery vehicles, and increases to registration and titling fees. Initially it was estimated that the bill would raise about \$1.9 billion a biennium. However, that figure was an estimate and had not been confirmed by the Office of Legislative Revenue (LRO). Progressive Democrats introduced their own proposal that would have more than doubled the state’s gas tax. Furthermore, many of the Republicans stated that they would not support the package because it raised taxes too much and they preferred to divert existing revenue sources, like funding for transit and active transportation, to routine operations and maintenance at the department.

An actual bill was finally unveiled publicly about 3 weeks prior to the Constitutional Sine Die. It was ultimately determined that the measure would raise \$14.6 billion over the next decade. Some Democrats balked at the amount. Although debate on a transportation funding package continued throughout the entire session, tensions between the two parties and within the democratic party hit a highpoint near the end of the session and it was publicly displayed during some committee discussions. President Rob Wagner (D-Lake Oswego) replaced Senator Mark Meek (D-Gladstone) on the committee with himself. The tension ultimately reached its boiling point when Co-Chair Gorsek (D-Troutdale) interrupted and admonished a Republican on the committee, which prompted a boycott by House Republicans. Three days later Sen. Gorsek resigned from the committee and Sen. Khanh Pham (D-Portland) was appointed Co-Chair. When it became obvious that the votes did not exist to pass, an attempt was made to pare the bill back. That effort failed to garner the necessary votes to pass. In the final hours, Governor Kotek threw a hail Mary pass with a proposal that would have only bailed out the state and left local government without new and additional funding. That effort also failed with local government opposing her proposal outright. In the end, the majority party with its super-majority could not convince a few of their own members to support the measure and the session’s biggest disappointment, failure of a comprehensive transportation package, was carved into capitol’s marble.

On May 14<sup>th</sup> at a joint hearing of the House Revenue and Senate Finance and Revenue Committees, the Office of Economic Analysis (OEA) presented its eighth and final economic and revenue forecast for the 2023-2025 biennium. This forecast was used to build the 2025-2027 biennial budget and signaled that the legislature's attention would largely turn to budgetary matters for the remainder of the session to balance the state's budget. This forecast is also used to set the amount for personal and corporate kickers. Due to on-going unpredictability at the federal level, the state economist predicted a "sluggish" growth period for the state, meaning the labor market would destabilize a little bit but the extent would not be known or realized until later this summer and fall. Furthermore, the state's economist stated that in the last year Oregon's economic growth had lost momentum. Oregon's unemployment rate increased while U.S. remained steady. In the end, it was estimated that the state would have about \$500 million dollars less for the upcoming biennium than predicted just three months earlier. The forecast also predicted a \$1.64 billion personal income tax kicker. This forecast doomed many bills due to their potential fiscal impact. However, this year's "Christmas Tree" bill, the end of session omnibus spending bill, appropriated nearly \$1 billion for various projects and programs.

This session saw a record number of bills introduced during the session. In fact, there were 5 times more bills introduced this session than were passed during the 2023 session (653). Many of the bills introduced this session, over 600, were also introduced as place-holders – thereby leaving most people in the dark about the real intent and actual language that would be revealed later. This led to frustration for legislators, lobbyists, and the public alike. The number of placeholder bills raised concerns about the lack of public transparency. Testimony was often limited to two minutes and in some cases even sixty seconds. Some consideration was given to limiting the number of bills an individual legislator could introduce. However, that idea was ultimately rejected by members of both parties. Over the entire course of the session 3,466 bills, resolutions, and memorials were introduced, breaking the record for the number of bills introduced dating back to 2001. Over 1,900 amendments were proposed, the various committees conducted 2,377 public hearings and 2,295 work sessions took place. At one point in the session, Oregon's Legislative Information System (OLIS) essentially melted down due to the volume of public testimony that was being submitted regarding a bill that would have potentially ended vote-by-mail in Oregon. This collapse resulted in the delay of some legislative business. In the end, 640 bills were sent to the Governor for her signature or veto. Of the over 3,400 bills, SDAO tracked just under 700 bills on behalf of our members.

Despite some threats, and unlike the previous two long legislative sessions, this session was notable in that it was the first long session since 2019 where the Republicans did not deny a quorum by walking out. Republican participation enabled the assembly to pass the remaining policy bills and budgets, often with little debate.

With a reduction in available resources due to the May forecast, the Legislature could not fund some of their priorities such as eviction prevention assistance. The final legislatively adopted 2025-27 budget comprised of planned expenditures totaling \$37.3 billion General Fund, \$1.8 billion Lottery Funds, \$56.1 billion Other Funds, and \$43.7 billion Federal Funds. The adopted state budget for the 2025-27 biennium of \$138.9 billion represents a 6.3% increase from the 2023-25 legislatively approved budget. The combined General Fund and Lottery Funds adopted budget for the 2025-27 biennium (\$39.1 billion) is up 11.7% from the 2023-25 legislatively approved level and is a 0.5% increase over the 2025-27 current service level.

During the session we also lost one sitting member and paid tribute to a past member. The legislature held a memorial for Peter Courtney, the longest serving lawmaker in the state's history. Shortly afterwards, Senator Aaron Woods (D-Wilsonville) lost his battle with cancer. He was replaced by Rep. Courtney Neron Misslin (D-Wilsonville). Neron Misslin's seat was filled by Dr. Sue Rieke Smith (D-King City). Rep. Hoa Nguyen (D-Portland), who missed much of the session while undergoing cancer treatment, returned near the end of the session. The session lasted 158 days and adjourned at 11:15 pm on June 27<sup>th</sup>, two days short of the Constitutional deadline. While lawmakers passed a balanced budget as required, few expect that to be the end of story. Major cuts to federal funding enacted by Congress could force lawmakers back into a special session to figure out how to deal with any shortfalls.

## **NOTABLE ACTIONS TAKEN THIS SESSION**

- Adopted state budget for the 2025-27 biennium of \$138.9 billion, a 6.3% increase from the 2023-25 legislatively approved budget.
- Passage of the largest K-12 budget in the state's history at \$11.4 billion – combined with local revenues (primarily property taxes). Oregon's K-12 schools will receive \$16.7 billion or a 10.5% increase over the previous biennium.
- Made temporary changes to the Recreational Immunity statute passed in the 2024 short session permanent.
- Establishment of permanent funding for wildfire prevention and mitigation.
- Repealed the State-wide Wildfire Hazard Map
- Approved a higher education budget of \$3.9 billion.
- Stopped large energy users, like data centers, from shifting electrical costs to consumers.
- Required utilities to slow down their rate increases.

- Permitted local governments to regulate concealed weapon permittees from carrying firearms in certain public buildings.
- Removed medical debt from consumer credit reports.
- Prohibited surprise fees for online shopping prices.
- Significant investment in the State's Public Defense program.
- Invested in affordable summer learning programs.
- Extended a tax benefit to help Oregonians save for a home down payment.
- Capped rent increases in mobile home parks at 6 percent a year.
- Provided 10 weeks of unemployment insurance for striking workers, whether publicly or privately employed.
- Prohibited corporate investors from making medical decisions for patients.
- Outlawed devices that turn legal firearms into machine guns.
- Increased funding to resolve the public defense unrepresented crisis.
- Addressed several areas on housing affordability and development.
- Expanded childcare facility siting in the state.

## **LOOKING AHEAD**

Despite the disappointment of a failed transportation package, Democrats claimed that they had passed critical legislation on a host of topics and that they largely delivered for the citizens and State of Oregon. On the other hand, Republicans claimed that they had protected Oregonians from an extreme agenda being pursued by the majority party.

Ballot Measure 113, which was proposed by public unions and passed overwhelmingly in 2022 to prevent lawmakers with 10 or more unexcused absences from running for reelection to the Legislature for a term, prohibited 6 Senate Republicans from running for re-election in 2024 (although two chose not to run again) and four more will be prohibited from running in 2026 (Daniel Bonham (The Dalles), Cedric Hayden (Fall City), Kim Thatcher (Keizer), Suzanne Weber (Tillamook)). As a result, 1/3 of the current Republican Senators seats will be open.

Shortly after the session concluded, the Oregon Department of Transportation (ODOT) announced that it would have to lay off roughly 480 current employees and shutter approximately 12 highway maintenance facilities across the state. ODOT added that another round of layoffs would need to occur in January for them to address their budget shortfall. Shortly after, Governor Kotek instructed ODOT to suspend the layoffs and called a Special Session for August 29<sup>th</sup>, 2025, to take up a pared down transportation package.

That proposal includes:

- 6-cent increase to the current 40-cent/gallon gas tax.
- \$42 increase for the registration of several types of vehicles,
- \$139 increase for titling
- 0.1% increase to the state-wide payroll tax which will be dedicated to transit funding.

Importantly, the Governor has committed to maintaining the 50/30/20 split for the increase in gas taxes – meaning that the state will receive 50% of the new revenue, counties will receive 30%, and cities will receive the remaining 20%. Additionally, the bill will eliminate some tolling language that was enacted in 2017 to mollify some reluctant Democrats and create some accountability requirements for ODOT.

Due to ongoing construction at the Capitol, only the Senate Chamber will be available to conduct business during the short session. Because all revenue measures must begin in the House, the House will convene on Friday, August 29th and if the measure passes, the Senate will convene on Monday, September 1st to consider it.

Interestingly, the 83rd Assembly did not pass any referrals to the voters for their consideration in 2026. However, there are more than 40 active proposed ballot measures with more to come. To qualify constitutional measures for the ballot, gatherers will need to collect approximately 156,231 signatures; statutory measures will need 117,173 signatures to qualify. The deadline to turn in those signatures is July 3, 2026. At this time, it is hard to predict what petitions will have the financial backing to have a chance to appear before the voters. The only state-wide seats that will be up in November of 2026 are the Governor and U.S. Senator Jeff Merkley's seat. Senator Merkley has already announced that he will seek an additional term. Governor Kotek has not indicated whether she will seek re-election, but all signs point towards a second run.

## **DYNAMICS OF THE 83rd LEGISLATIVE ASSEMBLY**

Session Length: 158

Date Convened: January 21, 2025

Date Adjourned: June 27, 2025

Bills Introduced: 3466

Bills Passed: 640

Bills Vetoed: 7

**OREGON SENATE**

Democrats: 18

Republicans: 12

**Senate Caucus Leadership:**

Rob Wagner, Senate President (D-Lake Oswego)

Kayse Jama, Senate Majority Leader (D-Portland)

Wlinsvey Campos, Deputy Majority Leader (D-Aloha)

Sara Gelser Blouin, Majority Whip (D-Corvallis)

Lew Frederick, Majority Whip (D-Portland)

Janeen Sollman, Assistant Majority Leader, (D-Hillsboro)

Khan Pham, Assistant Majority Leader (D-Portland)

Daniel Bonham, Senate Republican Leader (R-The Dalles)

David Brock Smith, Deputy Leader (R-Port Orford)

Cedric Hayden, Deputy Leader (R-Fall Creek)

Dick Anderson, Deputy Leader (R-Lincoln City)

Suzanne Weber, Republican Whip (R-Tillamook)

**OREGON HOUSE OF REPRESENTATIVES**

Democrats: 36

Republicans: 24

**House Caucus Leadership:**

Julie Fahey, Speaker (D-Eugene)

David Gomberg, Speaker Pro Tempore (D-Otis)

Ben Bowman, Majority Leader (D-Tigard)

Andrea Valderrama, Majority Whip (D-Portland)

Jason Kropf, Deputy Majority Whip (D-Bend)

Annessa Hartman, Assistant Majority Leader (D-Gladstone)

Pam Marsh, Assistant Majority Leader (D-Ashland)

Hai Pham, Assistant Majority Leader (D-Hillsboro)

Christine Drazan, Republican Leader (R-Canby)

Lucetta Elmer, Deputy Republican Leader (R-McMinnville)

Virgle Osborne, Republican Whip (R-Roseburg)

Shelly Boshart Davis, Assistant Republican Leader (R-Albany)

Emily McIntire, Assistant Republican Leader (R-Eagle Point)

Mark Owens, Assistant Republican Leader (R-Crane)

Werner Reschke, Assistant Republican Leader (R-Malin)  
Greg Smith, Ex Officio (R-Heppner)

## **SDAO LEGISLATIVE PROCESS**

SDAO’s Legislative Program is successful, in large part, due to the countless hours spent by the SDAO Legislative Committee before, during, and after each legislative session. Members of the committee volunteer numerous hours to make certain that the best interests of SDAO and its members are protected and enhanced each legislative session.

The SDAO Legislative Committee is structured to ensure that all types of special districts are represented. For example, the largest districts hold designated seats on the committee, and include fire, water, sanitary, irrigation, ports, and parks and recreation district representation. There are also “at-large” seats that have representatives from other types of districts. This ensures a comprehensive knowledge base and that no single type of district can dominate the decisions of the committee.

The committee by-laws provide for a method of voting, but in almost every case the committee makes decisions by consensus, which ensures broad support for its positions. Decisions made by the committee are logged into a legislative bill tracking database that is available on SDAO’s website.

When you meet a member of the Legislative Committee, please express your appreciation for their continued dedication and many hours of hard work on behalf of special districts. If you are interested in becoming a member of the committee, please contact the SDAO staff. All SDAO members are welcome to attend committee meetings.

## **SDAO LEGISLATIVE COMMITTEE MEMBERS**

### **2024-2025**

Ben Stange	Chair	Polk County Fire District #1
Todd Heidgerken	Committee Member	Clackamas River Water
Curtis Hoopes	Committee Member	Oregon Fire Districts Directors Association
Brent Stevenson	Committee Member	Santiam Water Control District
Aisha Panas	Committee Member	Tualatin Hills Parks and Recreation District
Jennifer Holland	Committee Member	Sisters Park and Recreation District

Michele Bradley	Committee Member	Port of Tillamook Bay
Nick Batke	Committee Member	Rogue Valley Sewer Services
Adam Denlinger	Committee Member	Seal Rock Water District
Megan Walters	Committee Member	Central Lincoln P.U.D.
Kari Duncan	Committee Member	Rockwood Water P.U.D.
Kathy Kleczek	Committee Member	Union Health District
April Snell	Affiliate	Oregon Water Resources Congress
Genoa Ingram	Affiliate	Affiliate Representative
Andrea Klaas	SDIS Trust Representative	
Darren Bucich	SDIS Trust Representative	

## **2025 SDAO LEGISLATIVE PRIORITIES**

SDAO began its preparation for the 83rd Legislative Session early in the summer months of 2024. During the legislative interim, SDAO solicited legislative concepts from members and received one legislative concept for consideration. In September, the Legislative Committee met to discuss and prioritize legislative priorities for the upcoming legislative session. SDAO’s policy on sponsoring legislation includes the following criteria:

- Effect of the legislation on the majority of special districts in Oregon.
- Whether the proposed legislation impacts majority of districts in a geographic region or large population area.
- Fiscal impact of the proposed legislation on special districts.
- Impact proposed legislation has on types of special districts.
- Be of statewide importance.

SDAO’s policies require Legislative Committee recommendation and Board of Director approval of legislative priorities. For the 2025 session the Legislative Committee did not approve any legislative proposals for introduction.

### **ECONOMIC DEVELOPMENT – Bills that Passed**

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#### **HB 2348 – Technical Changes to Several Programs Administered By OBDD**

*Chapter Law: 253      Effective Date: January 1, 2026*

This measure makes technical changes to several programs administered by the Oregon Business Development Department (OBDD). One of the changes applies to the Brownfield Redevelopment and Cleanup program. Specifically, ORS 285A.196 outlines the requirements for OBDD to forgive loans made under ORS 285A.195. This bill clarifies what interest rate a loan must be repaid at, if it is not forgiven. Under current law, the interest rate is set at the current primary credit rate of the discount window program of the Federal Reserve, plus three percent per year. The measure changes the interest rate to be the prevailing bank prime loan rate, which is a report published by the Federal Reserve.

Another change updates language relating to uses of the Oregon Port Revolving Fund. Under current law, the fund may only be used to assist with capital improvement projects. This measure will allow eligible ports to receive grants from the funds to assist with dredging. Furthermore, current statute states that available money from net earned income in the Oregon Port Revolving Fund may be transferred to the Port Planning and Marketing Fund. This measure adds language stating that money from repayments may also be transferred to the Port Planning and Marketing Fund. The bill also establishes a new Water Fund. This fund is primarily used by the Oregon Infrastructure Finance Authority to make loans to municipalities for water projects. It permits the Authority to make a grant in specified circumstances. One of the purposes that grants in the fund may be used for is third-party technical assistance to communities to help with the development of water systems. This bill removes the requirement that these grants for third-party technical assistance must include asset management components. Finally, the bill directs OBDD to administer a grant and loan program to provide financial assistance to eligible applicants for allowable costs expended for early childcare infrastructure activities.

## **HB 2411 – Industrial Lands**

*Chapter Law: 566      Effective Date: January 1, 2025*

HB 2441 authorizes the Oregon Business Development Department (OBDD) to provide financial assistance from the Industrial Site Loan Fund (ISLF) to project sponsors (including public bodies) for the development and planning of projects related to industrial land development. The bill requires that eligible land is planned, zoned, and suitable for new or expanded industrial use. It requires that eligible land provides significant additional employment in the state, has characteristics that provide competitive advantages, and has access to transportation and freight infrastructure. It defines industrial use as one that generates income from production, handling, or distribution of goods or services, including manufacturing, assembly, fabrication, processing, storage, logistics, and others. Project sponsors can be public entities (cities, counties, ports, tribal councils, and airports in Oregon) or private owners of industrial land. OBDD may provide a loan or purchase bonds for development projects. OBDD may make

forgivable loans for planning projects and allows OBDD to determine financial assistance amounts to projects on a case-by-case basis.

Under the bill, allowable costs for development projects include property acquisition and assembly costs, transportation improvements, infrastructure for providing services, remediation and mitigation activities, project management and construction costs, and other costs determined to be useful for the project. Allowable costs for planning projects include planning, engineering, legal, and other professional services; permits and administrative costs, and other costs determined to be useful for the project. The measure requires that project sponsors apply for assistance from the ISLF and sets minimum requirements for OBDD's application process. It should be noted that \$10 million was appropriated for the ISLF under SB 5531, the Lottery Bonding Bill.

## **HB 2725 – Port Sponsorship of Strategic Investment Program (SIP)**

### **Developments**

*Chapter Law: 489      Effective Date: September 26, 2025*

In 2023, the legislative assembly passed HB 2009 which made several changes to various economic development programs. One of those changes was to the Strategic Investment Program (SIP). Prior to enactment of this bill cities and counties could offer a 15-year property tax exemption on a portion of large capital investments by “traded sector” businesses anywhere in the Oregon. The change under HB 2009 made ports an additional sponsor of SIP if the development occurred within the port's boundary. This change created a problem for the City of Hillsboro because the Port of Portland's boundary includes the entirety of Washington, Multnomah, and Clackamas Counties. As a result, the city of Hillsboro introduced HB 2725 that would restrict port sponsorship of a SIP to the Port of Morrow. Oregon Public Ports Association (OPPA) opposed that but negotiated a compromise. Under the amended bill, ports west of Bonneville Dam will be a sponsor if the development takes place on port owned property. Ports located east of Bonneville Dam will continue to be sponsors if the development takes place within their boundaries.

## **SB 99 – Extension of the Brownfield Tax Credit**

*Chapter Law: 531      Effective Date: September 26, 2025*

Current law allows cities, counties, or ports to adopt an ordinance or resolution to provide a property tax incentive for the development of certain brownfield property. Available property tax incentives are a land special assessment and a full or partial exemption of improvements and personal property on the brownfield land. Cities, counties, or ports can adopt the special

assessment, full/partial exemption, or both. The term of the tax incentives is up to 10 years, with an option for an additional five years, for a total of up to 15 years. The incentive applies to the property taxes of all taxing districts if the districts representing at least 75 percent of the total combined tax rate in the area support the program. This bill extends the property tax incentives for brownfield development by moving the sunset date six years, from January 1, 2027, to January 1, 2033.

## **ECONOMIC DEVELOPMENT – Bills that Failed**

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### **HB 2076 & SB 100 – Cargo Container Property Tax Exemption**

All cargo containers principally used for the transportation of cargo by vessels in trade and ocean commerce are exempt from property tax. Cargo containers must be designed for carriage of goods by vessels, strong enough for repeated use and fitted with handling devices. This bill would have extended the property tax exemption for cargo containers by moving the sunset date six years, from June 30, 2026, to June 30, 2032.

### **HB 3104 – Rural Resources Center**

HB 3104 would have directed the Oregon Business Development Department (OBDD) to select either a nonprofit specializing in public-private partnership or a statewide local government association of cities or counties to serve as a statewide rural community resource center. Under the proposal, OBDD would have directed an application process and negotiated an agreement with the selected organization. The bill would have directed the rural community resource center to provide technical assistance to service jurisdictions that lack staff capacity and expertise. Service jurisdictions include rural cities and counties, economic development districts outside the urban growth boundaries of all cities with more than 30,000 people. In addition, the bill would have directed the center to develop plans for community facilities, infrastructure, revitalization, housing, and economic development; develop and submit proposals for public and private funding; manage awarded funds; and hire seven professionals to help with public works, engineering, community development, housing, transportation, project management, and public administration and finance.

## **HB 3246 – Industrial Symbiosis**

Industrial symbiosis is an infrastructure approach that involves using one facility's waste streams as resources for other businesses. Several Oregon communities have begun to explore industrial symbiosis projects. For example, the Port of Astoria is working to connect two seafood processors to capture and reuse water while recovering byproducts. This bill directed Oregon Business Development Department (OBDD) to develop an Industrial Symbiosis Roadmap (ISR) and pilot program. It would have appropriated \$1.3 million to OBDD to provide technical assistance to pilot communities.

## **ELECTIONS – Bills that Passed**

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### **SB 224 – Candidate Addresses**

*Chapter Law: 407      Effective Date: January 1, 2026*

Statements of contribution require that the name, occupation, and address of each person, political committee, or petition committee, and amount contributed, be provided. Statements of expenditure require the amount and purpose of each expenditure, and the city and state of each payee, be included. This information is made public via a statewide electronic filing system. House Bill 4144 (2022) allowed election workers to exempt their residential address from disclosure as a public record. House Bill 3073 (2023) limited the public accessibility of a candidate's residence address listed on a nominating petition or declaration of candidacy, and the residence address of a candidate or elected official on the list of registered voters but kept those addresses subject to public records requests.

SB 224 prohibits the Secretary of State (SoS) from publishing the residence address of any individual associated with a candidate's principal campaign committee, a political committee, and a petition committee, on its electronic filing system, unless an individual directs the SoS to publish their address. It also subjects these addresses to public record requests and becomes operative January 1, 2027.

### **SB 580 – Candidate Filing Deadlines**

*Chapter Law: 410      Effective Date: September 26, 2025*

*Nominating Petitions, Declarations of Candidacy*

A nominating petition or declaration of candidacy is required to be filed for an eligible elector who wants to become a candidate for public office for a major political party. These documents contain the candidate's name, residence address, the position they are seeking nomination for, certain statements, and their signature. They must be filed no sooner than the 250<sup>th</sup> day, and not later than the 70<sup>th</sup> day, before the nominating election. When filed, they are dated and time stamped by the filing officer. House Bill 3073 A (2023) limited the public accessibility of a candidate's residence address listed on a nominating petition or declaration of candidacy on publicly available versions of these documents.

### *Nomination*

A certificate of nomination is the document for being nominated by an entity other than a major political party, such as a minor political party, an assembly of electors, or an individual elector. The information collected is the same as that for nominating petitions and declarations of candidacy.

### *Declarations of Withdrawal*

Any individual who filed a nominating petition or a declaration of candidacy may withdraw, no later than the 67<sup>th</sup> day before the election, by filing a declaration of withdrawal with the filing officer that accepted the nominating petition or declaration of candidacy.

SB 580 establishes posting deadlines for certain information and documents related to elections that are required to be filed. It requires that a candidate's name and office must be posted not more than five business days after a declaration of candidacy is filed; a declaration of candidacy must be posted no more than two business days after a candidate is determined to be eligible to be a candidate, except for candidates for precinct committeepersons; and, a withdrawal must be posted no more than two business days after it is filed. It also establishes that if the information is not publicly posted on the county or city website, then a person may request the information from the county or city elections official, and they must provide the information within five business days of the request.

## **SB 952 – US Senate Vacancies**

*Chapter Law: 318      Effective Date: January 1, 2026*

Under Article I, Section 2 of the United States (U.S.) Constitution, vacancies in the U.S. House of Representatives must be filled by elections. The 17<sup>th</sup> Amendment of the U.S. Constitution provides that Senate vacancies may be filled by temporary appointment if a legislature gives the governor such authority. Oregon currently fills vacancies in the office of U.S. Representative and

Senator by special election. 37 states authorize the Governor to fill a U.S. Senate vacancy by appointment with the appointee serving until the next regularly scheduled general election. 13 states, including Oregon, require a special election to fill a U.S. Senate vacancy, and 9 allow the Governor to make a temporary appointment. Oregon, North Dakota, Rhode Island, and Wisconsin do not allow temporary appointments before the special election is held. SB 952 requires the Governor to temporarily fill U.S. Senator vacancies by appointment within 30 days of when a vacancy in office occurs, in addition to the current requirement that a vacancy be filled by special election. It also prohibits a Governor from appointing themselves to fill the vacancy.

## **ENVIRONMENT – Bills that Passed**

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### **HB 2170 – Aquatic Invasive Species Prevention**

*Chapter Law: 37      Effective Date: January 1, 2026*

The measure authorizes the Department of Fish and Wildlife, the State Marine Board, or the Department of Agriculture to form agreements with tribal governments, local governments, or local service districts to allow those partners to assist in operating aquatic invasive species check stations, inspection of recreational or commercial watercraft, and decontamination of any watercraft found with aquatic invasive species. It requires agreements formed to specify functions and activities of the partner and include provisions for monitoring and performance review. The measure requires that check stations operated under these agreements must comply with current check station laws.

### **HB 2982 – Small Watercraft Fees and Aquatic Invasive Species**

*Chapter Law: 381      Effective Date: January 1, 2026*

This bill increases certain fees administered by the Oregon State Marine Board (OSMB) related to boat registration, aquatic invasive species (AIS) prevention, and nonmotorized waterway access. It raises the AIS prevention permit fee for non-resident boats, increases the biennial registration fee for motorized boats, and adjusts the registration fee for boat liveries with five or more rental boats. It also increases the share of revenue from waterway access permits directed to the AIS Prevention Fund and modifies the fee structure to apply to more nonmotorized boats by removing the 10-foot minimum length requirement, while exempting boats under 10 feet used for whitewater recreation.

## **HB 3932 – Removal of Beavers**

*Chapter Law: 451      Effective Date: January 1, 2026*

House Bill 3464 (2023) modified the way beavers are managed on private property in Oregon. Prior to its passage, beavers were classified as "predatory animals" and rodents under laws administered by the Oregon Department of Agriculture (ODA), allowing landowners to kill them on private land without a permit. The bill removed beavers from this classification and shifted management authority to the Oregon Department of Fish and Wildlife (ODFW). Current law requires landowners to obtain a permit from ODFW to legally take a beaver. Before a permit is issued, they are required to attempt non-lethal mitigation methods, such as installing tree barriers, using repellents, or planting beaver-resistant vegetation. HB 3932 prohibits the taking of beavers in designated areas and requires the ODFW to publish a map identifying these areas. It allows federal or state land management agency employees to take beavers only when necessary to address damage or an imminent threat to infrastructure, agricultural crops, or private property adjacent to public lands, and only with authorization from ODFW. It establishes that the measure does not supersede the treaty, statutory, regulatory, or aboriginal rights of federally recognized tribes, nor interfere with tribal harvest activities or cooperative management agreements between the tribes and ODFW.

## **SB 91 – PFAS in Firefighting Foam Prohibition**

*Chapter Law: 86      Effective Date: January 1, 2026*

Perfluoroalkyl and polyfluoroalkyl (PFAS) substances are a group of more than 4,000 chemicals that have been used in a variety of industrial processes and consumer products since the 1940s. PFAS substances are also referred to as "forever chemicals," as some of their components break down very slowly over time. According to the Environmental Protection Agency (EPA), scientific studies have shown that exposure to some PFAS substances in the environment may be linked to harmful health effects in humans and animals. This bill defines "PFAS firefighting foam" as a foam substance that contains intentionally added perfluoroalkyl or polyfluoroalkyl substances that is used to control or extinguish fire. The measure prohibits a fire department and employee or volunteer of the fire department from using PFAS firefighting foam, except as required by the Federal Aviation Administration or other federal law.

## **SB 360 – Battery Operated Pesticide Applicators**

*Chapter Law: 310      Effective Date: September 26, 2025*

This bill exempts employees of agencies, instrumentalities, subdivisions, counties, cities, towns, municipal corporations, districts, governmental bodies, tribes, or utilities from holding a public

applicator license or a certificate as a public trainee when applying pesticides using a machine-powered device if:

- pesticide is not restricted use,
- device is powered by electric battery and holds no more than five gallons of pesticides,
- the employee has completed training, and
- the application does not occur on a school campus.

SB 360 requires the Oregon Department of Agriculture (ODA) to develop standards and training materials to safely apply pesticides using machine-powered devices. Requires an employer to provide training to the employee prior to the employee using the machine-powered device, create and maintain records of such training, and make the records available to ODA upon request.

## **ENVIRONMENT – Bills that Failed**

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### **HB 2981 – Aquatic Invasive Species Funding**

This bill appropriated money out of the General Fund for the biennium beginning July 1, 2025, to the following entities, for specified amounts and specific uses:

- \$175,000 – Oregon Department of Environmental Quality (DEQ) for the purpose of inspecting vessels and verifying compliance with Oregon Revised Statute to minimize the risk of introducing invasive mussels and other aquatic invasive species into Oregon’s waters.
- \$800,000 – Higher Education Coordinating Commission (HECC), for distribution to the Center for Lakes and Reservoirs at Portland State University to monitor for invasive mussels and other aquatic invasive species in Oregon’s highest-risk waterbodies.
- \$200,000 – Oregon Department of Fish and Wildlife (ODFW), for the purpose of contracting to update Oregon’s waterbody vulnerability assessment for invasive mussels and other aquatic invasive species.
- Oregon Department of Agriculture, the amounts of:
  - \$150,000 to facilitate interagency rapid response exercises to increase state preparedness to respond to detections of invasive mussels and other aquatic invasive species, and
  - \$20,000 to lead an interagency group in the collaborative development of a framework for emergency declarations, and clarification of roles and

responsibilities across agencies, related to the detection of invasive mussels and other aquatic invasive species.

The bill never moved out of the Joint Ways & Means Committee.

### **HB 3512 – PFAS Product Prohibition**

This bill would have prohibited a person from manufacturing, selling, offering for sale, or distributing in or into Oregon a new covered products that contain an intentionally added perfluoroalkyl or polyfluoroalkyl substance, except for the sale or resale of used covered products, beginning on January 1, 2027.

### **HB 3143 – Coexisting with Beavers**

During the 2023 session, the assembly passed HB 3464 which removed beavers from the definition of “predatory animal,” and since then, landowners have been encouraged to prioritize non-lethal solutions for dealing with beaver-related issues. This bill would have established the Landowners Living with Beavers Grant Program Subaccount in the Oregon Conservation and Recreation Fund (OCRF) and appropriated \$1.5 million for deposit into the subaccount. It authorized the Oregon Department of Fish and Wildlife (ODFW) upon recommendations from the Oregon Conservation and Recreation Advisory Committee (OCRAC) to award block grants and to provide statewide technical assistance related to coexisting with beavers.

## **ETHICS – Bills that Passed**

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### **HB 2930 – Conflict of Interest**

*Chapter Law: 353      Effective Date: January 1, 2026*

Oregon’s government ethics laws were established via voter approval in 1974. Ethics legislation was originally guided by the recognition that a conflict of interest is inevitable in any government that relies on citizen lawmakers. Under current law, a public official is met with a conflict of interest when participating in official action or when making a decision that could or would result in a financial benefit or detriment to the public official, a relative of the public official, or a business with which either is associated. In 1974, a potential conflict of interest was defined as any action or any decision or recommendation by a public official that would be to

the private pecuniary benefit or detriment of the person or a member of the person's household, or a business with which the person or a member of the person's household is associated.

In 1993, the definition of “actual conflict of interest” was added to the statutes to mean when any action, decision, or recommendation by the person would result in a private pecuniary benefit or detriment to the person or the person's relative or any business with which the person or a relative of the person is associated. The definition of a “potential conflict of interest” was changed to mean when any action, decision, or recommendation by a person acting in a capacity as a public official could result in a private pecuniary benefit or detriment. From 1975 to 1993 it had meant the spouse and children of a public official. From 1993 to 2007, a “member of household” meant any relative who resided with the public official. Currently the statute defines “member of the household” as any person who resides with the public official or candidate. HB 2930 adds a person who resides with a public official or candidate to the conflict-of-interest laws (previously only relatives were included in this provision).

## **FINANCE & TAXATION – Bills that Passed**

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### **HB 2074 – Vertical Housing Property Tax Exemptions**

*Chapter Law: 191      Effective Date: September 26, 2025*

A 10-year partial property tax exemption, up to 80 percent, is available for new construction or rehabilitation of mixed-use projects (residential and non-residential) in a vertical housing development zone. The partial exemption amount for property improvements is positively related to the share of residential housing and the number of building floors (up to five floors). Land is granted the same partial exemption amount if it is a multi-story project and at least one floor (area equivalent to average floor area), is occupied by low-income persons or families, defined as those having income at or below 80 percent of area median income. Taxing districts can opt out of the exemption. Local governments or private entities proposing to undertake a project must apply for the exemption at the city that designated the zone. Under certain circumstances, counties may designate such a zone.

Applications for the upcoming fiscal year are due after construction or rehabilitation has started and before residential units are ready for occupancy. For rehabilitation that does not displace occupants, applications for the upcoming fiscal year are due on or before the date rehabilitation is complete. For a project to be certified, construction or rehabilitation must be started on each building in the project. HB 2074 extends the property tax exemption for vertical housing

development projects by moving the sunset date six years, from December 31, 2025, to December 31, 2031.

## **HB 2077 – Low Income Housing Property Tax Exemption**

*Chapter Law: 192      Effective Date: September 26, 2025*

Cities or counties may adopt an ordinance or resolution granting an indefinite-term, property tax exemption for low-income rental housing owned, being purchased, or leased by nonprofit corporations. Housing units must be occupied by low-income tenants or held for the purpose of developing low-income housing. Qualifying nonprofit corporations must be exempt from federal income tax under Internal Revenue Code section 501(c)(3) or (4).

For the first exemption year, the income of each unit must be at or below 60 percent of area median income (AMI). For property awarded a federal Low-Income Housing Tax Credit, units can have income at or below 80 percent of AMI if the average for all units is at, or below, 60 percent of AMI. After the first exemption year, cities or counties can elect an alternative definition for low-income, allowing the income for each unit to be at or below 80 percent of AMI. The exemption applies only to property taxes of the city or county which adopted an ordinance. However, if local taxing districts representing at least 51 percent of the total combined tax rate pass ordinances supporting the exemption, it applies to the taxes of all districts.

Currently, all nonprofit low-income rental housing programs exempt the taxes of all taxing districts. The measure extends the property tax exemption for nonprofit low-income rental housing by moving the sunset date six years, from June 30, 2027, to June 30, 2033.

## **HB 2078 – Multi-Unit Housing Property Tax Exemption**

*Chapter Law: 193      Effective Date: September 26, 2025*

Cities or counties may adopt an ordinance or resolution granting a property tax exemption for newly constructed or rehabilitated multi-unit rental housing. The ordinance must publish one of two exemption schedules that specifies the exemption amount (percent) and term (up to 10 years). Under the first schedule, the exemption amount is fixed, and the term depends on the share of units rented at affordable rates to households who have income at or below 120 percent of area median income. Under the second schedule, the exemption term is fixed at 10 years, and the amount depends on the share of units rented at affordable rates. The exemption applies to the property taxes of all taxing districts if the taxing districts representing at least 51 percent of the total combined tax rate in the area support the program. A property can only

receive the exemption for rehabilitation once. To qualify, construction or rehabilitation must be completed after the ordinance has been adopted. Additionally, the application must be submitted for the first assessment year where the property is rented for residential occupancy after construction or rehabilitation has been completed. HB 2078 extends the property tax exemption for new or rehabilitated multi-unit rental housing by moving the sunset date six years, from January 1, 2027, to January 1, 2033.

### **HB 2087 – Rural EMS Tax Credit**

*Chapter Law: 562      Effective Date: September 26, 2025*

This bill extends several tax credits. It increases the tax credit allowed to rural volunteer emergency medical services (EMS) providers, from \$250 per tax year to \$1,000 per tax year and makes changes applicable to tax years 2026 and later. It extends the sunset of the EMS credit by two years, from January 1, 2028, to January 1, 2030.

### **HB 2089 – Foreclosed Properties**

*Chapter Law: 475      Effective Date: September 26, 2025*

Under current Oregon law, counties are not required to pay former owners the surplus proceeds of property tax foreclosure sales. After counties use sale proceeds to reimburse themselves for delinquent property taxes and other allowable costs, counties may elect to distribute any surplus proceeds to taxing districts. County allowable costs include the redemption penalty and fee, property maintenance and supervision, and legal costs.

On May 25, 2023, the U.S. Supreme Court ruled unanimously in *Tyler v. Hennepin County* in favor of Tyler (598 U.S. 631). Per the Takings Clause of the U.S. Constitution's 5th amendment, the Court decided that when counties foreclose on property to pay delinquent property taxes, they can't take more property than what is owed. HB 4056 (2024) required Oregon counties to provide a process to comply with *Tyler v. Hennepin County*. The bill also suspended deeds of property to counties until January 1, 2026. The Department of Revenue (DOR) was required to coordinate a work group with county tax officers and interested parties, and submit a report to the Legislature by September 15, 2024, which set forth recommendations for legislation.

HB 2089 creates a new process—administered through the Oregon State Treasury's Unclaimed Property program—for former property owners or creditors to claim surplus funds generated when tax-foreclosed properties are sold by counties. The bill does the following:

- **Surplus Claim Process:** Allows former owners, lienholders, and other claimants to apply for any surplus proceeds left after counties sell tax-foreclosed properties.
- **Notice Requirements:**
  - Counties must notify affected individuals of foreclosure proceedings, the end of the redemption period, and the existence of surplus funds.
  - Notices must refer individuals to the Unclaimed Property program and be available in the five most commonly spoken non-English languages in Oregon.
  - Foreclosure and redemption notices must also include information on foreclosure avoidance and property tax relief programs.
- **Property Disposition Process:**
  - Counties may retain or transfer non-residential properties for public benefit.
  - Residential properties must first be listed with an agent; if unsold, counties must auction them with a minimum bid of  $\frac{2}{3}$  of fair market value, decreasing to the amount of back taxes after one failed attempt.
  - If a second auction fails, counties may cancel the tax debt and retain or transfer the property.
- **Appraisals & Definitions:**
  - Independent appraisals are required for non-residential properties and residential properties valued at over \$250,000.
  - Terms like "surplus," "claimant," and "fair market value" are formally defined.
- **Effective Date:**
  - Applies to cases where the redemption notice was issued on or after May 25, 2023.

## **HB 2321 – Property Tax Study**

*Chapter Law: 482      Effective Date: September 26, 2025*

Measure 5 was enacted by the voters in November 1990. It established maximum property tax rates of 0.5% for school districts collectively and 1.0% for all other taxing districts collectively; bond levies were excluded from these limits. Measure 50 was crafted by the 1997 Legislature referred to, and passed by, voters in May of 1997 (in response to voter approved Measure 47 from 1996 that was deemed to be unworkable). Measure 50 created permanent tax rate limits for taxing districts; it also created the concept of Maximum Assessed Value (initially set at 90% of 1995-96 real market values) and limited its growth to three percent annually. With both Measures 5 and 50 in effect today, Oregon's property tax system was changed from a levy-based tax system to a rate-based tax system.

HB 2321 requires the Legislative Revenue Officer to produce a report on the current state property tax system and options to modernize it. Requires the report to include: an overview of the current system, the effects M5 and M50 have had on the system, stakeholder concerns about the system, and input from organizations representing cities and counties. The bill requires the report to be submitted to the Legislature by December 1, 2026.

## **SB 454 – Rural Fire Protection District (RFPD) Funding**

*Chapter Law: 534      Effective Date: July 17, 2025*

In fiscal year 2023-24, there were approximately 250 rural fire protection districts (RFPD) that imposed some amount of property taxes. Collectively, RFPDs imposed just over \$550 million in property taxes in FY24, roughly a 10% increase over the prior year. Of that total, roughly \$24M million was from bonds. Approximately \$2 million was lost due to Measure 5 compression.

SB 454 requires the Department of the State Fire Marshal to create an advisory committee to advise the department on funding options for RFPDs. The bill requires the advisory committee to consider the services provided by funding mechanisms available to, and funding limitations on RFPDs. In addition, it requires the advisory committee to develop funding recommendations based on the review, exclusive of amending ORS 478.010(2)(c). Finally, the measure requires the advisory committee to report results to the Legislature by December 31, 2026.

## **SB 983 – Local Budget Law Conflicts**

*Chapter Law: 466      Effective Date: June 26, 2025*

An elected public official, other than a member of the Legislative Assembly, or an appointed public official serving on aboard or commission, may announce a potential conflict of interest and take any action in their capacity as a public official, but is prohibited from taking any action or participating in any discussion or debate if the public official has an actual conflict of interest, except where the official's vote is necessary to meet minimum vote requirements (ORS 244.120). House Bill 2753 (2023) allowed school district boards to provide members with monthly stipends. After passage of that measure, the Oregon Government Ethics Commission (OGEC) issued Advice No. 23-342 outlining conflicts of interest and offering four options for how school board members could adopt stipends, including adopting stipends for future members, voting on individual resolutions for each board member, referring the issue to voters, or passage of legislation that would remove the conflict of interest.

SB 983 allows a public official to participate in any discussion or debate and to vote on the adoption of a local budget that includes providing compensation or benefits to the public official, or a relative of the public official, after publicly announcing the nature of the actual conflict of interest.

## **FINANCE & TAXATION – Bills that Failed**

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### **HB 3518 – County Assessment & Taxation (A&T) Funding**

Each Oregon county receives quarterly grants from the Department of Revenue (DOR) to help fund Assessment and Taxation (A&T). The amount of each grant is based on the estimated resources needed to adequately support county A&T operations.

These grants are financed by three revenue sources:

1. A portion of the interest collected on delinquent property taxes
2. A portion of county recording fees for certain real property documents (such as titles and deeds)
3. Interest earned on the funds from (1) and (2)

Counties remit their share of these revenues to DOR, which then redistributes the funds back to counties in the form of quarterly grants. In addition, up to 10 percent of the revenues from these sources may be used by DOR to cover administrative costs related to managing the grant program and appraising large industrial and utility properties.

HB 3518 would have eliminated interest on delinquent property taxes as a funding source for A&T and instead reallocated 0.3 percent of property taxes due (excluding bond levies) from all taxing districts to support county A&T funding. The bill would have increased county document recording fees for certain documents from \$10 to \$19 and raised the portion dedicated to county Assessment and Taxation (A&T) from \$9 to \$18. In addition, the bill would have appropriated \$10 million from the State's General Fund to the Department of Revenue for A&T support in the 2025–27 biennium.

### **HB 3556 – Transient Lodging Taxes for Public Safety**

The 2003 Oregon Legislature established a state lodging tax. The revenue this tax generates funds the Oregon Tourism Commission programs and is currently 1.5 percent of the amount charged for occupancy of transient lodging. Cities and counties may also have a lodging tax,

which is set by the local government entity. There is a tax moratorium on cities and counties that limits new or increased transient lodging taxes, unless the revenues pay for tourism promotion or tourism-related facilities, fund city or county services, finance or refinance the debt of tourism-related facilities. No more than 30 percent of the net revenue from a new or increased local transient lodging tax may be used to fund city or county services. This bill would have expanded the use of revenue from new or increased local transient lodging tax to include public safety and certain costs related to community infrastructure.

## **GENERAL GOVERNMENT – Bills that Passed**

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### **HB 2138 – Middle Housing Updates**

*Chapter Law: 476      Effective Date: July 17, 2025*

The measure expands and streamlines middle housing requirements, applies them to more jurisdictions and certain unincorporated areas, clarifies definitions, and sets new deadlines for local governments to update land use regulations accordingly. It removes private covenants restricting middle housing or accessory dwelling units, eases traffic analysis requirements for small middle housing developments, and allows density bonuses for projects that include accessible or affordable units. The measure revises and simplifies the expedited land division process, limiting public notice and appeals, and requires local governments to process certain partitions as expedited if requested. It allows single-room occupancies to be developed in greater numbers where multiunit housing is allowed, with capped parking requirements. It also directs the Land Conservation and Development Commission to adopt rules by 2028.

### **HB 2256 – Land Sales for Conservation Purposes**

*Chapter Law: 51      Effective Date: January 1, 2026*

This bill specifies that a government entity, charitable organization, or federally recognized tribe that purchases unlawfully established land is not entitled to damages or equitable relief against the seller if the deed indicates that the purchaser uses the property for conservation purposes.

### **HB 2258 – Land Use Decisions and Pre-Approved Building Plans**

*Chapter Law: 479      Effective Date: July 17, 2025*

This bill allows the Land Conservation and Development Commission (LCDC) to require local governments to issue land use decisions approving specific types of residential development on

qualifying lots and sets standards for both land use decisions and building construction plan reviews. This is a detailed bill, and further details can be provided.

### **HB 2316 – Home Start Lands and Home Start Fund**

*Chapter Law: 481      Effective Date: September 26, 2025*

This measure establishes the Home Start Lands Fund (HSLF), a revolving fund to provide loans for the development of affordable housing on Home Start lands and grants for cities to develop necessary public services for residents. It allows the Department of Administrative Services (DAS) to sell, transfer, or lease state-owned and locally nominated land designated by DAS as Home Start lands. It requires the net proceeds of Home Start land sales, transfers, and leases to be credited to HSLF. The bill also exempts Home Start lands from property tax for up to five years, including lands held or leased by a taxable owner. It requires construction of affordable housing on Home Start lands to qualify for the land exemption after the second year. Finally, it requires Home Start lands to be subject to an affordable housing covenant for at least 30 years and allows housing developed on these lands to be part of a planned community.

### **HB 3031 – Funding for Affordable Housing Infrastructure**

*Chapter Law: 497      Effective Date: July 17, 2025*

This bill creates a program to provide financial assistance for infrastructure projects that support housing developments in the form of grants, loans, or forgivable loans to cities, counties, county service districts, special districts, intergovernmental entities, and federally recognized Tribal councils in Oregon. The measure requires housing to be affordable for very low-income, low-income, or moderate-income households for at least 10 years for rental housing, with priority given to projects with 30-year affordability.

HB 3031 complements two measures established by Senate Bill 1537 (2024): the Moderate-Income Revolving Loan (MIRL) Program in the Housing and Community Services Department, and the Housing Infrastructure Support Fund (HISF). The MIRL Program made \$75 million available to municipalities to expand very low-, low-, and moderate-income housing through no-interest loans which could be granted to developers for eligible projects. The HISF offers cities technical assistance, support with local and federal financing, grant writing and administration, resource sharing, and engineering and design expertise to help them meet housing development goals.

### **HB 3569 – Sponsoring Legislator on Rules Advisory Committee**

*Chapter Law: 446      Effective Date: January 1, 2026*

This bill requires an agency to invite the first chief sponsor, or another sponsor designated by the first chief sponsor, for legislation sponsored by a member, or committee chair or another member of the committee designated by the chair, for committee-sponsored legislation, to participate as a nonvoting rules advisory committee member if the agency appoints an advisory committee for rulemaking that implements enacted legislation.

## **SB 74 – Navigability Determinations**

*Chapter Law: 164      Effective Date: January 1, 2026*

Oregon was granted ownership of the waterways used for navigation, commerce, and fishing at statehood. These waterways include the territorial sea, coastal bays and estuaries, and coastal rivers to the head of tide. The public trust doctrine provides a framework for navigability, defining state-owned waterways as “navigable,” including submerged and submersible lands. The public has a right to use an Oregon waterway that has been determined to be navigable for recreation, including navigation, fishing, and commerce. State ownership of rivers is typically restricted to the riverbed and riverbank to the line of ordinary high water; however, riverbanks and beds identified at statehood have shifted due to gradual or sudden natural geological processes. To declare a waterway navigable for title and Oregon ownership, the state is required to precisely map all gradual and sudden changes since the declaration of statehood. This bill modifies the process used by the Department of State Lands (DSL) to determine a waterway's navigability.

Specifically, the bill authorizes DSL to:

- Find, notwithstanding common law principles of accretion and avulsion, in draft report on a navigability determination, that the state's interest in waterway should extend to current submerged and submersible lands within the waterway.
- Negotiate property exchanges with affected landowners at any time after the study begins and before the State Land Board adopts the draft report.
- Declare that the waterway’s boundary will adjust with future changes due to accretion if the draft report finds that the state's interest includes submerged and submersible lands.
- Transfer mineral and geothermal resource rights for properties exchanged.

Directs DSL to:

- Determine the state's interest using common law principles of accretion and avulsion if DSL cannot reach an agreement with an affected property owner.

- Prioritize state ownership of the waterway without requiring an equal exchange of property values.

## **SB 179 – Recreational Immunity**

*Chapter Law: 220      Effective Date: January 1, 2026*

ORS 105.672 to 105.696 is collectively referred to as the recreational immunity law. It provides immunity to landowners from claims of personal injury or property damage when the landowner has made the land available to the public for recreational purposes without a fee, and the claim arises from a person’s use of the land for the principal purpose of recreation. ORS 105.668 limits liability from ordinary negligence claims arising from the use of trails or structures on public easements or unimproved rights of way by foot, horse, bicycle or other nonmotorized means, for cities or counties who opt into the law. Immunity under this law is not conditioned upon the reason a person is using the trail or structure.

In late 2023, some cities, counties, and other landowners closed their recreational trails and access trails after a decision on recreational immunity was issued in *Fields v. City of Newport*. In that case, the court held that it was for the fact finder to determine whether the principal purpose of walking was recreational when the plaintiff walked on an improved trail providing access to the beach. It found that recreational immunity does not apply to improved trails used to access other lands that the person intends to use for recreational purposes.

SB 1576 (2024) made temporary changes to the recreation immunity law, but with a sunset date of January 2, 2026. SB 179 made those temporary changes permanent. Specifically, the bill allows local governments, including special districts, to opt into ORS 105.668, limiting liability from ordinary negligence claims arising from the use of trails or structures on public easements or unimproved rights of way by foot, equine, bicycle or other nonmotorized means. It adds immunity to ORS 105.688 for improved paths, trails, roads and other rights of way that are used to access land for recreational purposes and limits immunity for an improvement, design, or maintenance that was completed in a manner constituting gross negligence or reckless, wanton or intentional misconduct, or for which the actor is strictly liable. The bill also adds running, walking, and bicycling to the non-exclusive list of outdoor activities in the definition of recreational purposes in ORS 105.672.

## **SB 793 – Easements on State Lands**

*Chapter Law: 620      Effective Date: July 31, 2025*

The Department of State Lands (DSL) works on behalf of the State Land Board to manage land and mineral and energy rights statewide. Revenue from leases, easements, and other authorizations to use school lands goes to Oregon's Common School Fund. Oregon's territorial sea, a 3-mile strip of ocean under state jurisdiction, is managed by both state and federal agencies for public benefit. Oregon's Territorial Sea Plan (TSP) maintains that to avoid conflicts with other ocean uses and minimize environmental impacts, easements and infrastructure installations in the territorial sea require careful planning. Easements on State Land within the territorial sea must adhere to specific policies for routing and installing infrastructure in this area, which also aid federal agencies regulating infrastructure in adjacent federal waters.

This bill modifies and increases the existing authority for the Department of State Lands (DSL) to conduct rulemaking to establish one-time application fees, renewal fees, and compensation rates for easements to construct, maintain, and decommission water, gas, electric, communication, or telecommunication service lines, fixtures, or other facilities on state lands located within the territorial sea. It also clarifies that application and renewal fees must be reasonably calculated to offset DSL's costs for granting and renewing such easements. SB 793 directs the Director of DSL to adopt rules establishing the fee structure no later than January 1, 2027. Finally, the bill requires DSL to continue to impose the \$5,000 one-time application fee for easements within the territorial sea until new rules take effect.

## **GENERAL GOVERNMENT – Bills that Failed**

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### **HB 2693 – Levee Project Grant Funding**

SB 5030 (2019) created the Levee Project Grant Fund as a subaccount under the Special Public Works Fund and approved \$15 million in lottery bonds to fund the program. The program is managed by the Oregon Business Development Department (OBDD) and grant applicants are required to match at least 20 percent of the award amount to qualify; awards are limited to \$2 million per applicant in a single biennium; and awards for construction or capital improvement projects are limited to 80 percent of the total project cost. This bill would have appropriated \$15 million in lottery bonds to fund the program. Although this bill made it to Ways and Means Committee, it did not pass. Funding for this program, however, is contained in SB 5531, the Lottery Bonding bill. An identical bill was introduced in the Senate – SB 713.

### **HB 2726 – Funding for the Columbia Rive Levee System**

SB 431 (2019) created the Urban Flood Safety & Water Quality District with the authority to

construct, operate, and maintain flood management infrastructure, respond to flood emergencies, and contribute to water quality, habitat, and landscape resiliency in the managed floodplain. The district boundary is tied to Multnomah County within the Urban Growth Boundary (UGB) as set by Metro. In 2024, Multnomah County voters approved Ballot Measure 26-243 which authorized the Flood Safety District to issue \$150 million in general obligation bonds, with an estimated annual tax rate for the bonds being \$0.11 per \$1,000 of assessed value. This bill would have appropriated \$20 million in lottery bonds in the 2025-2027 biennium and authorized an additional \$25 million in lottery bonds for 2027-2029 to assist in the completion of needed improvements to the flood safety system. Although this bill made it to the Ways and Means Committee, it did not pass. Funding for 2025-2027 was included in the Lottery Bonding bill, SB 5531 in the amount of \$20 million. An identical bill was introduced in the Senate – SB 714.

### **HB 2968 – SDC Guarantee**

This bill would have established a program to allow local governments to defer collection of system development charges by allowing the Housing and Community Services Department to recover unpaid system development charges from developers who failed to pay after an agreed-upon deferral period by transferring debt collection responsibility to the state. It would have created a state fund to facilitate these transactions and outlined the financial mechanisms for collecting, enforcing, and managing these debts. The measure would have provided \$10 million in state funding to jumpstart the program.

### **HB 3119 – Delay to the Advanced Clean Truck Regulations**

In 2020, California created an Advanced Clean Trucks (ACT) emissions standards regulation, which required medium- and heavy-duty vehicle manufacturers to sell, starting with 2025 vehicle model year, zero-emission vehicles as a certain percentage of total sales. The Oregon Environmental Quality Commission adopted its own ACT regulations in 2021. Amendments to California's ACT regulations and temporary rules related to Oregon's were made in late 2024. Oregon's temporary rules, which took effect on January 1, 2025, provide an extended timeline for manufacture compliance with the ACT regulations and delayed the start of a Heavy-Duty Low NOx Omnibus Rule until 2026. This bill would have prohibited the Oregon Department of Environmental Quality (DEQ) from implementing or enforcing the Advanced Clean Trucks regulations before January 1, 2027. DEQ has put these regulations on hold.

### **HB 3382 – Oregon Rule Information System**

This bill would have required the Secretary of State to maintain an online Oregon Rulemaking Information System and establishes requirements for agencies to make certain information available online to persons subject to the agency's rules. The measure passed in the House policy committee, but the bill never made it out of the Joint Ways and Means Committee.

### **HB 3654 – Matching Requirements for Incorporated Cities**

This bill would have set maximum matching fund requirements for capital construction and municipal infrastructure grants made by the State of Oregon to incorporated cities with a population not greater than 20,000 people. Specifically, it would have limited match requirements for incorporated cities with a population of 5,000 or less, to up to three percent of a grant award of \$100,000 or less; five percent of a grant award greater than \$100,000. Cities with a population greater than 5,000 but not more than 7,500, to seven percent of a grant award. Cities with a population greater than 7,500 but not more than 10,000, to nine percent of a grant award. Cities with a population greater than 10,000 but not more than 20,000, to 12 percent of a grant award. Finally, the bill would have allowed incorporated cities with a population of not greater than 20,000 to use capital construction and municipal infrastructure grant money for all phases of funded project, including engineering, planning and support.

### **SB 6 – 45-Day Approval of Building Permits**

This bill would have established deadlines and processes for issuing building permits for certain housing developments. It required that any agency or official responsible for administering and enforcing the state building code decide to approve or deny any building application within 45 business days of receipt of a complete application, if that application was for a building permit for middle housing or a single-family residential dwelling in a residential subdivision with more than six lots.

### **SB 473 – Firearm Prohibition for “Menacing” a Public Official**

Under ORS 166.255, it is currently unlawful for a person to knowingly possess a firearm or ammunition if the person is subject to certain court orders relating to stalking and other similar acts, if the person was convicted of a qualifying misdemeanor against specified relatives, or if the person was convicted of the crime of stalking. SB 473 would have added a conviction for menacing to that list when the victim was a "public official." This bill passed the Senate but failed to advance in the House.

### **SB 1103 – Infrastructure Funding for Climate Friendly Areas**

This bill would have directed the Oregon Business Development Department (Business Oregon) to establish a revolving loan fund to provide below-market-interest-rate loans to cities or tribal councils for infrastructure projects that would have supported the development of housing in climate-friendly areas.

## **LABOR – Bills that Passed**

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### **HB 2248 – Employer Assistance Division in BOLI**

*Chapter Law: 22      Effective Date: September 26, 2025*

This bill establishes an Employer Assistance Division (EAD) within Bureau of Labor and Industries (BOLI). EAD provides education, training, and interpretive guidance, including advisory opinions, to employers to assist employers in complying with laws that are enforced by BOLI. Under the bill, discussion communications made in course of or in connection with discussion between employer and EAD are confidential. Discussion communications may be disclosed and admitted as evidence in subsequent adjudicatory proceeding conducted by BOLI when offered by employer who participated in discussion to show that employer acted in good faith and in reliance on communications. BOLI may not impose civil penalty on employer for any good faith action taken in reliance on discussion communications in which employer has participated.

The measure specifies an employer must provide evidence that proves discussion communications applied same law that was in effect at time that employer took good faith actions; and discussion communications involved same or substantially similar facts such that it was reasonable for employer to have relied on discussion communications in taking good faith actions. The EAD can issue and publish advisory opinions. Advisory opinions may be issued and published on BOLI's website at the request of any person or at EAD's own discretion.

HB 2248 permits BOLI to enter settlement with respect to any violation of provision of law over which BOLI has jurisdiction. The Commissioner may take steps to settle a matter through conference, mediation, conciliation, persuasion, or other alternative dispute resolution processes, to otherwise carry out duties of commissioner. Finally, the bill makes communications and settlement discussions held through BOLI's alternative dispute resolution processes confidential.

### **HB 2944 – PECBA Penalties**

*Chapter Law: 270      Effective Date: January 1, 2026*

The Public Employee Collective Bargaining Act (PECBA), ORS Chapter 243.650-243.806, recognizes the right of public employees to organize and engage in collective bargaining, and establishes a uniform process for employees to join and be represented by labor organizations. PECBA also establishes a collective bargaining process for Oregon's public employers and unions representing public employees.

Under PECBA, if a public employer has specific information about an employee in an appropriate bargaining unit, the employer is required to provide the information to the exclusive representative in an editable digital file format agreed to by the exclusive representative. The public employer must provide the information to the exclusive representative within 10 calendar days from the date of hire for newly hired employees, and every 120 calendar days for employees who are not newly hired employees, in an appropriate bargaining unit. The information the public employer is required to provide includes name and date of hire; contact information, including cell, home, and work telephone numbers, work or personal email address, and home or personal mailing address; and employment information, including the employee's job title, salary, and work site location.

PECBA requires a labor organization to provide each public employer with a list of the public employees who have authorized a public employer to make deductions from the public employee's salary or wages to pay dues, fees, and any other assessments or authorized deductions to the labor organization. A public employer uses the list to make the authorized deductions and remit payments to the labor organization. If a labor organization provides a public employer with the list and the employer fails to make an authorized deduction and remit payment to the labor organization, the public employer is liable to the labor organization, without recourse against the employee who authorized the deduction, for the full amount that the employer failed to deduct and remit to the labor organization.

HB 2944 does the following:

- Requires the Employment Relations Board (ERB) to impose a civil penalty of not less than \$1,000 nor more than \$5,000, if ERB finds that the public employer named in an unfair labor practices complaint has violated, and employer has previously violated requirement that public employer provide name and date of hire; contact information; and employment information about employee in appropriate bargaining within designated timelines; or right to receive full amount of remittance for deductions authorized by employees. For any subsequent violation, the ERB is required to impose a civil penalty of not less than \$5,000 nor more than \$10,000.
- Requires the ERB to consider extenuating circumstances that the employer has proven contributed to or caused the violation when determining the amount of the civil penalty.

States that an extenuating circumstance is not an affirmative defense to a violation for any repeat or subsequent violation.

- Exempts application of the specified civil penalty for repeat or subsequent violations of certain requirements of PECBA if the public employer establishes the violation resulted from a natural disaster, a computer crime, or destruction by fire, flood, or other catastrophic event at the employer's place of business that significantly disrupted the public employer's operations relating to the violation.
- Requires public employers to make the authorized deductions and to remit payment to the labor organization within a time period that aligns with a payroll processing schedule established by the employer, not to exceed 30 calendar days following the date of the deduction.

## **HB 2957 – New Unlawful Employment Practice – Employer Shortening Statute of Limitations**

*Chapter Law: 379      Effective Date: June 24, 2025*

This bill prohibits an employer from entering into an agreement with a former, current, or prospective employee that has the effect of shortening a statute of limitations regarding a violation over which BOLI has enforcement authority. Violation of the prohibition under the bill is an unlawful employment practice. It requires BOLI to issue a notice to complainants that they may file a civil action when the BOLI Commissioner dismisses a complaint that alleges an unlawful practice if the complaint is dismissed within one year after the filing and the dismissal is for any reason other than the fact that a civil action has been filed by the complainant, or it is the one-year anniversary of the filing of the complaint.

When such a notice of rights to file a civil action is issued by BOLI, the complainant must file a civil action within the following deadlines:

- If the Commissioner of BOLI has conducted an investigation and made a finding of substantial evidence of a violation, or has not conducted an investigation within 90 days after the date of issuance of the notice of rights, if 90 days or less remain on the applicable statute of limitations, or before the limitations period expires, if more than 90 days remain on the applicable statute of limitations at the time of issuance; or
- If the Commissioner has conducted an investigation and made a finding of no substantial evidence of a violation: within one year after the date of issuance of the notice of rights, if more than one year remains on the applicable statute of limitations; before the limitation period expires, if at least 90 days, but not more than one year

remain on the applicable statute of limitations; or within 90 days after the date of issuance, if less than 90 days remain on the applicable statute of limitations.

## **HB 3187 – Age Discrimination**

*Chapter Law: 125      Effective Date: September 26, 2025*

The federal Age Discrimination in Employment Act of 1967 (ADEA) protects individuals who are 40 years of age or older from age-based discrimination in workplaces with 20 or more employees. Oregon law prohibits age discrimination in employment under the Oregon Employment Discrimination Law (ORS chapter 659A). It protects individuals who are 18 years of age or older from age-based discrimination in workplaces with at least one employee.

There are some exceptions to age discrimination laws, particularly for businesses that can demonstrate a valid reason for age-based decisions. For example, certain jobs may require age-based restrictions due to safety or other specific requirements. This bill makes it an unlawful employment practice for an employer, a prospective employer, or an employment agency, prior to completing initial interview or making conditional offer of employment, to request or require disclosure of applicant's age or date of birth or when applicant attended or graduated from any educational institution. The measure permits the information to be requested if it is necessary to affirm that applicants meet bona fide occupational qualifications or to comply with any provision of federal, state or local law, rule or regulation.

## **HB 3789 – Union Impersonation**

*Chapter Law: 307      Effective Date: January 1, 2026*

The Public Employee Collective Bargaining Act (PECBA), ORS Chapter 243.650-243.806, recognizes the right of public employees to organize and engage in collective bargaining, and establishes a uniform process for employees to join and be represented by labor organizations. PECBA also establishes a collective bargaining process for Oregon's public employers and unions representing public employees. Employers covered by PECBA include the State of Oregon and its political subdivisions, such as cities, counties, school districts, community colleges, public universities, public hospitals, mass transit districts, metropolitan service districts, special districts, and other public and quasi-public corporations.

HB 3789 makes it unlawful to falsely impersonate a union representative. It also makes it unlawful for a union representative to knowingly use misrepresentation to mislead or deceive a public employee regarding union membership.

## **SB 69 – Modifications to Family Medical Leave Act**

*Chapter Law: 85      Effective Date: September 26, 2025*

The measure makes administrative and technical modifications within Paid Leave Oregon (PLO) and the Oregon Family Leave Act (OFLA). It specifies that the Bureau of Labor and Industries (BOLI) is responsible for administrative and regulatory oversight of specified job protection, retaliation, and discrimination provisions within PLO and may adopt any necessary rules. It tells the applicable statute of limitation period for filing a complaint with BOLI or filing a civil action alleging a violation of specified job protection, retaliation, and discrimination provisions within PLO if the claimant files an appeal within PLO for the period of time the appeal is pending. It defines "child" for purposes of protected leave taken from work to care for a child of the employee who is suffering from an illness, injury, or condition that requires home care or requires home care due to closure of the child's school or childcare provider because of a public health emergency within the OFLA.

The bill permits the Oregon Employment Department (OED) to disclose PLO benefit amount information of employees to the extent necessary for the employer to calculate full wage replacement during a period of leave taken under Paid Leave Oregon. It allows employers to require that employee receive certification from the employee's health care provider that the employee can resume work before restoring the employee to work after a period of medical leave within PLO if the certification is pursuant to a uniformly applied practice or policy of the employer. Finally, it permits use of statutory sick time for any qualifying purpose within PLO among other changes.

## **SB 731 – Public Employer Pay for American Sign Language**

*Chapter Law: 169      Effective Date: January 1, 2026*

This bill requires that when a public employer's employment policies provide a pay differential for a public employee's use of bilingual or multilingual skills in performing assigned duties, the policies must also provide a pay differential for an employee's use of American Sign Language in performing assigned duties.

## **SB 808 – National Guard Preference in Hiring**

*Chapter Law: 137      Effective Date: January 1, 2026*

Existing statute establishes that public employers shall grant preferences to veterans of the Armed Forces of the United States who apply to vacant civil service positions, or who seek promotion to a civil service position, provided the individual meets any minimum and special

qualifications. For scored applications, this provides a five percent bonus for veterans, which increases to 10 percent for disabled veterans. Public employers not appointing a veteran to a vacant civil service position must provide their reasons for the decision upon written request by the individual. This bill adds current and former members of the Oregon National Guard to existing hiring preferences for veterans of the Armed Forces of the United States applying to, or seeking promotion in, civil service positions.

### **SB 906 – Paystub Information Disclosure**

*Chapter Law: 235      Effective Date: January 1, 2026*

This bill requires an employer to provide all employees, at the time of hire, with a written explanation of earnings and deductions shown on the required itemized statements provided to employees on regular paydays and at other times there are payment of wages, salary, or commission. The bill specifies what the written explanation must include and how an employer may provide this information to employees. This measure requires employers to review and update this information by January 1<sup>st</sup> of each year. It directs the Bureau of Labor and Industries (BOLI) to develop and make available to employers a model written guidance document that employers may use and customize to satisfy this requirement. SB 906 permits the BOLI Commissioner to assess a civil penalty not to exceed \$500 against any person who violates this written explanation requirement.

### **SB 916 – Unemployment for Striking Workers**

*Chapter Law: 432      Effective Date: January 1, 2026*

This was one of the most controversial bills of the session. It provides that an individual who is otherwise eligible for unemployment insurance (UI) benefits from the Oregon Employment Department (OED) is not disqualified for UI benefits or “waiting week” credit for any week that the individual is unemployed because of a lockout. It specifies that an individual is disqualified for UI benefits for the first week that OED finds that unemployment of the individual is due to a strike. The measure establishes a process to allow an otherwise eligible individual to not be disqualified for UI benefits or “waiting week” credit for any week following the first week that OED finds the individual is unemployed because of a strike. Under the bill a striking worker would be eligible for up to 10 weeks of unemployment insurance during a strike.

### **SB 968 – Public Employee Overpayments**

*Chapter Law: 602      Effective Date: January 1, 2026*

This bill specifies that when a public employee receives an erroneous overpayment of wages in an amount greater than the employee's entitlement, the public employer may deduct the overpayment from the public employee's wages provided that the deduction is for an overpayment that occurred in the 364 days immediately before the date the public employer provides to the public employee a written statement containing specified information. The measure requires the public employer to provide this written statement at least ten calendar days before making the deduction.

## **LABOR – Bills that Failed**

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### **HB 2746 – Pay Transparency in Hiring**

This bill would have required employers and employment agencies to include wage and benefit information in job postings. It required an individual alleging violation to file complaint with Bureau of Labor and Industries (BOLI). It further established an unlawful employment practice for an employer or employment agency to discriminate or retaliate against an employee for exercising rights related to wage and benefit information in job postings. Finally, the measure would have added employment agencies to the prohibition against inquiries regarding salary history and past criminal convictions and exempted the Oregon Employment Department from definition of employment agency.

## **LAND USE – Bills that Passed**

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### **HB 2356 – Metro Area Annexations**

*Chapter Law: 322      Effective Date: January 1, 2026*

This bill establishes that when a city within the urban growth boundary (UGB) of a metropolitan service district (METRO) annexes territory, and that territory is within the UGB of the district, the territory is annexed into METRO without any further process.

### **HB 2925 – Ocean Shore Permitting**

*Chapter Law: 494      Effective Date: January 1, 2026*

In 1967, the Legislative Assembly passed House Bill 1601 which established public ownership of the land along the Oregon Coast from the water up to sixteen vertical feet above the low tide mark. The ocean shore is administered as a state recreation area by the Oregon Parks and Recreation Department (OPRD). As such, ocean shore alterations such as the construction,

repair, or replacement of shoreline protective structures, beach access ways, dune grading and sand alterations, pipelines and cables beneath the ocean shore require a permit administered by OPRD. This bill revises the permitting process for ocean shore improvements regulated by the department. It establishes specific timelines for application review, notification, and hearings, and expands notice requirements to include nearby landowners, public bodies, and interested parties. The bill authorizes OPRD to issue emergency permits for erosion or natural hazard response and creates a framework for general authorization permits for low-impact, restorative, or conservation-focused projects with predictable effects. It also requires OPRD to adopt rules to set permit fees, including fees for standard, emergency, and general authorization permits, based on administrative costs, project impact, and other factors. Fee revenue is deposited into a dedicated subaccount of the State Parks and Recreation Department Fund. Finally, the bill updates enforcement tools, appeal procedures, and penalties for violations.

### **SB 165 – Historically Filled Lands**

*Chapter Law: 219      Effective Date: May 28, 2025*

Throughout much of Oregon’s early history, fill was placed in publicly owned waterways to artificially create land. In 1963, the state enacted laws to ensure clear ownership of lands created with fill in the future. However, ownership of historically filled lands created in and along Oregon-owned waterways prior to 1963 remains unresolved. Unclear ownership causes a “cloud on title” that can result in frustration and delays when private landowners want to sell or refinance their properties. Senate Bill 912 (2013) established a streamlined process for resolving ownership of historically filled lands and set requirements for the state to claim ownership. The law established a deadline of December 31, 2025, for the state to make all ownership claims for historically filled lands. However, the state has yet to make all such ownership claims, in part because the claim process itself can cost more than the associated land value. This measure clarifies ownership for and in favor of most private landowners while retaining the state’s process to assert public ownership over certain, higher-value lands for three additional years. One of the provisions of this measure includes an exception to ORS 274.950 to allow Department of State Lands and the State Land Board to assert title, or associated mineral and geothermal resource rights, to commercial, industrial, or marine industrial lands within city limits if the process is initiated on or before December 31, 2028.

### **SB 967 – Local Improvement Districts**

*Chapter Law: 140      Effective Date: January 1, 2026*

This bill permits local governments to enter into intergovernmental agreements to divide jurisdiction over local improvements proposed in unincorporated areas inside an urban growth boundary. It also requires improvement to comply with each host city's comprehensive plan and clarifies that forming a local improvement district does not change the underlying permitted land uses.

## **SB 974 – Engineering Plan and Streamline Land Use Reviews & Local Design Standard Changes**

*Chapter Law: 330      Effective Date: September 26, 2025*

SB 974 establishes deadlines and procedures for reviewing final engineering plans for residential development and creates a new streamlined land use decision process for certain residential zone changes, planned unit developments, and variances. The measure also prohibits local governments from applying residential design standards to housing developments of 20 or more units within urban growth boundaries unless they are multifamily structures. Specifically, the bill defines “final engineering plans” as detailed infrastructure designs submitted after tentative plat approval but prior to site development permits, requires local governments (including special districts) to confirm completeness of applications within 30 days or request additional materials and approve or deny permits for site development within 120 days of deeming the application complete, caps applicant-requested extensions at 245 days total, and tolls the 120-day review period while awaiting applicant corrections.

The bill streamlines review for land use applications for lands within urban growth boundaries that are zoned or planned primarily for residential use and to applications for zone changes to allow denser residential use; planned unit developments; or variances from residential standards. The measure prohibits local governments from applying residential design standards to housing developments of 20 or more units within urban growth boundaries unless they are multifamily structures. SB 974 exempts safety-related and resource-related regulations, such as land use regulations or requirements that are related to setbacks, building height, accessibility, fire ingress or egress, public health or safety, state or federal water quality standards, hazardous or contaminated site cleanup or wildlife protection or that implement statewide land use planning goals relating to natural resources, natural hazards, the Willamette River Greenway, estuarine resources, coastal shorelands, beaches and dunes or ocean resources.

## **SB 1129 – Urban Reserve Modifications**

*Chapter Law: 188      Effective Date: May 27, 2025*

In 2007, the Oregon Legislature passed Senate Bill 1011 to allow Metro and Metro-area counties to designate lands that might be added to the UGB as part of the 50-year plan for the region’s growth. Urban reserves are coupled with rural reserves, which are intended to provide long-term protection for large blocks of agricultural land, forest land, and other important natural landscape features by limiting urban development on those lands. HB 2001 (2023) allowed cities with a population of greater than 10,000 outside of the Portland metro region to adopt urban and rural reserves because of a required survey of buildable lands. This bill directs the Land Conservation and Development Commission (LCDC) to amend its rules on prioritization of lands added to an urban reserve to give lower priority to adding lands in an exception area approved under the goal exception statute (ORS 197.732) or non-resource lands containing planned developments or subdivisions compared to other resource lands; and high priority lands if providing urban services (as defined in ORS 195.065) is not reasonable or cost effective due to physical constraints.

## **LAND USE – Bills that Failed**

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### **HB 2355 – District Annexations**

This bill, introduced at the request of Washington County, would have provided that more than one parcel of land could be included in a petition for annexation to a district that does not require an election. It also provided that a petition that was signed by a majority of the electors residing on the land to be annexed does not require a public hearing.

### **HB 3062 – Restrictions on Industrial Development Within Industrially Zoned Areas**

HB 3062 would have required local governments to map sensitive uses in their comprehensive plans for the permitting of industrial developments. The bill defined sensitive uses and required local governments to identify and map sensitive uses within the urban growth boundary. It required local governments to require an applicant to submit a public health impact analysis before an industrial site could be located within 1,000 feet of a sensitive area. It required local governments document conditions of approval and additional public hearing on the efficacy of the conditions of approval and public health impact analysis. Furthermore, it

would have required local governments to amend comprehensive plans and adopt land use regulations by January 1, 2027.

## **PERS – Bills that Passed**

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### **HB 2081 – Oregon State Treasury Investments**

*Chapter Law: 433      Effective Date: September 26, 2025*

The Oregon State Treasury is charged with fiduciary responsibility for managing investments for several large funds, including the Oregon Public Employee Retirement Funds (OPERF), the Industrial Accident Fund, the Consumer and Business Services Fund, and others. The Oregon Investment Council (OIC) oversees the investment and allocation of all State of Oregon trust funds. Council members are appointed by the Governor and establish investment policies, asset allocation, risk levels, and targeted returns. House Bill 4083 (2024) directed the OIC and the State Treasurer to try to ensure that OPERF are not invested in thermal coal companies or any fund containing a thermal coal company.

HB 2081 requires the OIC and State Treasurer to: analyze and manage the risks of climate change to the Public Employees Retirement Fund; analyze how the integration of climate change analysis will help achieve portfolio return objectives; pursue the goal of reducing the carbon intensity of the fund; and submit biennial reports to the Legislative Assembly regarding progress toward an investment program that addresses the impact of climate change factors on the portfolio.

The biennial reports may include information such as progress toward carbon intensity investment goals, progress toward investing in holdings that incorporate the tenets of a transition in priorities and portfolio, and any pertinent advancements and methods in measuring progress toward goals and benchmarks within an environment where science and carbon intensity measurement constantly evolve. Neither the OIC nor the State Treasurer is required to act unless they can make a good faith determination that such action is consistent with their fiduciary responsibilities outlined in statute.

### **HB 2728 – PERS Overtime Cap Documentation**

*Chapter Law: 490      Effective Date: September 26, 2025*

The Public Employees Retirement System (PERS) provides retirement benefits for state agencies and approximately 900 units of local government. When PERS receives an application for a retirement allowance or benefit from a member and obtains the information necessary to compute the members' retirement allowance or benefit to which the member is entitled, PERS must provide the member with a written computation, Notice of Entitlement, of the retirement allowance or benefit the member is entitled to upon retirement. The written summary must include a summary of the information used in making that computation. Under ORS 238A.130, for the purposes of computing a member's final average salary, overtime over a certain amount is not included for Oregon Public Service Retirement Plan (OPSRP) members because of the overtime cap applicable to OPSRP members.

HB 2728 requires PERS to include in the written computation of the retirement allowance or benefit an OPSRP member is entitled to upon retirement detailed information about the number of overtime hours performed by the member during the time period used to calculate the member's final average salary and the number of overtime hours applied to the calculation of the member's final average salary.

## **SB 588 – PERS Police & Fire PTSD Contested Cases**

*Chapter Law: 168      Effective Date: September 27, 2025*

SB 588 does the following:

- Requires PERS to refer a contested case for a hearing within 180 days when a PERS member who is a police officer or firefighter requests a contested case hearing to dispute a final denial of an application for disability retirement allowance, or, if the member requests an extension, within 360 days of the request. If the contested case is not referred within this time frame, the member prevails in disputing the final denial of the application. If the contested case is not referred within this time frame, the member prevails in disputing the final denial of the application.
- Directs PERS to refer all contested cases for hearings if the police officer or firefighter has requested a hearing to dispute a final denial of an application for disability retirement allowance or for disability benefits before the effective date of this measure, within 360 days of the effective date of this measure.
- Specifies that a PERS member who is a police officer or firefighter is considered to be disabled and entitled to disability retirement allowance if they are found to be mentally or physically incapacitated for an extended duration, as determined by medical examination, and unable to perform the work the member performed at the time the

member became disabled, by injury or disease sustained while in actual performance of duty and not intentionally self-inflicted. When a PERS member who is a police officer or firefighter who has been employed by a participating employer for at least 10 years, they are found to be mentally or physically incapacitated for an extended duration, as determined by medical examination, and unable to perform the work the member performed at the time the member became disabled, from something other than injury or disease sustained while in actual performance of duty or intentionally self-inflicted, the member is entitled to disability retirement allowance.

- Cancels disabled retirement for a PERS member who is retired because of disability and was employed as a police officer or firefighter at the time they became disabled and is determined by the board to not be incapacitated to the extent that they are disabled from the performance of the work they performed at the time they became disabled. Specifies that the member is eligible for reemployment and, if they are not reinstated with a participating employer, the member shall receive separation benefits or service retirement benefits.
- Specifies that an OPSRP member is no longer disabled and entitled to disability benefits when the member returns to employment with any employer, including self-employment, or the member receives earned income in any month in an irregular or unpredictable manner that exceeds 10 percent of the monthly salary the member received of the last full month of employment before disability began.
- Specifies that an OPSRP member who is a police officer or firefighter is considered disabled if the member is found to be mentally or physically incapacitated for an extended duration and unable to perform the work the member performed at the time they became disabled, by reason of injury or disease that was not intentionally self-inflicted.
- Specifies that an OPSRP member is considered disabled and entitled to retirement credit and hours of service credit for vesting purposes for the period of time they are disabled if they were a police officer or firefighter at the time they became disabled and they are found to be mentally or physically incapacitated for an extended duration and unable to perform the work the member performed at the time they became disabled, by reason of injury or disease that was not intentionally self-inflicted. Section 10 Makes conforming amendment.

The bill's provisions apply to requests for contested case hearings made on or after the effective date of this measure. The bill also applies to open applications for disability benefits or continuation of disability benefits that have not yet been referred for a contested case hearing before the effective date of this measure.

## **SB 852 – Post Retirement Death Benefits**

*Chapter Law: 70      Effective Date: January 1, 2026*

SB 852 modifies existing law to specify that when a member of an individual account program within PERS elects to receive installment payments and dies before all amounts in the employee and vested employer accounts are paid, the remaining account balance is paid in a lump sum distribution. It specifies that when the additional monthly death benefit payable to surviving spouses or children of specified police officers and firefighters is less than \$200 per month, the beneficiary will receive an actuarial lump sum equivalent in lieu of the additional monthly death benefit. The bill removes provisions that allow an Oregon Public Service Retirement Plan (OPSRP) member to change from a survivorship benefit to a single life option when the "relationship" with the beneficiary is terminated after the member retires.

The bill permits a surviving spouse of a Tier One or Tier Two PERS member who is the member's beneficiary to elect to receive the amount referred to in ORS 238.390, or elect Option 2 or Option 3 under ORS 238.305, and designate themselves as the beneficiary thereunder if the member had attained normal retirement age and retired from service, but died prior to the deadline of the time an election could be made by the member to change the member's service retirement benefit option under ORS 238.305, regardless of whether the member had already made an election under ORS 238.305.

## **PORTS – Bills that Passed**

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### **HB 2415 – Modification to Grant Threshold Under PPMF**

*Chapter Law: 148      Effective Date: January 1, 2026*

Back in the 2000s the Legislative Assembly required 22 of our 23-member port members to develop and maintain strategic business plans under ORS 285A.660. In doing so, they recognized that they were imposing a new cost on the ports and as a result have assisted ports financially in developing and updating these important plans. The Port Planning & Marketing Fund is the conduit for ports to assist them with financial assistance by providing grants for strategic business planning as well as other planning and marketing projects that improve a port's ability to carry out their authorized functions. The Oregon Business Development Department (OBDD) gives the highest priority under The Ports Planning and Marketing Fund for the development and updating of the strategic business plans.

Current statute limits the amount that the department may provide to a port at \$50,000 or 75 percent of the total project cost to an individual port. This monetary threshold last increased in

2007, eighteen years ago, and it no longer has the purchasing power it had in years past. As a matter of fact, that amount has less than 50% of the purchasing power it did when it was put into statute. This bill modifies the state's Port Planning and Marketing Fund, under ORS 285A.657 by eliminating the \$50,000 maximum grant and would permit OBDD to establish the maximum grant amount by rule instead.

### **SB 459 – Oregon Board of Maritime Pilots Residency**

*Chapter Law: 312      Effective Date: January 1, 2026*

Oregon Board of Maritime Pilots (OBMP) mission is to promote public safety by ensuring qualified persons pilot vessels entering and leaving Oregon's ports, and the Board establishes programs for pilot trainee and apprentice selection and training, incident investigations, license administration, and ratemaking. ORS 776.105 establishes that the OBMP consists of nine members and that there must be a Columbia River Bar licensee, a Columbia River licensee, and a Coos Bay or Yaquina Bay licensee. Current statute requires that each of these specific OBMP members be an Oregon resident. This bill removes the residency requirement for pilots who serve on the OBMP.

### **SB 504 – Nature Based Solutions for Shoreline Stabilization**

*Chapter Law: 597      Effective Date: January 1, 2026*

Coastal shorelines change in response to wind, waves, tides, rising and falling sea levels, and storm impacts. Coastal bioengineering practices aim to protect property and provide habitat connectivity by reducing erosion and stabilizing shorelines. Some shoreline stabilization methods employ hard materials for protection, including bulkheads, retaining walls, walkways, and roads. This bill directs the Land Conservation and Development Commission (LCDC) to adopt rules to guide the use of nonstructural, nature-based solutions used for shoreline stabilization in estuaries, coastal shorelands, and the ocean shore. It requires rules to include criteria for wildlife habitat, improving water quality, cultural and recreational resources and, where appropriate public access, and to provide guidance for the use of nonstructural, nature-based solutions to minimize impact from flooding and erosion, and requires that the advisory committee includes restoration professionals, tribal representatives, landowners or managers.

### **SB 795 – Abandoned and Derelict Vessels**

*Chapter Law: 90      Effective Date: September 26, 2025*

Senate Bill 795 makes several modifications to existing laws regarding the cleanup of abandoned or derelict vessels. Specifically, the bill modifies definition of terms related to abandoned and derelict vessels (ADVs). The bill revises the definition of "marine debris" to

include unusable boats and allows an authorized agency to immediately remove and dispose of marine debris without notice. It also revises notice requirements for ADVs and specifies that an ADV owner can reclaim the vessel by proving ownership and paying the costs.

SB 795 authorizes vessel owners to request a hearing within the timeframe specified on their notice, which must be at least 10 business days after the notice was given; authorizes specified agencies (including ports) to seize an ADV and dispose of any personal property if the vessel's owner is absent and noncompliant; and authorizes Department of State Lands (DSL) to hold a person other than the owner liable if the agency has probable cause to believe that the non-owner knowingly, intentionally, or with criminal negligence abandoned or neglected a vessel.

The bill creates the offense of abandoning a vessel, punishable by a maximum fine of \$2,000. Finally, it authorizes the DSL Director to oversee procurement of goods, services, and personnel services related to the removal of abandoned derelict vessels.

### **SB 5531 – Lottery Bonding Bill**

*Chapter Law: 633      Effective Date: August 7, 2025*

This bill authorizes the issuance of lottery revenue bonds for specified projects. A total of \$442.7 million of net lottery bond proceeds are authorized to be spent on 45 projects included in SB 5531. Projects of interest to ports include the following: the Hood River-White Salmon Bridge Authority – Bridge Replacement Project \$45,000,000, Brownfields Redevelopment Fund \$10,000,000, Port of Portland's Container Port Improvement Fund \$20,000,000, Lower Columbia River Channel Improvements \$15,000,000, Special Public Works Fund \$20,000,000, Special Public Works Fund - Levees \$10,000,000, Industrial Site Loan Fund \$10,000,000.

### **PORTS – Bills that Failed**

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#### **HB 2184 – Funding for the Hood River White Salmon Bridge**

This bill would have directed the State Treasurer to issue general obligation bonds sufficient to produce net funds sufficient for the Hood River-White Salmon Bridge replacement project, for the biennia beginning July 1, 2025 (\$75 million) and July 1, 2027 (\$30 million). Although this bill did not pass, funding for this project was approved. Specifically, The Oregon Legislature authorized \$45 million in project funding during the 2025-2027 biennium, \$30 million in 2027-2029, and another \$30 million in 2029-2031. In total, the state's investment stands at \$125 million.

## **HB 2153 – Aviation Fuel Tax Increase**

Aviation turbine fuel (jet fuel) is a specialized type of fuel designed for use in aircraft powered by gas-turbine engines. Jet fuel is a kerosene-based, colorless liquid fuel that is highly refined to ensure highly stable and predictable performance at extreme temperatures. ORS 319.023 provides that revenues derived from taxation of jet fuel more than one cent per gallon are to be disbursed by the Oregon Department of Aviation via grants to airports to make certain improvements. Among other things, this measure and the proposed amendment would have increased the jet fuel tax by an additional two cents per gallon to a total of \$0.08/gallon. It would have limited distribution of revenues from the tax revenues for distribution under ORS 319.023 to no more than six cents per gallon. The bill would have created a new grant program to provide money to airports for strategic investments in infrastructure and other forms of support related to resilience and wildfire response and recovery.

## **HB 2965 – Aquaculture**

Among other things, this bill would have prohibited facilities from (1) stocking aquatic animals at density levels that exceed certain limits; (2) raising finfish in marine or estuarine waters in nets, cages, or other vessels; (3) discharge water or water into marine waters or estuaries; (4) using, growing, or harvesting genetically engineered aquatic animals; and (5) taking lethal action against predators to further facility operations. The bill would have also required facilities to provide aquatic animals with an appropriate, evidence-based environment regarding swimmable water volume, and exempted independently owned and operated businesses with annual gross revenues of less than \$500,000 from limits on animal stocking density.

## **HB 3050 – Loan and Grant Program for Ports with Container Services**

This bill was requested by Governor Kotek to improve the Port of Portland's Terminal 6 container services. Specifically, it would have created a new loan and grant fund at the Oregon Business Development Department (OBDD) for the purpose of capital improvements or dredging projects for Oregon Ports that have existing containers serve at the time the port applies for financial assistance. The bill was passed out of the policy committee and sent to the Joint Ways and Means Committee. The governor's requested funding for the Port of Portland was contained in SB 5531, the Lottery Bonding bill.

## **HB 3100 – State Unified Trade Strategy**

Oregon Business Development Department (OBDD), the Port of Portland, the Oregon Tourism Commission, and the Oregon Department of Agriculture (ODA) all currently work on trade strategy for the state. As the state's economic development agency, OBDD works with businesses on export market development strategies, helping them sell goods overseas. They also work with international recruiters and in-country representatives to attract Foreign Direct Investment to the state. This bill would have appropriated \$3.2 million to Oregon Business Development Department (OBDD) to develop unified trade strategy in collaboration with other agencies and stakeholders.

## **HB 3580 – Eelgrass Taskforce**

The measure would have established the 19-member Task Force on Eelgrass Resources (including one port representative), appointed by the Director of the Department of Land Conservation and Development. The task force is directed to assess the current and historical extent of eelgrass in Oregon's estuaries, develop statewide targets for eelgrass protection and restoration by 2040, and recommend policy, regulatory, and funding strategies to achieve those goals. Responsibilities include evaluating regulatory frameworks, coordinating agency actions, identifying restoration barriers, improving monitoring, and mapping, and engaging with communities, tribal governments, and other stakeholders. The bill stalled in the Joint Ways and Means Committee.

## **SB 2 – Funding for Salvage Chief**

SB 2 would have appropriated \$3 million from the General Fund to the Salvage Chief (LSM-380) Foundation for hull repairs; engine, fire pump, and emergency communications upgrades; US Coast Guard inspection and contingency; and returning to operation the vessel known as the Salvage Chief.

## **SB 357 – Charging for Sedimentation**

This bill would have given ports the authority to charge local public bodies for the cost of removing sediment from port waters. Ports like the Port of Brookings Harbor and the Port of

Bandon have experienced sedimentation in their marinas resulting from runoff from county, city or state facilities. The bill received one hearing and failed to advance.

### **SB 361 – Funding For Local Dredging Projects**

This bill, introduced at the request of the Oregon Public Ports Association would have provided funding to six coastal ports to assist them in their upcoming dredging projects. Specifically, the bill would have provided 50% of the anticipated funding needed to complete those dredging projects in the upcoming year. The six ports that would have received funding were: Brookings Harbor, Bandon, Coos Bay, Newport, Garibaldi and Astoria. The bill was moved to the Ways and Means Committee where it failed to proceed.

### **SB 723 – Two-man Crew Requirement for Railroads**

This measure would have required that trains have a minimum of two crew members and imposes civil penalties for violations. The Oregon Public Ports Association (OPPA) opposed this bill along with the railroads because this requirement already exists at the federal level.

### **SB 792 – Aviation Related Fees**

Oregon statute authorizes the Oregon Department of Aviation (ODAV) to assess fees for several purposes, including application for approval of an airport site (ORS 836.085), licensing fees for airports (ORS 836.105), aircraft registration fees (ORS 837.045) and renewal (ORS 837.060), among others. This bill would have authorized ODAV to set these fee schedules by rule, to allow the Department to adjust them periodically to keep pace with inflation.

### **SB 921 – International Port of Coos Bay Shipyard at Charleston**

This bill would have permitted the Oregon Infrastructure Finance Authority to approve, and enter a \$1.5 million loan contract for, a project by the Oregon International Port of Coos Bay for the repair of marine ways at the Charleston Shipyard, subject to the legal provisions of the Oregon Port Revolving Fund Act.

## **PUBLIC CONTRACTING – Bills that Passed**

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### **HB 2680 – New Requirements for Fenestration Products or Systems in Public Buildings**

*Chapter Law: 300      Effective Date: September 26, 2025*

This bill requires that a public agency that provides public funds to install, repair, or remodel a fenestration product or system in a public building that a public agency constructs, remodels, repairs and owns or leases on a public works project of \$25 million or more for new construction and \$5 million or more for remodel work, to require the following: the contractor must have all licenses and insurance required in Oregon and have a national certification as a glazing contractor, and at least one of the workers or technicians must have a national certification as an architectural glass and metal technician, operative July 1, 2027. The measure also requires the contractor, operative July 1, 2028, to demonstrate that 25 percent of the contractor's employees have a national certification as an architectural glass and metal technician. The measure defines fenestration product or system, national certification, public agency, and public funds.

### **HB 2688 – Prevailing Wages for Offsite Work**

*Chapter Law: 612      Effective Date: September 26, 2025*

This bill applies the prevailing wage rate (PWR) to bespoke, off-site fabrication, preconstruction, assembly or construction work performed specifically for, and in accordance with the specifications of public works projects, as defined in ORS 279C.800 (6)(a)(A-F) for the following systems: mechanical systems such as heating, ventilation, air conditioning, refrigeration and other ducting or piping systems or components; plumbing systems or components; electrical systems or components of electrical systems that conform with the requirements of ORS 479.510 to 479.945 and the rules of the Electrical and Elevator Board; boiler systems or components of boiler systems; ornamental and structural iron work; masonry and plaster systems or components; roofing, flashing and architectural panel systems or components other than glazing systems and components; and mechanical insulation work.

HB 2688 removes application to other work that involves fabricating or prefabricating modules, components, structures, supports or fixtures or parts of fixtures in accordance with specifications for particular public works. It requires the Bureau of Labor and Industries (BOLI) to adopt rules, prior to the operative date of the Act, that specify which manufacturing, and which standard inventory items are excluded from the definition of public works and the requirements for reporting off-site work.

## **HB 3646 – Preference for Employee-Owned Bidders**

*Chapter Law: 304      Effective Date: September 26, 2025*

This bill adds entities in which employees own at least 50 percent of the ownership interest directly or through an employee stock ownership plan, to the list of sources to which a contracting agency may give preference in procuring goods or services for public contracts.

## **SB 426 – Private Owner and Contractor Liability for Unpaid Wages**

*Chapter Law: 287      Effective Date: January 1, 2026*

In an attempt to address wage theft, this bill establishes that a private (non-public) owner and the direct contractor that enter a construction contract are jointly and severally liable in a civil action for unpaid wages to an unrepresented employee of the direct contractor and subcontractor at any tier. This bill does not impact public entities directly but could impact the need for increased contractor bond amounts – thereby indirectly impacting local governments.

## **PUBLIC CONTRACTING – Bills that Failed**

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### **HB 2084 – Tax Compliance for Contractors**

Under the Public Contracting Code (Chapters 279A, 279B, and 279C) subject agencies are currently required to determine that contractors comply with Oregon tax laws by having contractors self-certify compliance status and promise to continue to comply (ORS 279B.045). HB 2084 adds that contracting agencies are required to determine tax compliance in consultation with the Department of Revenue (DOR) and local government where work will be performed prior to entering the contract, and periodically during the term of the contract. This bill would have allowed DOR to disclose contractor compliance status with agencies or local governments and provided some criteria that DOR could consider when determining compliance. A similar bill, SB 105, was introduced in the Senate.

### **HB 2425 – Forced Labor or Oppressive Child Labor**

This bill would have established an 11-member Task Force on Ethical Procurement to devise methods for verifying the identities of manufacturers, distributors, vendors, or suppliers of products that public bodies procure in this state, with particular emphasis on electric vehicles (EV), solar photovoltaic energy systems, and other electric products and ensuring that public

bodies do not procure products, including EV, solar photovoltaic energy systems, or other electric products, in which production, including the mining of constituent materials and sourcing of parts, assembly, transportation, or sale of the products used or involved forced labor or oppressive child labor.

### **HB 3216 – Prevailing Wage Reporting**

This bill would have required the Bureau of Labor and Industries to study the feasibility of developing a centralized system for contractors to submit certified required payroll statements regarding payment of prevailing wages.

### **SB 460 – Exemption from Prevailing Wages for Pre-Apprenticeship Programs**

This bill would have exempted workers on public works projects who are participants in a pre-apprenticeship program from prevailing rate of wage laws. It applied to procurements for public works that a contracting agency advertises or solicits or, if the contracting agency does not advertise or solicits the procurement for public works, to a contract for public works that the contracting agency enters on or after the effective date of this measure.

## **PUBLIC MEETINGS – Bills that Failed**

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### **HB 3638 – Grievances Against a Public Body for Executive Session Violations**

In 2023, the Legislative Assembly passed House Bill 2805, giving the Oregon Government Ethics Commission (OGEC) the authority to enforce all the public meeting's law (ORS 192.610 to 192.705). However, a person may not file a complaint with the OGEC until after filing a written grievance, within 30 days of an alleged violation, with the public body whose governing body is alleged to have violated the law, and having either received a response from the public body denying or admitting the violation but failing to take steps to cure the violation, or having not received a response within 21 days. This bill would have allowed a person to file a written grievance with a public body, within 90 days of a record of the alleged violation becoming available to the public, if the person believes that its governing body has violated certain provisions of public meetings law that relate to the rules and requirements of executive sessions.

## **HB 3883 – Public Testimony at Public Meetings**

This bill would have required a governing body of a public body to provide time for public comments at the beginning of every public meeting.

## **HB 3887 – Public Testimony at Public Meetings**

This bill would have defined a "work session" as a meeting held to present information to a governing body to prepare it for a regular or special meeting or to allow it to engage in preliminary discussions or deliberations. It would have extended public meeting requirements to work session meetings and added a requirement for all meetings to include a public comment period of reasonable duration, except for work session and executive session meetings. Lastly, the bill would have prohibited a governing body from voting on any matter unless the required public notice included a public comment period.

## **PUBLIC RECORDS – Bills that Failed**

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### **HB 2533 – Public Body Attorney Client Privilege**

This bill would have extended the time to fifty years in which confidential lawyer-client communications and records prohibited from disclosure or made confidential by law will not be subject to inspection for public bodies.

## **PUBLIC SAFETY – Bills that Passed**

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### **HB 3243 – Balanced Billing**

*Chapter Law: 614      Effective Date: January 1, 2025*

The No Surprises Act banned surprise billing for most out-of-network emergency health services, excluding ambulance ground transportation, beginning in 2022. Surprise bills are generally caused by balance billing, the practice of a provider charging a patient for the difference between an in- and out-of-network health service after a health plan reimburses at the allowed rate. Balance billing frequently occurs after a patient receives emergency services that are out-of-network, or services performed by an out-of-network provider at an in-network facility. Because ground ambulance transportation was excluded from the No Surprises Act, it is left to each state whether to adopt laws prohibiting balance billing practices in situations where

ground ambulance services are involved. This bill prevents some insurance plans from balance billing patients for ambulance ground services in certain situations, it requires ambulance service providers to report rates to the Department of Consumer and Business Services (DCBS) and directs DCBS to publish rates in a public database.

### **HB 3940 – Wildfire Funding**

*Chapter Law: 581      Effective Date: September 26, 2025*

House Bill 3940 bill raises and allocates money to pay for wildfire costs. It imposes a tax on the distribution of oral nicotine products and directs the revenues to purposes related to wildfire. It also directs 20% of the interest attributable to the Rainy-Day Fund to purposes related to wildfire. The measure removes the end date for completion of certain wildfire risk reduction projects. It makes certain changes related to the forest products harvest tax, forest protection districts, minimum assessments and surcharges, the Emergency Fire Cost Committee, forestland acreage assessments, zones for fire protection in certain areas, and rural fire protection districts. The State Treasurer is directed to transfer moneys between agencies when requested for certain wildfire costs and appropriates moneys to a borrowing agency if the agency has insufficient available moneys to repay transferred amounts. In addition, it creates an offset against fire protection costs for certain forestland, removes transfer and reporting requirements relating to the State Forestry Department Cash Flow Repayment Fund, and establishes a grant program for retrofitting of dwellings for wildfire resilience.

### **SB 83 – Elimination of Wildfire Map**

*Chapter Law: 590      Effective Date: July 24, 2025*

This bill repeals the controversial statewide wildfire map and its application: to defensible space requirements, the wildland-urban interface, the Wildfire Programs Advisory Council, agency reporting requirements and administration, seller’s property disclosure agreement, comprehensive planning, accessory dwelling units and replacement dwellings, building codes, and the small forestland grant program.

### **SB 243 – Firearms in Public Buildings**

*Chapter Law: 594      Effective Date: September 26, 2025*

This bill became one of the only firearms related bills that was passed by the Legislative Assembly this session. It would do two primary things. First, it authorizes governing bodies, including special districts, to adopt policy, ordinance, or regulations restricting the carrying of firearms within their buildings where official meetings occur and provides that the exemption

concerning individuals licensed to carry a concealed handgun does not apply to possession of a firearm within the governing body’s building. A governing body that adopts such policy must post a clearly visible sign at all normal points of entry to the building and grounds and post a notice on the governing body’s website. The bill bans rapid fire activators and creates a new crime of unlawful transport, manufacture or transfer of a rapid-fire activator.

### **SB 860 – Fire Services Policy Council**

*Chapter Law: 117      Effective Date: January 1, 2026*

Among other things, this bill modifies the authority of the Department of the State Fire Marshal (OSFM) and its designated representatives regarding fire protection, education, emergency authorities, and investigation. It also allows the Governor to appoint a member from the Special Districts Association of Oregon, a structural fire response agency of a federally recognized Oregon Indian Tribes, and the Oregon Fire Service Office Administrators to the Governor’s Fire Service Policy Council membership.

### **SB 861 – State Fire Marshal Mobilization Fund**

*Chapter Law: 178      Effective Date: May 27, 2025*

The measure includes grant funds, reimbursements, and money received from judgments and settlements as funds in the State Fire Marshal Mobilization Fund. It requires that the Department of the State Fire Marshal submit a report to the Joint Committee on Ways and Means on the amounts in the Fund and expenditures from the Fund on or before March 31 of each odd-numbered year.

### **SB 862 – General Changes for Fire Districts**

*Chapter Law: 179      Effective Date: January 1, 2026*

The measure modifies fire district names, in addition to posting and reporting requirements to the State Fire Marshal (OSFM) and directs the OSFM to adopt a base fire prevention code publicly accessible online. Specifically, it clarifies that fire house, houses, or headquarters are “facilities” of a fire department or district. It removes the requirement that districts report monthly to the State Fire Marshal. It repeals ORS 478.940, requiring fire districts to post their fire prevention codes at each fire station, and instead directs the OSFM to adopt a base fire prevention code that is publicly available electronically. It requires fire districts to keep copies of any district fire prevention codes at the district office and make available to the public

electronically. Finally, it requires district board or chief when a district is organized to submit a request to the State Fire Marshal for a unique identifier and directs the State Fire Marshal to assign unique identifiers to new, consolidated, or merged fire districts.

### **SB 863 – Cost Recovery for the Oregon State Fire Marshal**

*Chapter Law: 542      Effective Date: January 1, 2026*

The measure establishes a process for the Oregon State Fire Marshal to recover fire suppression costs from a person who is willful, malicious, or negligent in the origin or subsequent spread of a fire. One concern with this bill is if a local government causes a fire and whether Oregon’s tort caps for government would apply under this measure.

### **SB 1125 – Penalties for UAS Interfering with an Emergency**

*Chapter Law: 604      Effective Date: January 1, 2026*

This bill sets and elevates penalties for causing an unmanned aircraft system (UAS) to interfere with a law enforcement, firefighting, search and rescue, or emergency response effort.

## **PUBLIC SAFETY – Bills that Failed**

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### **HB 2151 – Seismic Risk Mitigation Fund Changes**

SB 1567 (2022) required owners or operators of bulk oils and liquid fuels terminals located in Columbia, Multnomah, or Lane County that primarily engage in the transportation or bulk storage of liquid fuel projects to submit to the DEQ seismic vulnerability assessments and seismic risk mitigation implementation plans, that take into consideration of the likelihood of a magnitude 9.0 Cascadia Subduction Zone earthquake. This bill established the Seismic Risk Mitigation Fund to appropriate funding to DEQ to review these plans and provide grants or other financial assistance to owners or operators of bulk oil or liquid fuels terminals to implement mitigation efforts.

### **HB 2753 – Bonds for the SPIRE Grant Program**

The State Preparedness and Incident Response Equipment (SPIRE) grant program provides equipment to local governments and other recipients for emergency preparedness. The program funds the purchasing and distribution of equipment, including vehicles and other

properties, to be used during an emergency to decrease the risk of loss of life and property damage. This bill would have authorized the issuance of \$15 million in Article XI-Q bonds for the Oregon Department of Emergency Management's SPIRE grant program.

### **HB 3170 – Money for Resilience Hubs and Networks**

This bill would have revised definitions and requirements for a grant program that supports Resilience Hubs and Networks and appropriated \$10 million from the General Fund for program grants. These facilities provide services to help a community respond to and recover from adverse events and emergencies, in addition to disasters. The revised definitions would have allowed any group to be eligible for a grant under the program.

### **HB 3380 – Tax Credit for Rural Volunteer EMS**

This bill would have increased the personal income tax credit allowed to rural volunteer emergency medical services providers from \$250 per tax year to \$1,000. The credit value increase would have applied to tax years beginning on or after January 1, 2026. It would have required the Office of Rural Health to annually submit a report detailing the number of taxpayers eligible for the tax credit to the interim committees of the Legislative Assembly related to health care and to the Oregon Emergency Medical Services Program.

### **SB 545 – Income Tax Credit for Volunteer Firefighters**

This bill would have created an income tax credit of \$1,000 for volunteer firefighters, under certain conditions. A volunteer firefighter is defined in ORS 652.050 as "a person who performs services as a firefighter for a regularly organized fire department and whose work hours and work shifts are voluntary and whose volunteer service is not a condition of employment". To qualify for the proposed credit, a volunteer firefighter must provide volunteer services during the tax year to a regularly organized fire department, a rural fire protection district, a municipal corporation, or any other public or private safety agency that provides firefighting services. The taxpayer must also complete at minimum two specified actions as a volunteer firefighter during the year.

## **TRANSPORTATION – Bills that Failed**

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### **HB 2025 – Transportation Funding Package**

This bill would have raised an estimated \$14.6 billion over the next 10 years and dedicated it to state and local roads, bridges, mass transit, major projects left over from 2017 package, Great Streets Fund, Safe Routes to School Fund, wildlife collision fund, and passenger rail.

The revenue came from:

- A gas tax increase - currently \$.40, going to \$.50 in 2026 and then \$.55 in 2028
- Automatic indexing of the gas tax based on CPI
- Increases in vehicle registration fees and title fees
- Tripling of the payroll tax paid by workers in OR to fund mass transit (from .1% to .3%)
- A “vehicle transfer tax” on car sales (2% on used cars over \$10,000 and 1% on new cars)
- An increase in the existing “vehicle privilege tax” from 0.5% to 1.0% at the time of sale
- Enactment of a road user charge (RUC) program for electric and other high-mileage (such as hybrid) vehicles, including a separate RUC program for commercial vehicles
- Increases to other vehicle permits and fees
- Changes to the weight-mile rates paid for by freight and heavy-duty trucks
- Estimated revenue for the proposal would have generated \$14.6 billion in next 10 years

### **HB 3402 – ODOT Only Funding Package**

This measure was a last-minute attempt to avoid cuts at the Oregon Department of Transportation (ODOT) after it was clear that HB 2025 did not have the votes to pass. It would have increased fuel taxes and vehicle title and registration fees to help ODOT maintain its workforce and continue its core missions. The measure also included several accountability provisions, including more frequent performance audits and reinstating appointment of the ODOT Director with the Governor (with Senate approval).

## **WASTEWATER/STORMWATER – Bills that Passed**

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### **HB 2169 – Water Reuse**

*Chapter Law: 477      Effective Date: July 17, 2025*

This bill declares the intent of the Legislative Assembly to encourage and expand water reuse in Oregon and declares as state policy that executive agencies work together to encourage and

expand opportunities for water reuse by reducing barriers and funding constraints and improving water reuse related policies and internal operations. HB 2169 directs the Oregon Department of Environmental Quality (DEQ) to establish an Interagency Water Reuse Development Team (Team) that includes the Oregon Water Resources Department (OWRD), the Oregon Health Authority (OHA), the Oregon Department of Agriculture (ODA), and the Oregon Department of Fish and Wildlife (ODFW). It authorizes DEQ to enter into interagency agreements to support the participation of other agencies on the Team. The bill also specifies that the Water Reuse Development Team must carry out assigned tasks in consultation with municipal wastewater utilities, industry stakeholders, and other interested parties. Specifies that all actions regarding water reuse must be done in a manner that protects public health and the environment. Finally, it requires DEQ to submit a progress report to the Legislative Assembly by December 15 of each odd-numbered year. The measure sunsets the reporting requirement on January 2, 2032.

### **HB 2947 – Biosolids PFAS Study**

*Chapter Law: 496      Effective Date: July 17, 2025*

This bill appropriates \$410,000 from the General Fund for distribution to Oregon State University (OSU) and requires the OSU Extension Service and the OSU College of Agricultural Sciences (CAS) in collaboration with the Oregon Department of Environmental Quality (DEQ) and Oregon wastewater service providers to study the occurrence and distribution of perfluoroalkyl and polyfluoroalkyl substances found in biosolids applied to agricultural fields that do not produce crops intended for human consumption. The measure also requires the OSU Extension Service and CAS to submit a progress report and a final report to agriculture-related interim committees of the Legislative Assembly.

### **HB 3814 – Seafood Processors**

*Chapter Law: 84      Effective Date: September 26, 2025*

This bill authorizes the Environmental Quality Commission (EQC) and the Department of Environmental Quality (DEQ) to issue a permit for a portion of a water body to be used as a mixing zone for wastewater discharge from seafood processing facilities to satisfy bacteria water quality standards, if not prohibited by federal law and DEQ determines that the mixing zone does not pose a risk to public health. It specifies that facilities using this permit must implement best management practices, based on a site-specific investigation, to prevent external fecal contamination from entering their wastewater.

## **SB 830 – On-Site Septic System Low-Interest Loan Program**

*Chapter Law: 231      Effective Date: September 26, 2025*

Oregon’s Onsite Wastewater Management Program, administered by the Department of Environmental Quality (DEQ), oversees the regulation and management of septic systems for properties not connected to public sewer systems. Under existing law ORS 454.799 (On-Site Septic System Low-Interest Loan Programs), DEQ provides low-interest loans to property owners who need financial assistance for septic system repairs or replacements. This bill modifies provisions of an existing on-site septic system loan program to allow grants or other financial assistance, in addition to loans, to be provided to eligible applicants and extends eligibility to residential housing providers. The measure specifies that residences used to provide short-term lodging are not eligible.

## **SB 1189 – Santiam Canyon POTW**

*Chapter Law: 19      Effective Date: May 5, 2025*

HB 5006 (2021) allocated \$50 million in American Rescue Plan Act (ARPA) funds to Marion County for building a Publicly Owned Treatment Works (POTW) in Mill City, with a spending deadline of December 31, 2026. Many homes and businesses in Santiam Canyon currently rely on septic systems, which can leak untreated waste into waterways, especially in wildfire-affected areas. The planned Mill City POTW aims to replace those systems. Following the 2021 U.S. Supreme Court ruling in *Maui v. Hawaii Wildlife Fund*, facilities that discharge into the ground but eventually reach surface water must obtain a National Pollutant Discharge Elimination System (NPDES) permit. Therefore, Mill City cannot rely on a state Water Pollution Control Facilities (WPCF) permit. However, Oregon’s Three Basin Rule, which restricts new discharges in the North Santiam watershed, prevents DEQ from issuing the required federal permit. This bill authorizes the construction and installation of a new publicly owned treatment works facility within the North Santiam Basin prior to the issuance of a Department of Environmental Quality (DEQ) water quality permit, provided construction begins between April 15 and June 6, 2025. It requires the facility’s owner to have an applicable DEQ permit to operate the treatment works or discharge waste into state waters, and that any discharges comply with the permit’s terms and conditions. The measure states that the owner is still required to obtain any other required permits. SB 1189 sunsets January 2, 2027, and declares an emergency, effective upon passage.

## **SB 5520 – Department of Environmental Quality Budget**

*Chapter Law: 426      Effective Date: July 1, 2026*

This bill is the 2025-2027 legislatively adopted budget for the Oregon Department of Environmental Quality (DEQ). The mission of DEQ is to be a leader in restoring, maintaining, and enhancing the quality of Oregon’s air, water, and land. To achieve this mission, the Department administers laws regulating air, water, and land pollution. The United States Environmental Protection Agency (EPA) has delegated its authority to DEQ to implement federal environmental programs in Oregon. The Department regulates industrial air pollution and works to reduce vehicle pollution through emission testing and diesel fuel programs. It sets and enforces water quality standards, monitors river basins, measures groundwater quality, and regulates waste discharges from city sewage treatment and industrial facilities. It also regulates hazardous waste disposal, promotes solid waste reduction, regulates underground storage tanks, and enhances environmental cleanup. This work is done under the direction of the five-member Environmental Quality Commission (EQC).

The Subcommittee recommended a budget of \$966,406,946 total funds, which includes \$85,307,531 General Fund, \$7,038,076 Lottery Funds, \$346,894,304 Other Funds expenditure limitation, \$362,631,975 Other Funds Nonlimited, \$164,535,060 Federal Funds expenditure limitation, and 894 positions (885.36 FTE), which represents a total funds increase of \$185,777,750 (23.8%) from the 2023-25 legislatively approved budget.

For the Water Quality Division within DEQ, the adopted budget of \$113,880,863 total funds, includes \$47,345,738 General Fund, \$7,038,076 Lottery Funds, \$40,413,657 Other Funds expenditure limitation, \$19,083,392 Federal Funds expenditure limitation, and 261 positions. Six packages were adopted under the Water Quality Division.

Notable policy option packages (POP) include:

- POP 120 authorizes fee increases in the Onsite Septic System program; the Wastewater Operator Certification program; the Dredge/Fill Water Quality Certification program; and the Underground Injection Control program to maintain current service levels in the 2025-27 biennium. The package also provides \$0.7 million Other Funds expenditure limitation for the Onsite Septic System program and restores two permanent, full-time positions (2.00 FTE).
- POP 121 provides \$500,000 and authorizes the establishment of two permanent, full-time positions (2.00 FTE) to enhance community engagement and technical assistance for the Clean Water State Revolving Fund grant program.
- POP 170 provides \$1.3 million General Fund and three permanent, full-time positions (2.88 FTE) to restore two filled, permanent, full-time Natural Resource Specialist 4 positions (2.00 FTE) that were abolished due to a Federal Funds shortfall in the Water Pollution Control grant funding. The positions include a permit writer and a basin

coordinator that support the timeliness of permit issuance.

## **WASTEWATER/STORMWATER – Bills that Failed**

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### **HB 3655 – Wastewater Lagoon Examination and Certification**

This bill would have required the Oregon Department of Environmental Quality (DEQ), in consultation with public and private stakeholders, to develop a program for examination and certification of operators of lagoon wastewater treatment systems. It would have required the examination to be limited to topics relevant to the operation of a lagoon wastewater treatment system. It permitted DEQ to contract with a third party to develop the examination and permitted a person who had one year of experience in the performance of the duties of a sewage treatment works operator, or that met other education and experience requirements established by DEQ, to be eligible for certification as a lagoon wastewater treatment system operator after receiving a passing score on the examination.

### **SB 526 – Microfiber in Washing Machines**

This bill would have prohibited the sale of new clothes washers, after January 1, 2030, unless the washers were equipped with a built-in or in-line microfiber filtration system.

## **WATER – Bills that Passed**

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### **HB 2801 – Leases and Temporary Transfers in the Upper Klamath Basin**

*Chapter Law: 79      Effective Date: January 1, 2026*

This bill extends the period during which the Water Resources Department (OWRD) may approve leases or temporary transfers of a determined water right claim in the Upper Klamath Basin until the Klamath County Circuit Court issues a water rights decree that either affirms or modifies the Findings of Fact and Order of Determination issued as part of the Klamath River Basin Adjudication. It requires the Director of OWRD to notify the standing or interim committees of the Legislative Assembly related to natural resources, and Legislative Counsel, of the Court's final determination, no later than 30 days after the court issues its decree.

### **HB 2803 – OWRD Transaction Fee Increase**

*Chapter Law: 570      Effective Date: July 24, 2025*

As originally introduced, this bill would have increased a host of water transaction fees at the Oregon Water Resources Department (OWRD) by an average of 135%. Stakeholders, including municipal suppliers, opposed this proposal simply because of the amount being sought by the department that would not have resulted in any system improvements or additional or expedited services. As a result, of widespread opposition, this bill was modified to increase existing fees by an average of 50% rather than the 135% as originally proposed. This fee increase will be for the 2025-2029 period. The remainder of the revenue shortfall in the transaction division of the department were backfilled with permanent general funds.

### **HB 2808 – Fees for Water Wells**

*Chapter Law: 491      Effective Date: July 17, 2025*

This bill increases fees charged by the Oregon Water Resources Department (OWRD) for obtaining a start card for new well construction; acquiring, renewing, or reinstating a water well constructor's license; securing a permit for well construction, alteration, abandonment, or conversion without a licensed well constructor; and for certain continuing education courses. The increases in this bill will maintain existing staffing levels between 2025-2029. The measure applies retroactively to fees charged for services provided on or after July 1, 2025.

### **HB 3156 – PUC Phone Number**

*Chapter Law: 97      Effective Date: January 1, 2026*

The Oregon Public Utility Commission (PUC) is responsible for rate regulation of Oregon's investor-owned electric utilities (Portland General Electric, Pacific Power, and Idaho Power), natural gas utilities (Avista, Cascade Natural, and NW Natural), telephone service providers (landline only), as well as certain water companies. ORS chapter 757 is the statute containing laws on utility regulation. This bill directs the PUC to require each public utility regulated by the Commission to include the phone number for the Commission's consumer services line and the website address for the Commission's online consumer complaint form at the bottom of every utility bill.

### **HB 3342 – Water Right Transaction Process Changes**

*Chapter Law: 282      Effective Date: September 26, 2025*

This bill makes a number of changes to water right transactions within the Oregon Water Resources Department (OWRD). The bill encourages the applicants to use electronic applications and documentation, removes the requirement for newspaper notices; allows

OWRD to pass along credit card fees; allows OWRD to refuse to accept applications for water right in areas that are closed to future appropriations; requires affirmative confirmation from applicant to move forward with application and fee payment; allows proposed final order to become final order as a matter of law if no protests are received; streamlines standing statement process. It provides technical fixes to the withdrawal statutes; clarifies a hearing is not required if the protest is settled, withdrawn or the protestant defaults.

Importantly, the bill removes extensions process for all permits, except municipalities, quasi-municipalities, and group domestic; caps extensions for quasi-municipalities at 20 years and 10 years for group domestic. Lastly, the bill adds that OWRD may deny a groundwater point of appropriation transfer if the point of appropriation is in area that is closed. Most of these changes become operative on April 1, 2026.

### **HB 3364 – Modifications to the Water Conservation, Reuse, and Storage Grant Program**

*Chapter Law: 82      Effective Date: September 26, 2025*

The Water Conservation, Reuse, and Storage Grant Program (commonly known as Feasibility Study Grants) was established through Senate Bill 1069 (2008) to fund studies that evaluate the viability of water conservation, reuse, and storage projects. It supports local governments, tribes, and individuals, with grants awarded annually, typically in the spring. Recipients must provide a 50 percent cost match, and funding is capped at \$500,000. This bill renames the Water Conservation, Reuse and Storage Investment Fund to the Water Project Feasibility Fund. It expands eligible projects to include those involving aquifer recharge, water storage and recovery, and streamflow protection or restoration, along with any additional project types defined by the Water Resources Commission (OWRC) through rulemaking. It allows grants to be awarded to individuals, public bodies, or nonprofit organizations and removes the \$500,000 cap per project. It also reduces grant matching from 50 to at least 25 percent of the grant amount through either cash or in-kind contributions. HB 3364 authorizes OWRC to establish a new maximum allocation per project amount. Finally, the bill modifies planning studies eligible for grants or direct service cost payments to include activities necessary to assess the type, location, design, cost, or other factors affecting the feasibility of a project.

### **HB 3372 – Exempt Well Use Expansion**

*Chapter Law: 283      Effective Date: January 1, 2026*

This bill expands the types of exempt water uses from a domestic well to include watering a commercial garden not exceeding one-half acre in size and limits all types of exempt water uses

for lawn and garden watering to up to 3,000 gallons of water per day. It also specifies that the existing limit for combined water usage for both industrial and commercial purposes does not include water for a lawn or commercial garden. The measure defines “commercial garden” and excludes locations where cannabis plants in the family Cannabaceae are grown, unless grown by a licensed person. Commercial gardens in the Lower Umatilla Basin Groundwater Management Area are not eligible for the measure’s expanded water use exemptions; this restriction sunsets on January 2, 2028.

### **HB 3505 – SDCs and Fire Sprinklers**

*Chapter Law: 83      Effective Date: January 1, 2026*

This bill prohibits local governments from imposing or increasing a system development charge (SDC) for the installation of a National Fire Protection Association 13D residential fire sprinkler system, or for the difference between the increased capacity of a water meter required by the fire sprinkler system and the capacity of the water meter that would be required for the dwelling without the fire sprinkler system installed. The bill was carefully crafted to ensure that water providers can recover lost SDC revenue if new fixtures are added that would have required a larger meter after the sprinkler system has been installed.

### **HB 3544 – Process Improvements for Contested Cases**

*Chapter Law: 575      Effective Date: January 1, 2026*

Under Oregon law, water is regarded as a public resource, and for most uses individuals must secure a water right to lawfully utilize it. Water right applications are reviewed and processed by the Water Resources Department (OWRD). Once approved, these rights are recorded and serve as a basis for the Department's management and allocation of water for both instream and out-of-stream uses. Prior to the issuance of water rights, individuals can file a protest against a proposed final order (PFO) issued by OWRD. Generally, protests are filed because the applicant disagrees with the proposed denial of their application, because an existing water right holder disputes the PFO out of concerns that it will result in injury to their water use, or because a non-applicant that is not a water right holder disputes the PFO for various reasons.

This bill directs the WRD and the Office of Administrative Hearings to establish a default hearing schedule for contested cases to complete hearing processes within 180 days of referral; establishes preferences for oral testimony and remote hearings; allows for assignment of settlement judge to resolve case in 60 days; establishes standards for what must be included in a protest and requires a protest to raise all issues; clarifies a hearing is not required if the protest is settled, withdrawn or the protestant defaults; establishes requirements to request

party status; and allows proposed final order to become final order as a matter of law if no protests are received.

### **HB 3806 – Pilot Program for Deschutes Basin Surface Water Bank**

*Chapter Law: 513      Effective Date: January 1, 2026*

This bill provides the Oregon Water Resources Department (OWRD) the authority to approve a pilot program in the Deschutes River for surface water banking. The bank must also be approved by the Warm Springs Tribe. OWRD will be responsible for distributing and legally protecting portions of water loaned through the bank. HB 3806 establishes a new type of lease/transfer/forbearance agreement, including split rate and duty water use, provided the duty applied does not exceed 4.2-acre feet per acre. The bill also allows entities in the Deschutes Basin to fund a position at the Department to support this work. This pilot program sunsets on January 2, 2034.

### **HB 3910 – Expansion of Criteria for Domestic Water Supply Districts to be a Sanitary Provider**

*Chapter Law: 214      Effective Date: May 28, 2025*

In Oregon, a domestic water supply district is a local government entity established to provide water for domestic use to residents within the district, and in some cases, to individuals outside the district. A sanitary district is a local government entity responsible for managing and providing sanitary services, such as wastewater treatment, sewage disposal, and stormwater management. A domestic water supply district may be authorized to exercise the powers of a sanitary district under certain conditions, including sewage and drainage management, if the associated watershed meets specific criteria outlined in ORS 264.335: Authority to exercise powers of sanitary district. This bill was introduced to address a problem in the community of Mapleton. Specifically, it expands the criteria that authorize a water supply district to exercise the powers of a sanitary district. It requires the district to hold a public hearing and obtain written consent from any existing sanitary district or other service provider operating within the area.

### **SB 761 – Walla Walla Basin Irrigation District Pilot Program**

*Chapter Law: 227      Effective Date: January 1, 2026*

This bill permits an irrigation district within the Walla Walla basin to lease all or a portion of an existing water right for temporary conversion to an in-stream water right, by splitting the rate

and duty of the water right between an existing use and in-stream use. The pilot program sunsets on January 2, 2030.

### **SB 845 – PUC Forced Sale of a Regulated Water Provider**

*Chapter Law: 233      Effective Date: January 1, 2026*

The Oregon Public Utility Commission (PUC) regulates a portion of the state’s 3,500 water systems, including some investor-owned water utilities that provide service to Oregonians, ensuring that they offer safe and reliable water at reasonable rates. Regulated water utilities must adhere to PUC service rules and regulations, which cover areas such as water quality, pressure, customer service, and maintenance. In addition, the PUC investigates complaints to ensure that customers receive safe and adequate water service. Some regulated utilities are required to follow PUC rules concerning rates to ensure that residents receive water service at fair and reasonable costs. This bill authorizes the PUC to order the sale of an incumbent water utility if it cannot reasonably be expected to provide safe and/or adequate service to customers and establishes conditions for acquisition approval.

### **SB 1154 – Ground Water Quality Management**

*Chapter Law: 605      Effective Date: January 1, 2026*

SB 1154, introduced at the request of Governor Kotek, modifies the processes for managing ground water quality contamination concerns, including the declaration of ground water quality concern areas and ground water quality management areas (GWMA) and related responsibilities. It requires coordination among state agencies and local entities to address these areas, including monitoring, action planning, and remediation strategies. The bill authorizes the Governor to appoint a lead agency and an interagency team to develop an assessment, prepare an action plan, implement regulations, and take necessary actions to address ground water quality, while allowing for increased monitoring, reporting, and coordination to protect public health and water resources.

Senate bill 1154 directs lead agencies to report to and seek resources needed to implement that action plan from the legislature. Under the bill, the Water Resources Commission may declare a serious water management problem area based on groundwater quality considerations and adopt rules requiring backflow prevention devices where surface water is the source of water. Additionally, the Oregon Water Resources Department (OWRD) shall inspect backflow prevention devices in GWMA and may issue water rights in a GWMA for public water systems to offset the amount of water provided by abandoned wells.

## **SB 5543 – Water Resources Department Budget**

*Chapter Law: 611      Effective Date: July 24, 2025*

The Oregon Water Resources Department (OWRD) administers laws governing surface and groundwater resources. The Department’s goal is to balance the use of the state’s water among current and future generations of Oregonians. OWRD processes applications for new and transfers of water rights, permits, and certificates; administers hydroelectric relicensing; inspects construction and maintenance of wells and dams; provides technical information and analysis on surface water and groundwater availability; adjudicates pre-1909 and federal reserved water rights; and negotiates Native American reserved water rights. The adopted budget of \$245,064,213 includes \$91,142,469 General Fund, \$24,352,512 Lottery Funds, \$127,379,053 Other Funds expenditure limitation, \$2,190,179 Federal Funds expenditure limitation, and 245 positions (242.75 FTE). The total funds budget is a 13.7% decrease from the 2023-25 legislatively approved budget, and a 5.9% increase from the 2025-27 adjusted current service level.

Investments include \$1.3 million General Fund, \$374,637 Other Funds expenditure limitation, and reestablishes seven positions (7.00 FTE) due to the fee revenue shortfall in water right transaction fees. The Other Funds expenditure limitation is increased assuming revenue from the passage of House Bill 2803 (2025), which raises most water right transaction fees by 50% and raises dam safety fees in a range between 56% and 58%. The portion of the package in the Administrative Services Division provides \$227,328 General Fund and re-establishes one Water Resource Data Technician (1.00 FTE). It includes funding in the Field Services, Technical Services, and the Water Right Services divisions. In total, the package provides \$290,165 General Fund to backfill a revenue shortfall for the State Scenic Waterways program. Six positions are funded partly by General Fund and partly by a transfer from the Oregon Parks and Recreation Department.

## **WATER – Bills that Failed**

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### **HB 2168 – Funding for Well Abandonment and Septic Systems**

This bill would have required Oregon State University (OSU) Extension Service to establish a program to aid households that rely on wells for drinking water or on septic systems for wastewater treatment and appropriated \$2.5 million from the General Fund for implementation. The measure would have also appropriated \$5 million from the General Fund to the Oregon Water Resources Department (OWRD) for deposit into the Water Well

Abandonment, Repair, and Replacement Fund and \$5 million to the Oregon Department of Environmental Quality (DEQ) for Oregon’s low-interest loan programs for residential or small business on-site septic systems.

### **HB 2988 – Aquifer Recharge and Aquifer Storage and Recovery**

Aquifer recharge (AR) and aquifer storage and recovery (ASR) are processes—either natural or man-made—that involve moving water underground to replenish groundwater in aquifers for beneficial purposes. While AR and ASR are sometimes used interchangeably; they are distinct processes with different goals. AR focuses solely on replenishing aquifer water, whereas ASR is designed to store water for future retrieval and use. This bill would have required the Oregon Water Resources Department (OWRD), in consultation with the Department of Environmental Quality (DEQ), the Oregon Department of Fish and Wildlife (ODFW), the Oregon Health Authority (OHA), other state agencies and interested parties, to identify and reduce barriers to, as well as develop technical assistance resources for, expanding AR and ASR in Oregon.

### **HB 3106 – Water Data Portal**

In 2021, the Oregon Legislative Assembly passed House Bill 5006, which allocated \$350,000 to the Department of Environmental Quality (DEQ) to begin the initial scoping and design of a database framework for water and infrastructure data. This initiative, later named the Oregon Water Data Portal (OWDP), which aims to serve as a centralized resource for public access to critical water and infrastructure information, supporting informed decision-making on water resource management across the state. The initial scoping and planning phase for the OWDP was successfully completed in June 2023.

In 2023 additional funding was appropriated to DEQ to identify technical tools and software for the OWDP and create a pilot version. The pilot OWDP currently exists in a beta version. This bill would have created the Integrated Water Data Team, specified membership, and established the Oregon Department of Geology and Mineral Industries (DOGAMI) as the lead agency unless designated otherwise by the Governor. It directed DOGAMI to work with the data team to create and maintain the statewide integrated water data portal that provides a single point of access for water-related data. HB 3106 would have established the Integrated Water Data Account and continuously appropriated money in the data account to DOGAMI.

### **HB 3116 – Money for Place-Based Water Planning**

This bill would have appropriated \$500,000 General Fund moneys to the Oregon Water

Resources Department (OWRD) for the biennium beginning July 1, 2025 for the following purposes:

- Implement and report on recommendations from the evaluation of the place-based water planning program and recommendations of the regional water planning and management group.
- Produce, or contract to produce, a prototype for a water basin assessment that is consistent with the Integrated Water Resources Strategy and could form the technical basis for water planning.
- Develop and document recommendations regarding a proposed schedule and sequence for completion of basin assessments in basins across the state.
- Best practices and lessons learned related to water planning and basin assessments; and opportunities to reduce the cost of, or expedite completion of, water basin assessments, including by contracting for development of water basin assessments.

The bill would have appropriated \$3.35 million General Fund money to OWRD for deposit in the Water Resources Department Water Supply Fund. It also would have increased OWRD's General Fund expenditure limitation made through enrolled Senate Bill 5543 (OWRD's 2025 budget) for specified expenditures by \$3.35 million for the biennium beginning July 1, 2025 for grant distribution to implement actions advancing state-recognized place-based integrated water resources plans that are supported by an associated planning group: \$1.1 million to the High Desert Partnership; \$500,000 to Union County; and \$1.1 million to the Gilliam County Soil and Water Conservation District.

### **HB 3121 – Funding for the Oregon Association of Water Utilities (OAWU)**

This bill would have appropriated \$2.5 million from the General Fund to the Oregon Department of Administrative Services (DAS) and directs DAS to distribute the moneys to the Oregon Association of Water Utilities in order to provide technical assistance, develop a water utility training center, and hire three staff to support small and very small community water systems in Oregon. The bill was referred to the Ways and Means Committee where it remained upon adjournment.

### **HB 3314 – Algal Blooms in Ross Island Lagoon**

HB 3314 would have appropriated a total of \$1.02 million from the General Fund to the Department of Administrative Services (DAS) to be distributed to the Human Access Project to

work in partnership with Oregon State University to mitigate harmful algal blooms in the Ross Island lagoon. The bill remained in the Ways & Means Committee upon adjournment.

### **HB 3341 – Community Drinking Water Enhancement and Protection Fund**

Currently, 2.8 million Oregonians, from 163 communities, source their water from forested watersheds. Pollution sources for these watersheds include landslides, eroding stream banks, agricultural fertilizers and herbicides, and infrastructure builds like boat ramps. The Community Drinking Water Enhancement and Protection Fund was established in 2023 through House Bill 2010 when the Legislature allocated \$5 million into the fund. It provides grants to public water suppliers to protect, restore, or enhance sources of drinking water through land acquisition and conservation. This bill would have appropriated \$5 million from the General Fund to the Oregon Watershed Enhancement Board for deposit in the Community Drinking Water Enhancement and Protection Fund.

### **HB 3484 – General Fund Backfill for OWRD**

This bill was intended to provide General Funds increases the Oregon Water Resources Department (OWRD) made through the department’s budget (SB 5534) by \$227,328 for the biennium beginning July 1, 2025, for positions related to water right transaction processing activities. It would have increased the General Fund appropriation for water rights and adjudications to OWRD, made through the department’s budget, by \$1,464,003 for the biennium beginning July 1, 2025, for positions related to water right transaction processing activities. The intent behind this bill was to supplement funding resulting from the reduction in fees for the department contained in HB 2803, the fee bill for OWRD.

### **HB 3527 – Ratepayer Assistance**

In 2021, during the COVID-19 public health emergency, the federal government provided \$11.44 million to Oregon to assist low-income households with costs associated with the provision of water and wastewater services. Funded through the Consolidated Appropriations Act of 2021 (Public Law 116-260) and the American Rescue Plan Act (ARPA) of 2021 (Public Law 117-2), the Low-Income Household Water Assistance Program (LIHWAP) provided over 18,000 low-income Oregon households with bill payment assistance for their past-due and current water and wastewater services expenses. LIHWAP funds were dispensed through the Oregon Housing and Community Services Department and expired in 2024.

HB 3527 would have established the Public Drinking Water, Stormwater and Sewer Ratepayer Assistance Fund and directed the Oregon Housing and Community Services Department to provide grants from Fund moneys to qualified organizations to distribute water, sewer, and stormwater bill payment assistance to low-income residential households. It directed the Department to adopt rules for the administration and implementation of fund distribution and appropriated \$11 million in General Fund money to the assistance program.

### **HB 3570 – Inventory of Drinking Water, Wastewater, and Stormwater Infrastructure**

The amendment to this bill would have directed the Oregon Business Development Department (OBDD) to develop and update an inventory of infrastructure and community facilities, assigned responsibility to the Legislative Policy and Research Office (LPRO) to prepare a report that described the funding needs and models for community water infrastructure projects, and directed the Legislative Revenue Office to prepare a report on revenue-raising options to support drinking water, wastewater, and stormwater infrastructure projects.

### **HB 3634 – Water Workforce Program**

House Bill 3634, introduced at the request of the League of Oregon Cities (LOC), would have established a Water Workforce Program in the Higher Education Coordinating Commission (HECC) to make grants to local workforce development boards for initiatives for the water and wastewater utilities sector, as well as water science, technology, and engineering. It would have required HECC and local workforce development boards to enter into agreements indicating the purposes of the funds and outlining reporting requirements. The measure would have required HECC to report to the Legislative Assembly every two years on the outcomes of the program. Lastly, it would have appropriated \$3.5 million to HECC for distribution to local workforce development boards and required HECC to establish a process and criteria for distributing funds within six months of the effective date, in consultation with education and industry entities.

### **HB 3700 – Water Wastewater Operator Reciprocity**

This bill, introduced at the request of the League of Oregon Cities (LOC), would have required the Environmental Quality Commission (EQC) to adopt rules to provide sewage treatment certification to individuals who were certified in another state. The measure required the Oregon Health Authority (OHA) to adopt rules to provide water treatment certification to

individuals who were certified in another state. It required the standards adopted by the EQC and the OHA regarding the relevant certification to ensure that anyone receiving an equivalent certification had the appropriate education and experience.

### **HB 3939 – Infrastructure Funding for Cities**

During the 2024 the legislature established a framework in which the Oregon Business Development Department (OBDD) provides grants to cities for infrastructure projects within urban growth boundaries, linking these improvements to planned housing developments. This bill would have appropriated \$25,850,000 to the OBDD for the expansion of the residential infrastructure grant program to several cities.

### **SB 427 – Diminishment of Streamflow from Water Right Transfers – Automatic Denial**

In Oregon, a transfer is the only mechanism to change an existing water right. The Oregon Water Resources Department (OWRD) may not approve a transfer if the transfer would (i) enlarge or expand an existing water right in any way, or (ii) cause injury to *any* other existing water right on the water system. This bill, introduced by a consortium of environmental groups, would have introduced a third standard that would have required OWRD to determine whether a proposed transfer would result in a “diminishment of streamflow.” If a diminishment of streamflow would be caused by the transfer, it required OWRD to deny the transfer altogether.

### **SB 1153 – Restrictions on Water Right Transfers**

Senate Bill 1153 was introduced at the request of Governor Kotek. As originally introduced, it would have required that water right applications or transfers not result in a loss of in-stream habitat for sensitive, threatened, or endangered aquatic species in stream reaches not protected by an existing water right or contribute to water quality impairment in water quality limited streams. The proposal applied to a:

- Change in the point of diversion (POD), point of appropriation, or application to allow the appropriation of groundwater or use of water on land to which right is not appurtenant (place of use).
- Water right application or change in place of use of a water right that proposes the use of water outside of basin of origin.

- Transfer of a supplemental water right or permit; or a proposed change when a government action results in or creates a reasonable expectation of change in surface water level that impairs or threatens access to a POD.
- Change in type of use of stored water, a temporary transfer of primary and supplemental water rights or a change to the point of diversion to allow use of groundwater instead of surface water under existing water right.

It directed the Water Resources Department (OWRD) to offer federally recognized tribes an opportunity to review water right transfer applications within specific areas and provide information to OWRD if a proposed transfer would cause injury to tribal or other existing water rights; enlarge a water right; impact a tribal cultural resource; result in a loss of in-stream habitat for sensitive, threatened, or endangered aquatic species in stream reaches not protected by an existing water right; or contribute to water quality impairment in water quality limited streams to tribal water rights. The bill also authorized OWRD to condition water right transfers with water use and water level measurement and reporting and the installation of fish screening or bypass devices. Specifies that the conditions apply to an entire water right regardless of the change that is proposed.

A workgroup was formed to negotiate this bill. SDAO and League of Oregon Cities were represented at the table. After nearly a month of negotiation, the Governor's office agreed to exempt municipal water rights under the bill. That bill was then considered but never moved out of the Senate Rules Committee. Related bills that were introduced on this topic included HB 3501 and SB 427.

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# 2025 LEGISLATIVE SESSION

FINAL REPORT