

# 2026 Legislative Summary

This report summarizes select legislation passed in the 2026 Oregon Legislative Session related to water policy and programs administered by the Water Resources Department (OWRD), natural resources, and state governance. This report is available on the OWRD website. Some legislation included in this report are pending Governor's signature as of 3/13/2026.

## OWRD Budget Adjustments

**House Bill 5204 – Budget Reconciliation** - 1.4% total funds increase from OWRD's 2025-27 legislatively adopted budget. *Effective on Governor's signature.*

- **Additions** – Salary increases (step increases, cost of living, etc.) negotiated in the collective bargaining agreement and management compensation package. Commonly referred to as the Salpot.
- **Reductions** - \$295,486 General Fund – One-time reductions to services and supplies budgets in the Director's Office and the Administrative Services, Field Services, Technical Services and Planning, Collaboration, and Investments divisions.
- Other adjustments include technical adjustments across divisions, an Other Funds expenditure limitation increase related to American Rescue Plan Act carryover, and an Other Funds limitation increase enabling the department to apply interest earnings to debt service obligations.

## Select Legislative Highlights

### Water related legislation

**House Bill 4004 – Natural Resources Omnibus; *Effective 91<sup>st</sup> day sine die.***

- **Dam safety principal assistant technical fix** - Requires OWRD to employ a registered professional engineer responsible for the dam safety program functions, rather than linking the existing requirement to the "principal assistant" definition that requires that person to report to either the director or a deputy director.
- **House Bill 3342 (2025) technical fix** - Fixes a drafting error to allow a proposed final order to become final only if no protests are received and no superseding order is issued.
- **Conservation Reserve Enhancement Program (CREP) authority expansion** - Provides authority for OWRD to establish CREP for groundwater right retirement in areas where OWRD is no longer issuing groundwater rights for irrigation and provides the authority to enter into grant agreements, contracts, and make direct payments to CREP participants.
- **Water right permit extensions** - Allows permit holders of other than municipal, quasi-municipal, and group domestic uses to apply for a one time extension up to seven years to complete construction and apply water beneficially if development was delayed by other local, state or federal permitting processes or appeals to local, state, or federal decisions related to the project and if application for extension is submitted prior to expiration of a permit or existing extension.

**House Bill 4005 - Water Professionals Appreciation Week** - Designates the first Saturday of October of each year through the end of the Sunday of the following weekend as Water Professionals Appreciation Week. *Effective 91<sup>st</sup> day sine die.*

**House Bill 4084 – Permitting efficiency for economic development projects** - Establishes a Joint Permitting Council to fast track permitting for economic projects. Directs several agencies, including OWRD, to serve on the council, participate in application fast tracking, and publish an agency permit catalog and report to the Governor information about permits, including recommendations for

streamlining permitting processes. Updates certain requirements and thresholds for the enterprise zone program and restricts the use of the program for data centers. *Effective 91<sup>st</sup> day sine die.*

**[Senate Bill 1585](#) – Matching grants for small cities** - Sets maximum matching fund requirements for state grants to small, incorporated cities with populations fewer than 20,000 people for certain capital construction and municipal infrastructure and improvement funding programs, including OWRD Feasibility Study Grants and Water Projects Grants and Loans. *Effective 91<sup>st</sup> day sine die.*

**[Senate Bill 1595](#) – Culturally responsive training for licensing boards** - Requires professional licensing boards to publish specified guidance regarding licensure and ensure certain staff receive culturally responsive training not later than January 1, 2028. *Effective on Governor's signature.*

## Other legislation

**[House Bill 4102](#) – Department of Environmental Quality permitting** – Authorizes the Oregon Department of Environmental Quality (DEQ) to enter into an agreement with an applicant, permittee, or regulated entity to expedite or enhance a regulatory process. *Effective 91<sup>st</sup> day sine die.*

**[House Bill 4121](#) - Emergency response improvement** - Establishes the Statewide Regional Training Office and creates the Oregon Disaster Recovery Authority advisory group that is activated if the Governor declares an emergency. Gives counties the authority to waive civil penalties if imposed during a state of emergency and establishes new public and individual assistance programs that are only utilized if the Governor activates the programs. *Effective January 1, 2027.*

**[House Bill 4134](#) – Transient lodging tax increase for nature conservation** - Increases the state transient lodging tax from 1.5% to 2.75% and renames the Oregon Conservation Strategy Subaccount the Recovering Oregon's Wildlife Fund Subaccount and distributes tax increase revenue into the subaccount for: the Oregon Conservation Corps Fund, combatting the poaching of wildlife, the Wolf Management Compensation and Proactive Trust Fund, the Oregon Conservation and Recreation Fund, wildlife connectivity and stewardship, Invasive Species Control Account, anti-poaching and wildlife law enforcement, and the Invasive Species Council Account. *Effective 91<sup>st</sup> day sine die.*

**[House Bill 4153](#) – Farm stores permitting** - Establishes farm stores as a permitted use on land zoned for exclusive farm use and on land zoned for mixed farm and forest use. *Effective January 1, 2027.*

**[House Bill 4177](#) – Serial communications and public meetings** - Expands the mandatory training requirements administered by the Oregon Government Ethics Commission and 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. *Effective 91<sup>st</sup> day sine die.*

**[Senate Bill 1590](#) – State assistance with the sale of public lands** - Prohibits public bodies from assisting the federal government with privatization of certain federally owned lands. Sunsets January 2, 2032. *Effective on Governor's signature.*

## Select land use legislation

**[House Bill 4035](#)** - Modifies eligibility criteria, acreage limits, and procedural requirements for cities seeking to add land to their urban growth boundaries (UGBs) under the one-time process (Senate Bill 1537, 2024). Provides alternative pathway for the City of Woodburn. *Effective on Governor's signature.*

**[House Bill 4082](#)** - Adds to the temporary UGB addition program (SB 1537, 2024) an option for cities or Metro to also add sites for manufactured dwellings, prefabricated structures or manufactured dwelling parks, or for affordable housing that is predominantly for older persons. Sunsets January 2, 2033. *Effective 91<sup>st</sup> day sine die.*

**[House Bill 4108](#)** - Allows the City of Eugene to annex noncontiguous land upon receipt of a petition from all owners of the land. *Effective January 1, 2027.*

**[House Bill 1561](#)** - Requires local governments to approve restoration or replacement of dwellings rendered uninhabitable under an alternative process to a land use decision. *Effective January 1, 2027.*

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