

2026 STATE LEGISLATIVE AGENDA

Date: September 22, 2025

Department: GAPD

Meeting Date: October 9, 2025

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Advisor

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Length: 45 minutes

ISSUE STATEMENT

This work session is an opportunity to discuss Metro Council's objectives for the 2026 Oregon legislative session that will begin on February 2, 2026. The current political climate and proposed legislative priorities will be discussed. Additional concepts will be presented at a subsequent work session later this winter for final adoption of the Council's Legislative Priorities and Principles in December or January.

ACTION REQUESTED

The Council may wish to discuss specific legislative concepts or principles or direct staff to develop additional legislative concepts before adopting its legislative agenda prior to the start of the 2026 legislative session.

IDENTIFIED POLICY OUTCOMES

Support Metro's policy goals through engagement with the Oregon State Legislature.

POLICY QUESTION(S)

- Does the Council wish to confirm or change existing policy direction under which staff is currently operating with respect to issues that are likely to surface in 2026?
- Are there additional topics for which the Council would like to adopt legislative positions?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Council's Legislative Principles and an issue sheet for potential 2026 Legislative Priorities are attached. There are more issue sheets forthcoming.

STAFF RECOMMENDATIONS

See individual issue sheets and Council's Legislative Principles.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

2026 session

The 2026 Legislative session is a short session lasting roughly a month. Unlike long sessions, short sessions focus on necessary budgetary tweaks, passing technical fixes and a few pieces of policy legislation. It is uncommon for large, controversial pieces of legislation or significant budget changes to occur. Many parties approach the short session with only

one or two minor bills. The session is also deliberately structured to be limited as legislators are only allowed to file a small number of bills.

Elections

The 2026 election will impact the 2026 legislative session as legislators begin to seriously contemplate running again, seeking other offices or retiring from the Legislature. There are some changes that we are aware of already. There will be additional changes in the Senate stemming from the 2023 walkout. As a result of the walkout, ten Senate Republicans were ineligible for reelection. Six senators were replaced in 2024 and the remaining four will be replaced in the 2026 election. Of the remaining four, two are considered competitive districts. In addition, one of those four, Senator Bonham, announced his resignation effective October 5. County commissioners are tasked with appointing his replacement and will have to do so in the 30 days following his resignation. Additionally, Rep. Anessa Hartman and Rep. John Lively will not be seeking re-election in 2026. Both represent purple districts. As we approach the 2026 session, we anticipate additional retirements from the Legislature.

The Governor and Oregon Bureau of Labor and Industries Commissioner are also up for re-election in 2026. Those seats are both held by incumbents that staff anticipates will run again.

Special Session for Transportation Reinvestment

During the interim, the Governor convened a special session to pass a transportation reinvestment package. The special session convened on August 29th and, as of the writing of this report, has not adjourned. The special session was originally scheduled to span Labor Day weekend but the absence of a Democratic Senator due to health concerns has delayed the final vote by several weeks. The bill has passed the House but not the Senate.

Legislature overview

The Legislature continues to experience turnover in leadership with a newly-elected Senate Minority Leader and uncertainty in the House Minority Office. After Senator Bonham announced his resignation, the caucus elected Senator Bruce Starr as the new Senate Minority Leader. Coupled with the resignation announcement, Senator Bonham endorsed current House Minority Leader Christine Drazen for his seat. If she is appointed to the vacant senate seat, then we will see a new House Minority Leader for the 2026 short session. The Metro region is well represented in legislative leadership. Senate President Wagner, Senate Majority Leader Jama and House Majority Leader Bowman all reside in our region. Both co-chairs of ways and means are also from our region.

Until September of 2025, the Democrats held an exact three-fifths super majority in both chambers. This is threshold for revenue raising votes but falls shy of the two-thirds necessary to achieve quorum. In September, Rep. Javadi switched his party affiliation from Republican to Democrat. This increases the margins in the House for Democrats.

The Oregon State Capital building is still under construction and is not slated for finish until 2027. While what portions of the building will be closed down for the 2026 session is still

being determined, staff anticipates that it will be similar to prior sessions with cramped corridors, large parts of the building inaccessible and constant construction noise. This continues to make the legislative process challenging.

Revenue Forecast

The September 2025 revenue forecast projected a shortfall of approximately \$888 million dollars in revenue for the current 2025-2027 fiscal year. This is due to federal tax code changes from H.R. 1. Oregon has a rolling connect policy that ties Oregon's tax code to the federal tax code. Legislators had set aside \$472 million at the end of the 2025 session, but this buffer quickly evaporated and left a deficit of \$373 million for legislators to tackle during the 2026 session. In mid-September, Governor Kotek directed all state agencies to slow all spending by holding vacant positions open longer, reducing spending on supplies and services, slowing down implementation of new programs, and reducing all out of state travel costs for conferences and trainings. Additionally, cuts to federal programs are projected to reach \$15 billion over the next ten years.

Legislative session priorities

Staff anticipates that revenue and budget conversations will dominate the 2026 short session. The cuts to federal programs and revenue shortfall will lead to difficult conversations and budget cuts across the board.

Next Steps

Metro's legislative agenda setting process is iterative. Staff has begun to meet with Metro departmental leadership, jurisdictional partners, state partners and community-based partners to share respective initial priorities and learn what partners are pursuing. As part of our commitment to racial equity, part of our outreach will be to culturally-specific and Black, Indigenous and People of Color organizations to ensure that we are incorporating, as appropriate, their legislative priorities. The drafts before you represent our initial conversations, and we will continue those conversations through the fall. Staff aims to have a finalized draft for your continued deliberation in November before final adoption in December or January.

BACKGROUND

Council adopts a State Legislative Agenda and State Legislative Principles annually. This is the first meeting to discuss the next iteration of Council's legislative priorities and principles.

ATTACHMENTS

1. 2026 State Legislative Principles (DRAFT)
2. Battery EPR Issue Sheet