



**2026 OREGON LEGISLATIVE SESSION**  
CITY OF SALEM LEGISLATIVE REPORT

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## 2026 LEGISLATIVE SESSION OVERVIEW

Oregon's 2026 Legislative Session convened Monday, February 2 and adjourned Friday, March 6, two days ahead of the constitutional sine die. 304 bills were introduced, and 155 measures advanced. Legislators focused on a budget re-balance and changes in tax law to mitigate impacts from federal legislation, as well as transportation funding, and adjustments to polices in response to immigration enforcement.

## 2026 LEGISLATIVE BILL REPORT

During the 2026 Legislative Session 107 bills were analyzed by City staff for potential impact to City of Salem, 55 of those bills passed, and 7 measures were considered and approved for position by City Council. The City of Salem submitted two priority funding requests, \$2.75 million to support the Safe, Clean, and Healthy Capital City program, and \$1.35 million to support McNary Field Resiliency and Emergency Capabilities with Terminal Master Plan. As part of the budget reconciliation package, the Legislature included a \$1.35 million allocation for City of Salem to support the airport related funding request.

The following summarizes information for the 7 priority bills and the 2 budget reconciliation bills.

### HOUSE BILL 4005 EN

**Bill Summary:** Designates the first Saturday of October of each year through the end of the Sunday of the following weekend as Water Professionals Appreciation Week.

**Status:** Enrolled, Chapter 5 (2026 Laws)

**Effective Date:** June 5, 2026

**Position:** Support

**What the Measure Does:** The measure designates an annual Water Professionals Appreciation Week from the first Saturday in October through the end of the following Sunday to encourage public water and wastewater agencies to host educational outreach events and to promote public awareness of the industry and career opportunities in Oregon.

**City of Salem Staff Review:** Water Professionals Appreciation Week is a designated time to recognize and thank the water and wastewater professionals who ensure communities have safe, reliable water and sanitation services. It highlights the essential, often behind-the-scenes work of operators, engineers, technicians, and support staff who protect public health and the environment. The week also helps raise public awareness about the value of water services and promotes careers in the water industry.

### HOUSE BILL 4036 EN

**Bill Summary:** ds to be used by the Housing and Community Services Department to preserve affordable housing at risk of loss. Requires the department to, with input from stakeholders, report to the interim committees of the Legislative Assembly relating to housing on or before December 1, 2026, on legal and policy barriers to affordable housing production.

**Status:** Enrolled, Awaiting Governor's Signature

**Effective Date:** March 6, 2026

**Position:** Support

**What the Measure Does:** The measure establishes the Housing, Opportunity, Longevity and Durability (HOLD) Fund, which is continuously appropriated to the Housing and Community Services Department (HCSD) to

preserve affordable housing at risk of loss due to expiring federal or local affordability restrictions, financial distress, and physical rehabilitation needs. The measure authorizes the use of bond proceeds, including general obligation bonds of the state, to support affordable housing preservation and allows HCSD to cover administrative and bond-related expenses. HCSD is required to report to the Legislature with recommendations and feedback from housing partners on possible changes to state laws, agency policies, practices, and rules that to improve the operation of affordable housing. The measure revises the definition of affordable housing in physical distress to include building systems, components, or materials that have exceeded or are reasonably expected to exceed their effective useful lives.

**City of Salem Staff Review:** This legislation (HB 4036) is the top housing priority for our statewide housing associations this session, including the Housing Authorities of Oregon, the Housing Alliance, and Housing Oregon. Given the limited availability of General Fund resources for additional housing investments, stakeholders have focused on expanding the allowable uses of general obligation bonds to support affordable housing preservation, in addition to new construction. The Department of Justice recently issued a written opinion affirming that general obligation bonds may be used for this purpose, and the Legislature is expected to receive this guidance during the first week of session. This clarification is significant because, while General Fund capacity is constrained, the Legislature currently has more than \$500 million in bonding capacity. This bill leverages that capacity and aligns with the City's established priorities to expand and preserve affordable housing.

#### **HOUSE BILL 4085**

**Bill Summary:** Allows a person to operate an autonomous vehicle with the automated driving system engaged without a grant of driving privileges if certain conditions are met. Requires an automated driving system to be able to achieve a minimal risk condition or issue a request to intervene. Requires an autonomous vehicle to operate in compliance with state vehicle laws and comply with federal safety standards. Provides for exemptions. Allows the Department of Transportation to grant an autonomous vehicle that operates exclusively by an automated driving system and without an onboard driver an exemption to any state equipment requirement. Requires a person operating an autonomous vehicle that is involved in a collision that results in damages to property to perform certain duties. Exempts a person operating an autonomous vehicle from other certain duties of a driver. Prescribes financial responsibility requirements for a person operating an autonomous vehicle. Authorizes a person to operate an autonomous vehicle for the purpose of transporting persons or property for hire if the person provides certain information to the department and provides a first responder interaction plan. Prescribes that authorization does not expire unless suspended or revoked. Exempts autonomous vehicles and on-demand autonomous vehicle networks from provisions related to motor carriers. Prohibits local governments from regulating, imposing a tax or fee on or requiring a license or permit for on-demand autonomous vehicle networks. Prohibits local governments from prohibiting or regulating the operation of autonomous vehicles or on-demand autonomous vehicle networks.

**Status:** In Committee Upon Adjournment

**Position:** Oppose Unless Amended

**What the Measure Does:** Allows the use of a self-driving vehicle without a license or permit, and the use of a self-driving vehicle for move people or property for hire. It comes before local laws and rules. Allows a person to operate an autonomous vehicle (AV) with the automated driving system engaged without a grant of driving privileges under certain conditions, provided the system is capable of achieving a minimal risk condition or can issue a request to intervene. Stipulates the need for conformity with state vehicle laws and federal safety

standards. Authorizes Oregon Department of Transportation to grant an AV operating exclusively under a self-driving system and without an onboard driver an exemption to any state equipment requirement. Outlines responsibilities for AV operator involved in collision that results in damages to property. Exempts AV operators from other certain driver duties. Prescribes financial responsibility requirements for AV operators. Authorizes persons to operate AVs to transport persons or property for hire once certain conditions are met and specifies that such authorization does not expire unless explicitly suspended or revoked. Exempts AVs and on-demand AV networks from provisions related to motor carriers. Preempts local government regulations, taxes, and fees on on-demand AV networks.

**City of Salem Staff Review:** HB 4085 establishes regulations for self-driving vehicles at the state level, but preempts local laws and rules. The City opposes regulations that prohibit local control. Oppose unless amended to remove prohibitions on local government authority.

#### HOUSE BILL 4094 A

**Bill Summary:** Requires employers that provide, by written policy or employment contract, for the payment of earned or accrued but unused paid time off upon termination to make such payments in accordance with statutory requirements governing final wages.

**Status:** In Committee Upon Adjournment

**Position:** Oppose

**What the Measure Does:** The measure requires employers who provide paid vacation time to compensate employees at one hundred percent of the employee's rate of pay, for all earned or accrued, but unused paid vacation time when employment ends. The payment of vacation time must be done in accordance with existing timelines for payment of wages on termination of employment. It does not prevent an employer from adopting a written policy regarding accrual, use, or forfeiture of unused of paid vacation time. requires employers, pursuant to an employment contract or an employer's policy, to provide for the payment of earned or accrued, but unused paid vacation time, upon termination of employment. The payment of vacation time must be done in accordance with existing timelines for payment of wages on termination of employment.

**City of Salem Staff Review:** HB 4094 would result in a significant, unplanned financial expense to the City. As drafted, HB 4094 would require public employers pay all unused vacation accruals for employees at time of separation. Our concern extends to health and well-being of public sector employees who would be incentivized to take fewer vacation hours for the benefit at the end of their employment.

#### HOUSE BILL 4161 EN

**Bill Summary:** Provides exceptions to the prohibited use by a public official of official position or office to obtain financial gain or avoid financial detriment that permit a public body to give public officials food, beverages and merchandise.

**Status:** Enrolled, Awaiting Governor's Signature

**Effective Date:** March 5, 2026

**Position:** Support

**What the Measure Does:** The measure provides an exception to Oregon ethics law that allows a public body to provide food and beverages to public officials during meetings, other official events, or when required by

state law or rules. It also allows a public body to provide merchandise to public officials if the cost does not exceed \$100 in a calendar year or as provided by the public body's policies.

**City of Salem Staff Review:** HB 4161 changes ORS 244.040 to add two additional categories of items a public official may receive without it constituting an ethics violation. HB 4161 would allow public officials to receive: 1) Food and/or beverage provided by a public body "during meetings or other official events held by the public body;" and 2) Merchandise provided by the public body totaling less than \$100/year in value. HB 4161 is a statutory "fix" to a decision by the Oregon Government Ethics Commission that food and beverages provided by a public body is a financial gain to a public official and is subject to Oregon's ethics laws. HB 4161 will allow the City to provide food and beverage to employees, as well as token merchandise, retirement gifts, thank you presents and so forth without violating state ethics law or otherwise classifying the items as part of an official compensation package. The City should support the bill, as it will allow the City to do away with the cumbersome policy making food and beverage part of employees' official compensation packages. The bill will also allow for practices of employee appreciation – purchasing of treats, coffee, swag, donuts, etc. Things such as City purchased retirement gifts, birthday gifts, anniversary gifts and so forth would be allowed.

#### **HOUSE BILL 4177 EN**

**Bill Summary:** Restates the serial communications prohibitions for public meetings law purposes. Identifies the types of communications between governing body members that are excluded from public meetings requirements. Changes the obligation to provide notice for meetings from a governing body to the public body for each of its governing bodies. Changes the obligation to provide for the sound, video or digital recording or the taking of written minutes from a governing body to the public body for each of its governing bodies. Clarifies that public meetings may be held in person, through use of electronic means or in a hybrid format of in-person and electronic means. Requires public meetings law complainants to provide specified documentation to the Oregon Government Ethics Commission before complaints are considered filed. Requires complainants to proceed in court if the complaint alleges a public meetings law violation by one or more members of the commission. Modifies requirements concerning which public officials must attend public meetings law training and when those officials must attend the training. Allows the commission to proceed against a public body or a public official associated with a public body for violations of public meetings laws. Establishes methods by which governing bodies and public bodies may cure public meetings law violations under certain circumstances. Clarifies the imposition of penalties by the Oregon Government Ethics Commission against public bodies and public officials.

**Status:** Enrolled, Awaiting Governor's Signature

**Effective Date:** June 5, 2026

**Position:** Support

**What the Measure Does:** HB 4177 modifies provisions relating to Oregon's public meetings law. The measure expands mandatory training requirements administered by the Oregon Government Ethics Commission. Additionally, the measure authorizes the commission to impose a civil penalty on a public body, rather than on public officials, for violations related to administrative errors under public meetings law. Provides \$325,950 General Fund to the commission to implement the measure.

**City of Salem Staff Review:** Under Oregon's Public Meetings Law, any deliberation involving a quorum of a public body must occur in a public meeting. Currently "deliberation" is defined as any discussion or communication that is "part of the decision-making process." This definition is unclear, and the Oregon

Government Ethics Commission (OGEC) has taken a very expansive view of what is included in deliberations, including discussions such as routine information-gathering, identifying issues, and discussions that are not decision related. Additionally, OGEC has taken the view that public officials may violate Public Meetings Law with respect to meeting in private and serial communications regardless of the officials' intent. OGEC's interpretations have had a chilling effect on local government officials and the ability of public bodies to do their work.

HB 4177 would amend Oregon's Public Meetings Law to provide a clearer definition of what constitutes a deliberation, namely that the discussion or communication be one in which the members of a governing body "examine, weigh or reflect upon the reasons for or against a decision that is subject to the jurisdiction of the governing body." HB 4177 also makes it clear that Public Meetings Law does not apply to communications that are purely procedural; purely factual or educational; are made to the media, constituents, or members of the public; or are information gathering. HB 4177 also amends Public Meetings Law to prohibit a quorum from meeting in private or using serial communications for the purpose of deliberating or the purpose of circumventing meeting publicly. This would serve to give protections to public officials who engage in conversations not intending to violate the Public Meetings Law.

HB 4177 extends the period of time for filing a grievance from thirty to ninety days. Under HB 4177 the public body must still respond to the grievance within twenty-one days but is no longer required to admit or deny the facts and circumstances alleged and whether a public meetings law violation has occurred. Under HB 4177, a public body may cure a violation stated in a grievance by either rescinding the violation or acknowledging the violation in a public meeting and giving good cause for not rescinding the violation. Purely procedural errors may be cured by correcting procedures to ensure it won't happen again. HB 4177 prohibits OGEC from considering a complaint alleging a violation of the Public Meetings Laws if the complainant has not first filed a grievance.

HB 4177 requires that the OGEC proceed against the public body instead of a public official if it is determined that the complaint alleges an administrative error, which includes typos on an agenda, linked documents errors, and public meetings notice errors.

HB 4177 also amends Oregon's Public Meetings Law to update the manner in which public meetings may be held to include in person, or through electronic or telephonic means, or a combination thereof.

#### **SENATE BILL 1567 EN**

**Bill Summary:** Authorizes the Housing and Community Services Department to fund mixed income housing. Requires the department to develop a mixed income housing loan program. Establishes the Mixed Income Development Loan Fund for such purposes. Transfers moneys to the fund from the Housing Project Revolving Loan Fund. Requires the department to adopt initial program rules by January 1, 2027.

**Status:** Enrolled, Chapter 91 (2026 Laws)

**Effective Date:** June 5, 2026

**Position:** Support

**What the Measure Does:** SB 1567 establishes the Mixed Income Development Loan Fund and includes a transfer of \$20 million from the Housing Project Revolving Loan Fund into the new fund. The Housing and Community Services Department will utilize the monies in the fund to provide below-market, short term loans

for the development of mixed income housing. The loans must be made subordinate to other private loans on the property, unless the private lender agrees otherwise. The Department will administer the program with existing staff. Should the measure become law, expenditure limitation for loan-related expenditures will be included in the 2026 omnibus budget reconciliation bill.

**City of Salem Staff Review:** The Salem Housing Authority (SHA) supports funding that allows more flexibility in the rent structure and varying income restrictions. This assists with financial feasibility as well as the ability to provide a space equally to a wide range of income levels. There is a severe shortage of moderate/middle income units within the City of Salem, and the community at large (Residents, developers, and operators) would benefit from this type of funding mechanism. It allows for a wider range of qualified applicants and equal opportunity to housing units within a development.

### **SENATE BILL 5701 EN**

**Bill Summary:** Modifies amounts authorized for issuance of debt instruments for the biennium. Authorizes issuance of bonds and certificates of participation for Moda Center capital improvement in the current biennium and subsequent biennium, subject to certain conditions. Modifies previously approved lottery bonding provisions. Authorizes issuance of various lottery bonds. Provides that the Oregon State University Cascades Student Health and Recreation Center project is subject to certain requirements related to apprenticeship, outreach and benefits.

**Status:** Enrolled, Awaiting Governor's Signature

**Effective Date:** March 6, 2026

**Position:** Watch

**What the Measure Does:** SB 5701 limits the maximum amount of bonds and third-party financing agreements that state agencies may issue, as well as the amount of revenue that state agencies may raise from such issuance. The proceeds from the issuance of bonds are included as revenues in agency budgets. The Capital Construction Subcommittee recommendations include the following: • \$45.7 million of Article Eleven-G and Article Eleven-Q bonds to finance two public university projects, as well as a shift in the type of general obligation bonds authorized for a previously approved public university project. • \$3 million decrease in Article Eleven-G bonds to reflect a requested project change for one community college project. • \$15.2 million of Article Eleven-F bonds to finance one public university project that will be supported with university revenues. • \$100.9 million of Article Eleven-Q bonds for the Local Innovation and Fast Track Affordable Rental Housing Program and Housing Opportunity, Longevity, and Durability Fund for affordable housing preservation. • \$2.1 million of Article Eleven-Q bonds to finance state park acquisitions. • \$367.6 million of either Article Eleven-Q bonds or certificates of participation to finance capital improvements to the Moda Center and surrounding plaza areas over two biennia, contingent on satisfying the requirements listed in SB 1501. • \$84.6 million of lottery revenue bonds to support 24 projects, modify one previously authorized project, and repeal one project that is no longer moving forward due to insufficient matching funds.

**City of Salem Staff Review:** HB 5701 is the bond authorization bill and contains allocations for 2026 Capital Funding requests. HB 5701 - Section 25 allocates \$1.35 million to City of Salem to support McNary Field Resiliency and Emergency Capability and Terminal Master Plan.

## HOUSE BILL 5204 EN

**Bill Summary:** Establishes and modifies certain biennial appropriations made from the General Fund to specified state agencies and the Emergency Board. Establishes and modifies limitations on expenditures for certain biennial expenses for specified state agencies.

**Status:** Enrolled, Awaiting Governor's Signature

**Effective Date:** March 6, 2026

**Position:** Watch

**What the Measure Does:** HB 5204 is the omnibus budget reconciliation bill for the 2026 legislative session. The measure modifies state agencies' 2025-27 legislatively approved budgets and adjusts General Fund appropriations to the Emergency Board.

**City of Salem Staff Review:** HB 5204 is the omnibus budget bill (Christmas Tree Bill). HB 5204 - Section 35 allocates \$1.35 million to City of Salem to support McNary Field Resiliency and Emergency Capability and Terminal Master Plan.

## LEGISLATIVE CALENDAR

The Legislature will continue to meet during the interim in preparation for the next legislative session, the following is a list of important dates and deadlines.

- Primary Election – May 19, 2026
- Revenue Forecast – May 20, 2026
- Interim Legislative Days – June 15 – 17, 2026
- Revenue Forecast – August 26, 2026
- Interim Legislative Days – September 8 – 10, 2026
- Pre-session Request Deadline – September 11, 2026\*
- General Election – November 3, 2026
- Revenue Forecast – November 18, 2026
- Pre-session LC Drafts Returned – December 1, 2026\*
- Interim Legislative Days – December 1 – 3, 2026
- Pre-Session Filing Deadline – December 11, 2026\*

\*2027 Presession filing deadlines

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