Date: March 9, 2026
To: Metro Council
From: Anneliese Koehler, Legislative Affairs Manager and Kyung Park, State Affairs Advisor
Re: End of Session Report on 2026 Legislative Session

Background
This memo provides a summary of the 2026 legislative session, including the overall atmosphere at the Capitol, key outcomes, and how they align with the Metro Council's legislative priorities. It includes an annotated version of Exhibit A to Resolution 24-5453—adopted by the Council in January 2026—which outlines Metro's legislative priorities. The annotations describe the results of the session for each priority, along with updates on other legislative issues where Metro staff were actively engaged.

Session Atmosphere and Overview
The 2026 Legislature convened on February 2, 2026 and adjourned on March 6, 2026. The short session continued the theme of the long session – a return to normalcy. Following many years of unique sessions and special sessions, the 2026 legislative session was a typical session focused on rebalancing budgets and passing a few key policy priorities. The disruptions caused by walkouts and the focus brought by the pandemic that marked the last five years have primarily dissipated. In addition, while the Capitol is still under construction, much of it has finally reopened. There are more hearing rooms, a Capitol Café and added places to sit.

Many of the worst forecasted fears about short session did not come to pass. The budget was forecasted to be very tight; it wasn't as tight as anticipated. There were going to be huge budget cuts; there were some cuts. There were concerns about walkouts derailing session; that did not happen. Instead, it was a relatively smooth short session.

Partisanship is a part of every session and was a part of this session as well. Democrats entered session with super majorities in both chambers. There were typical flare ups around controversial bills like guns, transportation ballot measure referral date change, and revenue disconnect. House and Senate Republicans frequently granted rule suspensions, but there were moments when they refused to grant unanimous consent to dispense with the word-for-word reading of bills. Republicans also refused to grant floor quorum a few times, but they were all short lived.

The Legislature's primary focus was rebalancing the budget. Additionally, immigrants' rights and responding to federal enforcement, economic development, changes to transient lodging taxes, and Moda Center funding also dominated session.

Several legislators announced retirement or intentions to seek other offices for the upcoming election. Representatives Annessa Hartman, Ken Helm, Rick Lewis, John Lively, Boomer Wright, and Senator Jeff Golden will not be seeking re-election. Additionally, Senator Christine Drazen and Representative Ed Diehl have filed for the Governor's race and will not be eligible to run for their current offices.

Budget
The legislature started the short session facing an estimated $650 million deficit in the general fund. However, partially disconnecting from the federal tax code and a favorable February revenue forecast helped soften the deficit and resulted in a total budget reduction of $128 million for the state. Programmatic cuts were avoided though fund shifts, holding vacant positions open, and reduced spending by agencies. Legislative budget writers cautioned that this current budget is not sustainable but should allow for stability for the next 18 months. Looming reductions in federal funding for critical programs such as SNAP and Medicaid will impact the 2027-2029 biennium if no changes are made at the federal level.

The state approved additional debt capacity for a handful of investments such as affordable housing development, acquisition of Abiqua Falls, and Moda Center renovations.

Transportation
The transportation funding referral election date change also dominated conversations during session. Just prior to the start of session, some components of the transportation funding package were successfully referred to voters for the November 2026 election. In the leadup to short session, there were discussions amongst Democrats about possibly repealing the whole package but ultimately, they decided to move the election date from November 2026 to May 2026. SB 1599 passed on party line vote and caused a short walk out by Republicans. Supporters of the referral have filed a lawsuit alleging several constitutional challenges to SB 1599, asking the Marion County Court to declare the law unconstitutional and enjoin the Secretary of State from implementing it. A preliminary injunction hearing occurred on March 10. At the time of this report's submittal, a judge has not ruled on the restraining order.

In addition, the Legislature also addressed ODOT's budgetary needs. With the successful referral of the transportation funding package, the transportation tax increases will only go into effect if voters approve the measure. This has left ODOT with a $288m budget hole for the current biennium. The Legislature rebalanced ODOT's budget through vacancy and other cost saving measures as well as swapping state funds for federal funds and temporarily redirecting funding from transportation programs such as Safe Routes to School, Connect Oregon, Community Paths and bridge seismic improvements. Vacancy and costs savings account for around $70m and the rest came from redirecting funds.

Outcomes
Despite the challenges of a short session, our team (in collaboration with many partners) was able to achieve a few key priorities outlined in your agenda. These include:

- Battery extended producer responsibility
- General government fixes including serial communications and food and beverage
- Banning speculative ticketing

As mentioned above, attached is a more detailed version of the Council's specific legislative priorities and associated session outcomes. Naturally, your GAPD team will work with you later this year to develop a legislative agenda for the 2027 session. Some items we anticipate could be of interest to Council in 2027 include:

- Transportation package

- Land use reform
- Housing and homelessness funding