

2026 STATE LEGISLATIVE AGENDA

Date: December 22, 2025

Department: GAPD

Meeting Date: January 8, 2026

Prepared by: Kyung Park, State Affairs
Advisor

Presenters: Anneliese Koehler, Legislative
Affairs Manager; Kyung Park, State Affairs
Advisor

Length: 30 minutes

ISSUE STATEMENT

This Council meeting is for Council to adopt the 2026 State Legislative Priorities and 2026 State Legislative Principles. Proposed legislative priorities and principles will be discussed.

ACTION REQUESTED

The Council may adopt its state legislative agenda for 2026.

IDENTIFIED POLICY OUTCOMES

Support Metro's policy goals through engagement with the Oregon State Legislature in 2026.

POLICY QUESTION(S)

Does Council wish to approve the 2026 State Legislative Priorities and Principles, updated in Council discussions in October and December?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

See attachments for State Legislative Principles and State Legislative Priorities. These are final drafts and are here for final adoption. Discussions with Council in October and December are reflected in the final document.

STAFF RECOMMENDATIONS

Approve Council's 2026 state legislative agenda.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Over the course of the last six months, we met with Metro Departmental leadership, community organizations, jurisdictional partners and legislators to discuss possible state legislative priorities. In addition, Metro Council had work sessions in October and December to discuss the initial drafts of the state legislative agenda. We have incorporated all this feedback into our presentation to you today and are here seeking final adoption of the state legislative agenda for 2026.

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 appointed Rep. Christine Drazan to fill the vacancy. Additionally, Rep. Anessa Hartman, Rep. Ken Helm, and Rep. John Lively will not be seeking re-election in 2026. 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 anticipate will run again.

Legislature overview

The Legislature continues to experience turnover in leadership with a newly elected Senate Minority Leader and House Minority Leader. After Senator Bonham announced his resignation, the caucus elected Senator Bruce Starr as the new Senate Minority Leader. Then House Minority Leader Christine Drazan was appointed to Senator Bonham's seat, creating a vacancy in House Republican leadership. Rep. Lucetta Elmer from McMinnville is the new House Minority Leader.

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.

The Metro region will also have two new Representatives for the short session. Rep. Hoa Nguyen passed away this fall and is replaced by Lamar Wise. Rep. Christine Drazan moved over to the Senate and Rep. Matt Bunch was appointed to the House.

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 but some portions of the building have reopened. The rotunda, café, and additional hearings rooms should be accessible in the 2026 session.

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. In addition, all state agencies have been asked to present 5 percent budget cut scenarios.

The December 2025 revenue forecast closed the deficit to \$63 million due to an unexpected increase in corporate tax receipts. The increase in corporate tax revenue was a one-time event and not an indication of future economic conditions. There will be one more revenue forecast released in February of 2026 which will dictate the final budget decisions.

Legislative session priorities

Staff anticipate 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.

BACKGROUND

Council adopts a State Legislative Priorities and State Legislative Principles annually. This meeting follows two Council work sessions to discuss the 2026 legislative principles and priorities.

ATTACHMENTS

None