

2025 LEGISLATIVE REPORT



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Executive Summary

The 2025 Legislative Session saw a record 3,466 bills introduced and relatively new leadership in both chambers. The legislature ultimately passed 640 bills and an unprecedented number of both introduced and adopted bills affected the Public Utility Commission (PUC). In the end, 15 bills passed with substantive policy changes and implementation effects for the agency, five of which include fiscal resources for implementation. These bills are in addition to PUC's budget and fee bill, which increased the statutory cap on public utility fees that the PUC may assess.

Major themes through the session relevant and adjacent to the PUC included affordability, wildfire, and transportation. Legislators also focused on housing, behavioral health, and education. Concern about rising costs of living – including utility bills – led to significant legislation that will affect utility ratemaking processes and structure, along with bills to increase energy bill assistance and broadband device rebate funding for customers in need. Some of these policies saw bipartisan support.

Wildfire has become a pressing issue for Oregon on many fronts. Legislators grappled with how to sustainably fund wildfire mitigation and suppression, revising wildfire hazard maps, and considering multiple potential policies related to utility wildfire mitigation and liability. The legislature passed bills in the first two areas with bipartisan support but did not reach consensus on bills related to utilities and wildfire, despite extensive working group discussions and multiple bills moving throughout the session.

Relative to the 2021 and 2023 sessions, when legislators passed large climate and energy packages with significant policy and programmatic funding, 2025 saw fewer bills and substantially less funding related to climate and clean energy policy. A lower than anticipated revenue forecast in May 2025 reduced available funds for these and other programs. Several policy bills advanced related to transmission permitting, grid enhancing technologies, hydrogen blending, and distributed energy resources. Advocates for resilience and clean energy also found legislators on both sides of the aisle receptive to bills directing the PUC to establish a regulatory framework for microgrids and allowing third parties to conduct interconnection studies.

This report addresses bills directly impacting and related to the PUC's work in detail and briefly notes bills that did not pass but could be revisited in future sessions in the introduction to each section. All bills introduced during the 2025 Legislative Session, along with their amendments, may be found on the [Oregon Legislative Information System website](#). Enrolled bills are those passed and signed by the Governor. This report may be updated to reflect bill signings, which determine the effective date of legislation for some bills. Permanent laws passed during the 2025 Legislative Session will be codified in the 2025 edition of Oregon Revised Statutes.

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Overview of the PUC

Mission, Vision & Values

Mission

Our mission is to ensure Oregonians have access to safe, reliable and fairly priced utility services that advance state policy and promote the public interest. We use an inclusive process to evaluate differing viewpoints and visions of the public interest and arrive at balanced, well-reasoned, independent decisions supported by fact and law.

Vision

Our vision is to improve the lives of Oregonians through effective utility regulation and leadership in the utility sector. We serve Oregon by:

- holding utilities to high standards of performance and value,
- guiding a transformation in utility services consistent with Oregon’s social, environmental, and economic goals, and
- adapting regulatory processes to improve inclusion, learning, collaboration, and problem-solving.

Our success depends on recruiting and retaining talented and engaged employees to provide independent analysis in support of agency decision-making. We strive to offer meaningful work, mentoring and training, and a positive workplace culture.

Values

Accountability: Our responsibility to serve utility customers drives us to be diligent in our work, and efficient and effective in managing financial and human resources.

Integrity: As individuals, we are honest, trustworthy, and respectful. As an organization, we use open, fair processes and independent analysis to reach informed and just decisions.

Inclusion: We strive to advance equitable access, engage diverse perspectives, promote collaboration, and recognize our impact on all communities.

Adaptability: We develop expertise and adapt our skills, our organization, and our regulatory processes and tools in order to meet rapid change in our regulated industries.

PUC Agency Budget and Policy Bills

The PUC’s legislative priorities for the 2025 session included our agency budget and policy option packages (POPs) and two policy bills, SB 843 and SB 845. POP 101, adjusting the utility regulation fee cap, moved in a different vehicle from the PUC budget as HB 2370. The legislature adopted the 2025-27 budget as proposed in the Governor’s Recommended Budget with all POPs and both policy bills succeeded. The following sections provide additional detail on each bill.

PUC Budget and Fees

There were three bills related to the PUC’s budget and fees in 2025: HB 5034, the agency budget bill, and fee bills for both the PUC (HB 2370) and the Oregon Board of Maritime Pilots (HB 5042).

HB 5034

[HB 5034](#)

Effective: July 1, 2025

HB 5034 is the 2025-2027 budget bill for the PUC. It includes policy and operational changes that reflect the agency's current scope of work and anticipated needs. The requested funding and resources are intended to support implementation of legislative direction, maintain regulatory functions, and respond to changes in utility sectors and customer needs. The 2025-2027 PUC budget is \$130,347,897 total funds and includes 146 positions. This is a 3.3% increase over the current service level budget.

The PUC's budget includes several policy option packages (POPs) approved by the legislature to address emerging responsibilities, meet statutory obligations, and support core operations:

- **POP 104: Wildfire Mitigation Auditing.** Adds four positions to expand field verification and analysis of utility wildfire mitigation actions.
- **POP 105: Professional Services Increase.** Adds \$400,000 to contract for specialized services related to wildfire mitigation, energy planning, regulatory modernization, etc.
- **POP 106: Communications Staffing.** Adds one additional Public Affairs Specialist position to assist the agency's Public Information Officer to support communication with the public, media, and agency stakeholders.
- **POP 109: RSPF Database Replacement.** Adds \$1.67 million to replace the Residential Service Protection Fund's (RSPF) aging database to improve program administration and service delivery.

HB 2370

[HB 2370](#)

Effective: June 26, 2025 (On passage)

HB 2370 increases the statutory cap on public utility fees that the PUC may assess from 0.45% to 0.55% to provide flexibility in aligning revenue with agency workload and budget needs. This bill was one of the PUC's policy option packages (POP 101: Utility Regulation Fee Cap Adjustment). The bill does not increase the fee currently assessed, rather, it increases the maximum fee that the agency may collect. The PUC determines fee levels based on legislatively approved budget levels. The new fee cap only applies to public utilities regulated by the PUC; fees for telecommunications providers are unchanged.

HB 5042

[HB 5042](#)

Effective: July 1, 2025

HB 5042 approves an increased fee adopted by the Oregon Board of Maritime Pilots. The Board adopted administrative rules in January 2025 to increase the operations fee from \$50 to \$70, effective this July. Without legislative authorization, the fee would be automatically rescinded at the end of the next legislative session. The fee increase is expected to generate an estimated \$157,126 in additional revenue, which provides the Board with the recommended three-month operating reserve.

PUC Policy Bills

The PUC had two agency policy bills in 2025 described below. Both bills passed with bipartisan support.

SB 843

SB 843

Effective: January 1, 2026

Chapter 232 (2025 Laws)

Senate Bill 843 eliminated the requirement that the PUC develop and submit further reports on the Volumetric Incentive Rate (VIR) pilot program. PUC recommended this change because the VIR program has effectively ended, is fully subscribed, and has been for some time. Additionally, in the time since this program was developed, the legislature has identified and promulgated a series of other solar support policies that have been the subject of PUC staff implementation efforts, such as Oregon's Community Solar program.

SB 845

SB 845

Effective: January 1, 2026

Chapter 233 (2025 Laws)

SB 845 created additional authority for the Public Utility Commission (PUC) to protect customers and ensure the provision of safe and reliable water service. The bill gives the PUC authority to order the transfer or sale of a water company, if the PUC has already exhausted all alternative options to restore satisfactory customer service. SB 845 limits this authority to use only after sufficient notice, opportunity for the presentation of evidence, opportunity for alternative actions, and following specific findings. The bill also clarifies the circumstances under which the PUC could appoint a regent to manage a water company.

SB 845 addresses a gap the PUC has encountered in our authority that could prevent customers of regulated water utilities from accessing safe and reliable services. If an owner operator of a mismanaged water company refuses to respond to rate-regulation orders to address inadequate service, failing systems, and other issues, that can leave customers without water for hours or even days. This can occur despite the PUC issuing orders and fines. A prolonged situation prompted the PUC to propose this legislation: the combined authority of the Oregon Health Authority (Drinking Water Services), Deschutes County (property taxes) and Oregon PUC proved inadequate to fully address safety and reliability issues experienced by a small water company located in the greater Bend area.

Other Policy Bills

Policy bills impacting and related to the PUC fell into three broad areas: affordability and consumer protection, clean energy and transmission, and wildfire.

Affordability and Consumer Protection

Rising cost of living was a prominent theme throughout the 2025 session. Recent utility rate increases have impacted customers across Oregon and some of the most significant energy legislation passed this year related to utility rate making, spanning topics from a new rate class for data centers to increasing bill assistance funding for customers in need. Additional legislation on costs eligible for rate recovery did not succeed. The legislature also created a new requirement for utility bills to include information on the PUC's consumer services and introduced a new state rebate for broadband devices to increase access.

HB 3546 Protecting Oregonians with Energy Responsibility (POWER) Act

[HB 3546](#)

Effective: June 16, 2025 (on passage)

Chapter 323 (2025 Laws)

Load growth from data centers is an emerging topic in the energy sector nationally and in Oregon. With the Pacific Northwest already facing constrained energy system capacity, regulators, utilities and consumer advocates have raised concerns about the risk that the cost to serve the significant new load from data centers will negatively impact other customer rate classes.

HB 3546 directs the PUC to create a separate rate class for data centers, defined in the bill as large energy use facilities. The definition of large energy use facility refers to the North American Industry Classification System (NAICS) code for computing infrastructure providers, data process, web hosting, and related services.

The new rate class must be separate and distinct from classifications of service for other commercial or industrial retail electricity consumers and have its own tariff schedule. The bill outlines specific requirements for the tariff schedule, including that it must directly assign costs of serving large energy use facilities to those consumers and mitigate risks of cost shifting to other rate classes.

HB 3546 also directs the PUC to require electric utilities serving large energy use facilities to enter into a contract with the consumer and spells out certain requirements for these contracts, including that they be for a duration of 10 years or longer. These requirements apply to contracts entered into on or after the effective date of the bill.

HB 3179 Fairness and Affordability in Residential Energy (FAIR) Act

[HB 3179](#)

Effective: July 17, 2025 (On passage)

HB 3179 directs the PUC to make significant changes to ratemaking processes and timelines. The most substantive change will be the shift to multiyear ratemaking, including a provision allowing the PUC to schedule general rate cases on a three-to-seven-year interval. Establishing a framework for multi-year ratemaking will be an intensive process.

- **Consideration of broad economic data:** Section 2 requires the PUC to consider cumulative economic impacts of proposed electric and gas utility rates on residential customers when balancing utility investor and consumer interests. It requires utilities to provide cumulative economic impact analysis in general rate case filings (in which utilities' return on equity is subject to PUC review and modification) that considers several factors, including average utility bills for 18 months prior to new rates, range of bills during the winter, average cost of living and cost of fuel, and data on customer disconnections and overdue balances. Section 3 clarifies that the PUC may adjust rates to mitigate increases in residential customer rates if increases would affect those customers' ability to maintain adequate utility service, including delaying recovery of a portion of the costs until a later time.
- **Winter moratorium.** Section 3 prohibits residential rate increases from taking effect between November 1 – March 31.
- **Multiyear ratemaking.** Section 7 directs the PUC to establish rules requiring electric and gas utilities to file multiyear rate plans on an interval of no less than three and no more than seven years. These rules must also set a limit on the number of electric and gas companies requesting rate increases in a given

year and may incentivize efficient utility operations and authorize refunds to customers under certain circumstances. Utilities may request exceptions on showing of good cause.

- **18-month “stay out.”** Section 4 states that new rate increases from general rate cases cannot take effect within 18 months of the effective date of the last general rate case increase. This section is repealed by January 2, 2027 or when the new multiyear rate schedule is in place, if earlier. Utilities can still bring forward rate cases related to capital investments and power costs during this time.
- **Securitization.** Section 9 expands utilities’ ability to use securitization bonds to finance capital investments that could cause increases in residential rates of more than five percent, retirement of generation assets, planned or past environmental remediation, and events when electricity or natural gas is significantly constrained in the region.
- **Cost transparency.** Section 12 requires utilities to provide a visual representation of cost drivers affecting rate change requests and the percentage of residential rates attributable to each cost category; the PUC is required to establish cost categories by rule. Section 13 requires at least annual utility reporting on any expected rate adjustments in the next 12 months, including information on the timing, magnitude, impact, and affected rate classes. The PUC must establish rules on these reporting requirements, including procedures for protecting confidential information.

SB 688 Performance-Based Regulation

SB 688

Effective: January 1, 2026

SB 688 allows the PUC to adopt a framework to implement performance-based regulation (PBR) for electric utilities. Performance-based regulation allows the PUC to strengthen utility incentives to perform in line with specific outcomes or values. SB 688 identifies several public interest outcomes for the PUC to address with PBR, including reducing greenhouse gas emissions, increasing energy efficiency, improving reliability and resilience, developing distributed energy resources, enhancing services for low-income customers, and improving the efficiency of utility operations to reduce costs.

In addition to setting performance metrics linked to incentives or penalties, the PUC may require reporting on performance metrics.

The bill also increases the PUC’s expenditure limitation to cover the costs of professional services and staffing to conduct research on best practices for implementing performance-based regulation.

HB 3792 Oregon Energy Assistance Program Expansion

HB 3792

Effective: January 1, 2026

HB 3792 increases the amount collected for the Low-Income Electric Bill Payment Assistance Fund from \$20 million to \$40 million. The PUC oversees the amount electric companies collect for this existing fund, which is administered by the Oregon Housing and Community Services Department.

HB 3792 directs the PUC to reassess every two years the level of community need for low-income electric bill assistance and report to the Legislature if it determines if the amount to be collected increases by more than 2.5%. The bill also raises the maximum amount a customer can pay into the fund per customer site from \$500 to \$1,000. This maximum amount typically applies to large customers.

HB 3156 Consumer Services Information on Bills

HB 3156

Effective: January 1, 2026

Chapter 97 (2025 Laws)

HB 3156 requires public electric, gas and water utilities to include contact information for the PUC's Consumer Services Unit on customer bills. This will likely increase consumers' awareness of the services this unit provides.

HB 3148 Oregon Lifeline Plan

HB 3148

Effective: July 17, 2025 (On passage)

Following the end of the federal American Connectivity Plan, which provided monthly discounts on internet service and a one-time discount of up to \$100 to purchase a laptop, desktop computer, or tablet, an Oregon Broadband Affordability Workgroup explored ways to sustain affordable broadband access to eligible low-income households.

HB 3148 implements some recommendations from this workgroup, repealing the sunset on the Oregon Lifeline plan, making permanent the plan of assistance for low-income customers for telecommunication services and renaming it the Oregon Lifeline plan. HB 3148 adds a new one-time personal computing device benefit of \$100 for low-income customers for the purchase of an Internet-enabled computer and ancillary devices. It also repeals the requirement that the PUC spend a specific amount on marketing and outreach but still permits the agency to use part of the surcharge assessed on retail telecommunications subscribers for these activities.

HB 3148 repeals the Oregon Telephone Assistance Program Advisory Committee and directs the commission to adopt rules to carry out the bill provisions no later than December 1, 2026. HB 3148 also increases the Commission's budget limitation associated with the Residential Service Protection Fund to accommodate the one-time device benefit.

Clean Energy and Transmission Legislation

Two years ago, the 2023 legislature passed sweeping climate and energy packages with policy changes and funding for numerous clean energy and climate programs. 2025 saw a more constrained budget, a focus on transportation and many priorities outside the natural resources sector, and areas where federal funding – while facing cuts and long term uncertainty – currently buttresses some energy priorities such as heat pump, EV, and residential and community solar through Oregon's Climate Pollution Reduction Grant and Solar for All obligated funds. On the electric side, legislators took steps aimed at increasing community-based, distributed, and small scale clean energy while also addressing transmission challenges related to permitting and use of grid-enhancing technologies. Related to gas utilities, legislation passed on transparency around hydrogen blending. Legislation on thermal energy network pilots stalled, along with some efforts on transmission, community solar, and distributed power plants.

HB 2065 Microgrid Interconnection Studies

HB 2065

Effective Date: September 26, 2025 (91st day after sine die)

HB 2065 allows those applying to interconnect a microgrid with an investor-owned electric utility to contract with a third-party consultant to conduct necessary interconnection studies or engineering evaluations. The study would still be subject to the public utility's review and approval.

The bill stipulates what type of technical data utilities must furnish to the contractor, and process for working through redaction of data that could jeopardize grid security or violate state or federal law if released or data that is proprietary. Disagreement on data sharing or study conclusions may lead to an increase in interconnection disputes. Interconnection is already the subject of many disputes the PUC adjudicates.

HB 2066 Microgrid Regulatory Framework

HB 2066

Effective Date: September 26, 2025 (91st day after sine die)

HB 2066 directs the PUC to develop a regulatory framework for microgrids within 18 months. Microgrids are an emerging technology which allows a section of the grid to separate from the rest of the grid and remain energized if the rest of the utility grid is down. Utility obligations, engineering standards, contractual relationships, and cost responsibility of microgrids need regulatory clarity and this bill directs the PUC to develop a framework to increase clarity on numerous aspects of microgrid ownership, deployment, and operation.

HB 2066 specifies that the regulatory framework include, among other things, a framework for compensation and cost allocation recognizing the grid value of microgrids and methodology for compensating microgrid owners, subscribers, or developers for grid value. Microgrids are an emerging technology, and it will take time to fully develop frameworks that address all microgrid configurations and ownership and operation practices. The PUC intends to phase framework development beginning with microgrid archetypes with less regulatory complexity.

Representative Lively, chief sponsor of the legislation acknowledged the need for timeline flexibility given the many directives to the PUC from the legislature in 2025 in committee and House floor comments along with this [floor letter](#) supporting a phased implementation approach.

HB 3863 Increase in Eligibility Cap for Standard Avoided Cost Rate to 10 MW

HB 3863

Effective Date: September 26, 2025 (91st day after sine die)

ORS chapter 758

HB 3863 requires that the PUC set the eligibility cap for standard avoided cost rates for qualifying facilities under the Public Utility Regulatory Policies Act (PURPA) of 1978 to no less than 10 MW. PUC staff was already in the process of updating standard avoided cost rates and eligibility through an open investigation (UM 2000) and had already proposed the same increase to 10 MW that the legislation now requires.

HB 3336 Grid Enhancing Technologies

HB 3336

Effective: September 26, 2025 (91st day after sine die)

HB 3336 directs the PUC to require that utilities analyze alternative technologies and strategies that can enhance the transmission system and to file a strategic plan summarizing cost-effective grid-enhancing technologies (GETs) and strategies. The bill requires that a utility update the strategic plan concurrently with the development or update of each integrated resource plan, include a timeline for deploying cost-effective

GETs, and report on continual progress towards improving the transmission system. The PUC must define cost-effectiveness criteria to evaluate potential GETs applications.

To expedite local permitting, HB 3336 clarifies local government authority over approving electric company transmission lines using GETs and places restrictions on how local permitting agencies can evaluate applications, including requiring objective application standards, noting that GETs projects do not involve land use decisions, and limiting options for decision appeals.

HB 3861 Permitting Reforms

HB 3681

Effective: January 1, 2026

Chapter 305 (2025 Laws)

As relates to the PUC, the bill modifies what the Commission must consider in a petition for a certificate of public convenience and necessity (CPCN) to focus on the need for increased transmission capacity and reliability of the electric grid. It also allows the Commission to consider a petition for a CPCN without the petitioner having obtained land use approvals for the project, and states that a site certificate is conclusive evidence that the transmission line is a public use and necessary for public convenience. A certificate of public convenience and necessity is typically used to exercise eminent domain.

The bill also makes changes to the Energy Facilities Siting Council (EFSC) processes, including direction for EFSC to make every effort to conclude contested case proceedings within 12 months, giving six years from time of issuance for projects to begin construction, clarifying jurisdiction for judicial review of EFSC decisions, limiting standing for EFSC appeals to parties that can demonstrate injury, and other changes to final orders and contested cases.

SB 685 Hydrogen Blending

SB 685

Effective: June 16, 2025

Chapter 328 (2025 Laws)

SB 685 requires that natural gas utilities give notice to each impacted utility customer and file a notice to the Oregon PUC at least 60 days prior to when hydrogen blending will increase into the gas supply by a ratio greater than 2.5 percent. The notice filed to the Oregon PUC will include the reason for increasing the hydrogen blend, any required permitting or siting approvals, description of public outreach from the utility, and any other information requested by the PUC. The bill also requires that the natural gas utility maintain the information about the program on the utility's website and how a customer may communicate with the utility about said program.

Initially, the introduced version of SB 685 required that the Oregon PUC review and approve hydrogen blending projects. However, there was opposition from multiple sectors to the introduced version and the scope of the bill was narrowed to focus on providing information to the PUC and customers.

Wildfire Legislation

Wildfire has become a pressing issue for Oregon on many fronts. Legislators grappled with how to sustainably fund wildfire mitigation and suppression, rolling back wildfire hazard maps, and multiple potential policies related to utility wildfire mitigation and liability. Ultimately, SB 83 repealed the controversial wildfire maps

developed following the passage of SB 762 in 2021. HB 3940 took steps to establish and fund new Landscape and Community Resilience funds with a combination of a new oral nicotine tax and 20% of the interest from Oregon's rainy day fund. The legislature also appropriated funds to ODF for ongoing wildfire costs through the broader budget package (HB 5006). There was bipartisan support for SB 83 and HB 3940. Utility and wildfire conversations centered on two issues: potential development of a safety certificate process to set clear standards and increase utility accountability on wildfire mitigation as proposed in HB 3666, and how to more effectively and swiftly compensate wildfire victims for damages. SB 926 and, later, HB 3984 proposed varying paths forward on these issues but did not succeed. Both of those bills proposed direction for the PUC to contract with external experts to study the broader issue of catastrophic wildfire risk and recovery, including as relates to utilities.

SB 83 Repeal of Wildfire Hazard Mapping

SB 83

Effective: On passage

The measure repeals the statewide wildfire map and its application to defensible space requirements, classifications of wildland-urban interfaces (WUI), property disclosure agreements, building codes, and grant programs among other things. The bill redefines defensible space and the WUI so that it makes no mention of the wildfire hazard map and repeals the requirement that the State Fire Marshal (SFM) establish minimum defensible space standards for lands identified on the map as being in the WUI.

Section 14 of the bill creates an annual reporting requirement for the PUC regarding actions taken to reduce wildfire risk from utility infrastructure. The report will include summaries of activities taken in the prior 12 months regarding utility wildfire mitigation planning, best practice workshops for wildfire mitigation practices held by the Commission, PSPS initiated in the state, and money budgeted or expended by public utilities for wildfire mitigation as well as any Commission recommendations for legislative action to reduce wildfire risk. The annual report is to go to a wildfire-related legislative committee, the State Wildfire Program Director, and to the Wildfire Programs Advisory Committee.

Among its other changes, it expands and modifies the membership of the Wildfire Programs Advisory Council, changes reporting requirements for ODF, DEQ, and SFM, and requires DCBS to adopt specific wildfire hazard mitigation code standards and make them available for local government adoption. It also directs the Department of Consumer and Business Services to adopt wildfire mitigation code standards which municipalities may adopt. Some of these standards could overlap with energy efficiency measures.

HB 3940 Wildfire Mitigation Funding

HB 3940

Effective: September 26, 2025 (91st day after sine die)

The bill provides three revenue sources to pay into the Landscape Resiliency and Community Risk Reduction Funds: a new oral nicotine products tax, increases in the forest products harvest tax, and a requirement to transfer 20% of the interest generated by the rainy day fund. The bill creates a Large Wildfire Fund to be managed by ODF for wildfire mitigation and suppression. Section 45 creates an SFM/DCBS grant program to facilitate the retrofitting of existing structures to be resistant and resilient to wildfire. Retrofits and materials eligible for funding under this program may overlap with energy efficiency measures. In addition to a myriad of small tweaks intended to increase, streamline, and protect state and local wildfire mitigation funding, the bill

also removes the end date for certain ODF wildfire risk reduction projects that would otherwise need to have been complete by mid-2025.

Public Administration Bills

Several bills passed that will affect all agencies' operations. The bills highlighted below are a subset of adopted legislation affecting the PUC's procurement, hiring, and pay practices.

HB 2337

[HB 2337](#)

Effective: September 26, 2025 (91st day after sine die)

HB 2337 directs the Oregon Department of Administrative Services to establish a small business preferences program for state procurement.

HB 1090

[HB 1090](#)

Effective: June 26, 2025

Chapter 469, 2025 Laws

HB 1090 directs the State Chief Information Officer to adopt a policy and procedure for state agencies to follow in requesting funding for information technology budgets and projects.

HB 3646

[HB 3646](#)

Effective: September 26, 2025 (91st day after sine die)

Chapter 304, 2025 Laws

HB 3646 adds entities in which employees of the entity own at least 50 percent of the ownership interest in the entity directly or through an employee stock ownership plan to the list of sources to which a contracting agency may give preference in procuring goods or services for public contracts.

HB 3936

[HB 3936](#)

Effective: January 1, 2026

HB 3936 prohibits any hardware, software or service that uses artificial intelligence from being installed or downloaded onto or used or accessed by state information technology assets if the artificial intelligence is developed or owned by a covered vendor. Covered vendors are vendors previously defined in Oregon statute and rules adopted by the Chief Information Officer related to national security threats.

SB 808

[SB 808](#)

Effective: January 1, 2026

Chapter 137, 2025 Laws

SB 808 provides hiring and promotion preferences in public employment to members and former members of the Oregon National Guard.

HB 3569

[HB 3569](#)

Effective: January 1, 2026

HB 3569 requires agencies to invite the chief sponsor (committee chair for committee bills) or other legislator appointed by the chief sponsor or committee chair to be a nonvoting member of any rulemaking advisory committee convened to inform rules adopted to implement legislation enacted by the Legislative Assembly.