

OREGON LEGISLATIVE REPORT 2025 SESSION

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Table of Contents

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| | |
|---|-----------|
| President's Message | 3 |
| Session Summary | 4 |
| General Construction | 5 |
| Public Contracting | 7 |
| Employment & Liability | 10 |
| Workers' Compensation | 12 |
| Energy & Environment | 14 |
| Taxes & Funding | 16 |
| Transportation | 18 |
| A Word from the Legislative Forum Co-Chairs | 22 |
| Member Engagement Opportunities | 23 |
| Coalition Partners | 24 |

FROM THE 2025 AGC CHAPTER PRESIDENT, DYLAN BOCHSLER

2025 CHAPTER PRESIDENT, NORTH SANTIAM PAVING CO.



It is easy to say, “It will never change.” It is easy to think you won't make a difference. It is easy to let someone else do it. That is because it is difficult to impact change. We, as contractors, are not successful in this industry because it is easy. We are successful because we take on challenges that others won't.

The 2025 Oregon Legislative Session demonstrated that the construction industry is facing challenges that are anything but easy. The political climate in Salem and the business climate across Oregon have deteriorated to a point that requires our collective action. If you're reading this, I want to thank you for being engaged, but I also implore you to lean in and do more. Engage with your elected officials, reach out to our advocacy team to get more involved, and [please contribute to our AGC Chapter PAC today.](#)

In this report, you'll read about the numerous challenges our industry and the entire business community faced over the grueling six-month 2025 Oregon Legislative Session. What may not come across is the tact and skill with which AGC's team handled these challenges.

From my perspective, there has never been a greater test of upholding these principles than the political climate we witnessed in Salem this session. Facing a Democrat supermajority in both chambers, a lack of effective leadership, inexperienced legislators, and 3,466 pieces of legislation introduced, our advocacy team proved once again that they were up to the challenge.

Despite these headwinds, our team achieved significant victories this session. We successfully defeated a bill that would have mandated apprenticeship requirements on K-12 projects, laid the groundwork for future passage of legislation allowing photoradar in highway work zones, protected workers' compensation insurance as the exclusive remedy for on-the-job injuries, and continued our long history of coalition building to defeat numerous other harmful bills.

I know this session was not easy for our advocacy team, and I want to thank Kirsten Adams, Maggie Gerlicher, and Tanner Lloyd for their continual work and dedication to impacting change for our industry. I would also like to recognize our Legislative Forum leadership and past presidents Dee Burch, Tom Gerding, Larry Gescher, and Scott Williams for their involvement and guidance on the multitude of issues we faced this session. This combination of staff expertise and industry experience is a key reason for our continued success in Salem.

As we look forward to a potential special session and the 2026 election cycle, I'm confident that with your continued engagement and our proven advocacy team, AGC will continue to be a force for Oregon's construction industry. The challenges ahead won't be easy, but as I said at the beginning, we succeed because we take on what others won't.

SESSION SUMMARY

One of the hallmarks of the 2025 Legislative Session was the prevalence of union priorities and successes. Regardless of industry, all businesses were struck hard this session, often for the benefit of a union interest. But there were also problematic policy bills from other interests. Construction was struck harder than most, with a glut of bills detrimental to our industry introduced. From substantial liability shifts to bills prioritizing union labor, bills we've seen before made a resurgence, as well as some new ideas that were equally misguided.

The 2025 Oregon Legislative Session will also be marked by what did not happen: the successful passage of a comprehensive transportation funding package. Transportation funding has been a key topic for several years, with all legislators and leadership giving lip service to the need to solve the ODOT funding gap. However, when it came to releasing a package, HB 2025 was too large and too problematic to get across the finish line.

The disappointment from the lack of adequate funding for transportation mingled with the frustration at the bills that did pass, including increased contractor liability and payment of prevailing wage for offsite manufacturing. But not all went awry in the 2025 Session. As always, our team worked to form and lead coalitions on critical issues. We defeated several project labor agreement provisions that would have unlevelled the playing field on projects, and prevented the passage of bills that would have drastically shifted employment law, particularly for the construction industry.

Most of all, we continued to have excellent membership engagement, giving legislators insight into what these misguided policies would do to the construction industry in general, as well as construction across the state. We're grateful for all the time and effort our members invested in this session, as we all worked together to bring some practicality to the legislative process.

The fight didn't stop when the Session ended on June 26. The push for transportation funding continues, and we are working closely with other stakeholders to ensure that any package presented in future sessions comprehensively addresses the needs of our state. Rulemaking will soon be underway for bills that passed, giving us the chance to continue pushing back against overreach and hopefully narrow the impact of these policies. And of course, conversations have already begun for what slew of bills will greet us in the 2026 short session.

To all who engaged this session: thank you! We couldn't do our work in Salem without you. As we enter the interim period ahead of the 2026 short session, we look forward to seeing you all around the state and encourage you to reach out any time.

GENERAL CONSTRUCTION

Passed: SB 426–Wage Theft

Background: SB 426 was brought by the Western States Carpenters Union, building on bills defeated in the past two sessions. The bill creates liability for both owners and upper-tier contractors for unpaid wages of their subcontractors' employees, and allows for third parties to sue on behalf of these employees. The bill, as drafted, included a six-year statute of limitations for a lawsuit to be brought on a claim of unpaid wages. The bill proponents focused on human trafficking and claimed that this bill was the solution to that issue, despite not having any actual policy around human trafficking in the bill.

While the Carpenters continued to refuse to meet independently with AGC on the issue, the bill sponsor (Senator Floyd Prozanski) gathered the primary bill opponents and proponents to discuss the bill. From that meeting, the bill was amended to decrease the statute of limitations from six years to two, create a 21-day notice period before a lawsuit can be filed, and attempt to remove primary homeowners from liability. Unfortunately, the amendment also included a presumption that an independent contractor is an employee.

Once the bill reached the House, it was discovered that the bill had not actually removed liability for primary homeowners and needed further amending. The final amendment removed homeowners and exempted liability for five or fewer commercial or residential units on a single tract of land.

Result: AGC and our coalition offered multiple common-sense and practical amendments to mitigate the detrimental effects of this bill, from adding a requirement of knowledge of the unpaid wages to allowing for an arbitration provision instead. However, the bill proponents were unwilling to accept those amendments, and the bill passed out of the Senate and House (passing by only one vote in the House). AGC will be working in the weeks to come to create technical assistance information for our members on how to mitigate the negative impacts of this bill.

Failed: HB 3957–Labor Broker Bill

Background: During the conversations around the wage theft bill (SB 426), labor brokers were cited as one of the main contributors to wage theft issues in the construction industry. However, SB 426 contained no provisions to actually deal with that issue. AGC and our coalition members offered HB 3957 as an alternative to SB 426. HB 3957 focused on increasing regulations around construction labor brokers, including through engaging the Construction Contractors Board in the regulation.

Result: Despite the common-sense approach of HB 3957, the bill failed to receive a hearing in either chamber. We had several legislator champions who wanted to see this bill succeed, to ensure that there were actual solutions. However, the pressure behind passing SB 426 led to this bill being rejected, as the proponents did not want an alternative to SB 426 available.

GENERAL CONSTRUCTION, CONT.

Passed: HB 3746—Condominium Statute of Limitations

Background: HB 3746 was introduced to help increase housing production and availability in Oregon. It decreases the statute of limitations for construction defect claims on condominium projects from ten years to seven years, and requires two inspections for moisture intrusion (one at two years and one at six).

Result: The bill was championed by the Oregon Homebuilders Association, and a coalition of other housing and construction groups (including AGC) and passed out of the House and Senate with bipartisan support.

Amended and passed: SB 49—Changes to BCD

Background: SB 49 was focused on changes to policies impacting residential construction. However, in the first amendment to the bill, the bill proponents removed the General Contractor seat from the Building Codes Division Structures Board, replacing it with an engineer.

Result: AGC opposed the removal of the general contractor seat from the BCD Structures Board, citing the need to have the general contractor perspective on the Board. In future amendments, the general contractor seat was restored, and they added an additional engineer seat.

Defeated: HB 2462—Changes to CCB

Background: HB 2642 was brought forward by the Consumer Law Section of the Oregon State Bar, and would have changed the timeline for filing a complaint with the Construction Contractors Board from one year from substantial completion to six years from the date the contract was entered into, or one year when the contractor delivers to the owner a written notice of completed work.

Result: Following pushback from AGC and the Construction Law Section of the Oregon State Bar, the bill was tabled for further discussion and did not move forward. We anticipate additional conversations on this topic ahead of the next session.



PUBLIC CONTRACTING

Passed: HB 2688–Prevailing Wage Expansion to Off-site Manufacturing

Background: HB 2688 requires the payment of prevailing wage on custom off-site manufacturing when the product is used on prevailing wage projects. By the language of the bill, this requirement applies to manufacturers located in Oregon, outside the state, and internationally. However, based on information from BOLI, it remains unclear whether this can actually be enforced on manufacturers outside of Oregon. The bill was amended to remove concrete products and to change the terminology from “custom” to “bespoke” for the kind of products included. However, the dictionary definition of “bespoke” is custom. We pushed back on the issues this would create for product supply and cost, as well as implementation concerns with out-of-state and international manufacturers.

Result: HB 2688 passed in the final days of the session, on a single-vote margin in both the House and Senate. There was bipartisan opposition, as Democrats realized the impact this would have on their local communities and projects throughout the state. BOLI will conduct rulemaking to work out the specifics of the bill, and AGC will be actively engaged in the rulemaking process to ensure that the bill is interpreted as narrowly as possible.

Defeated: HB 3881–Apprenticeship Utilization Expansion to K-12 Projects

Background: HB 3881 would have expanded current state public contracting apprenticeship requirements to K-12 projects, expanding on HB 2649 which passed in the 2023 session. These projects would be subject to a 15% apprenticeship utilization, as well as a penalty of \$15/hour for every hour they are unable to meet the requirement. The introduced bill also included a project labor agreement provision that would have the effect of forcing contractors who couldn't meet the apprenticeship requirements to sign a project labor agreement in order to be awarded the job.

Result: AGC worked closely with Oregon School Boards Association (OSBA) and Coalition of School Administrators (COSA) to highlight the problem this change in policy would create for school districts, particularly those in more rural areas. We successfully narrowed the number of projects this would apply to and removed the PLA provision before the bill moved out of the House committee. The bill then moved to Ways and Means, where it did not pass this session.

Defeated: HB 3216–Prevailing Wage Tracking System

Background: HB 3216 originated as a bill that would have established a public electronic system for tracking wage compliance for contractors and subcontractors working on public projects. AGC opposed this proposed policy, due to concerns that the provision would result in the publication of contractors' and subcontractors' information that is not currently publicly available.

Result: Following pushback from AGC and our coalition, the bill was changed to a study of such a system. The bill did not move forward this session.

PUBLIC CONTRACTING, CONT.

Defeated: SB 1143–Labor Standards on Natural Gas Pilot Projects

Background: This bill would have allowed each of the natural gas utility companies that operate in Oregon to request pilot projects to develop utility-scale Thermal Energy Networks (TENs) to provide heating and cooling services to their customers. As introduced, the bill contained a project labor agreement requirement. AGC was able to get this provision amended out of the bill. However, the bill sponsors were not willing to remove the other labor standards we took issue with in the bill that required the contractors working on the project to be a BOLI registered training agent and included a graduated scale of utilization requirements for journey workers, which by the third year would have been 60%.

Result: Despite AGC's attempt to stop the bill, it passed out of its first policy committee but did not move forward in the Ways and Means process and died in committee upon adjournment of the legislative session.

Passed: HB 2680–Additional Certification Requirements for Glazing Contractors Performing Public Work

Background: This bill requires glazing contractors seeking to compete for public works contracts to obtain specific certifications in addition to the regular procurement and qualification process. Contractors are required to obtain a North American Contractor Certification (NACC) for their business, and a prescribed number of individual installers are required to obtain an Architectural Glass & Metal Technician Certification (AGMT).

Result: Realizing that the bill was going to pass in some form, AGC worked with the bill proponents to amend the introduced bill, changing the project threshold for new construction from \$5M to \$25M and the remodel and repair work threshold from \$1M to \$5M. We also worked to push the operative date of the bill back to July 1, 2027, to allow contractors to comply with the NACC requirement and allowed an extra year for the 25% AGMT utilization requirement to July 1, 2028.

Defeated: HB 2084–Additional Tax Attestation for Public Contracts

Background: HB 2084 would have required that all contractors on public works attest to their compliance with personal income tax, corporate income tax or excise taxes in Oregon. In collaboration with a coalition of other concerned organizations, AGC opposed this policy as an overly broad solution to address state concerns about tax compliance.

Result: The bill proponents narrowed the scope of the bill in future amendments, including limiting the provisions to only goods and services contracts. Even with these changes, the bill did not pass out of committee this session.

PUBLIC CONTRACTING, CONT.

Defeated: SB 759–Labor Standards on Certain School and Tribal Government Projects

Background: SB 759 aimed to assist school districts and tribal governments unable to meet their financial obligations on loans. However, in addition to adding this protection, the proposed amendment also included substantial labor standards that would be required for contractors to be eligible for to perform work on the contracts, including being a training agent in a registered apprenticeship program. Alternatively, meeting the requirements could be achieved through signing a project labor agreement.

Result: Working with the Oregon School Boards Association (OSBA), AGC strongly opposed the addition of these labor standards to the provisions of the bill, citing that these standards would increase the cost of the projects, thus undermining the overall goal of the bill. The bill did not move forward this session.

Defeated: SB 176–Workplace Marijuana Accommodation

Background: AGC led a coalition to amend and ultimately defeat SB 176, which, among additional provisions, would have required employers to accommodate current or prospective employees who tested positive for marijuana but were active members of the Oregon Medical Marijuana Program. The provision was tucked in a long amendment dealing with other cannabis regulations.

Result: The opposition coalition worked with Senate Judiciary Chair Floyd Prozanski to amend the bill and remove the workplace accommodation mandate. The Senate Judiciary Committee approved the amended measure, but the bill ultimately died in the Joint Committee on Ways and Means. It is likely that medical marijuana advocates may introduce a similar bill in the 2026 or 2027 legislative sessions.

Passed: SB 300–Private Security Fix

Background: SB 300 is a fix to an issue caused by the passage of HB 2527 during the 2021 session. That bill provided the Department of Public Safety Standards and Training (DPSST) with the ability to establish rules to better regulate private security entities. Unfortunately, its provisions have been applied to include grocers, retailers, restaurants, schools, hospitals, general contractors, and other businesses that provide their own private security. SB 300 fixes the issue by removing entities that have in-house security employees from the licensure requirement and narrows the law to contract or for-hire security firms.

Result: Bill passed out unanimously in both chambers, ensuring that the issues caused by the overly broad language of the initial bill were fixed.

EMPLOYMENT & LIABILITY

Passed: SB 916–Unemployment Insurance Benefits for Striking Workers

Background: As introduced, SB 916 would allow employees who are not working due to a labor dispute to receive unemployment insurance for up to 26 weeks. The American Federation of Labor - Congress of Industrial Organizations (AFL-CIO) championed the bill, citing the need for a level playing field in negotiations between employees and employers, and that this policy shift was necessary to ensure that. AGC was part of a broad coalition of both public and private employers, and pushed back on this premise, emphasizing that this use did not fit within the intended purpose of unemployment insurance.

Result: The coalition on this bill, led by Oregon Business and Industry (OBI), attempted to achieve parity between what Washington State passed, with a three week waiting period and six weeks of insurance benefits. While we were unable to achieve parity with Washington, the coalition was successful in limiting the bill to 10 weeks, with a two-week waiting period. The bill passed with those adjusted timelines.

Defeated: SB 704–Independent Contractor Presumption

Background: SB 704 proposed sweeping changes to how workers are classified as independent contractors versus employees. The bill impacted definitions used at various state agencies, including the Workers' Compensation Division, Bureau of Labor and Industries, the Department of Revenue, and the Employment Department, by creating a rebuttable presumption that a worker is an employee rather than an independent contractor. The bill also changed the test for determining how workers are classified to tilt the scale in favor of classifying a worker as an employee.

Result: AGC led a coalition of business interests to defeat the measure in committee, ultimately prevailing upon Senate Business and Labor Committee Chair Kathleen Taylor to not even allow the bill a hearing.

Amended and passed: HB 2957–Agreements on Statutes of Limitation

Background: As introduced, HB 2957 created a new unlawful employment practice prohibiting employer/employee agreements that shorten the statute of limitations for violations over which BOLI has enforcement authority. It would also eliminate the 90-day notice to sue from BOLI after conducting an investigation under the BOLI discrimination statutes, creating uncertainty for employers regarding when a possible lawsuit could commence.

Result: OBI led the coalition against this bill, and was successful in maintaining the 90-day notice to sue from BOLI, to ensure that employers will not be left in limbo while they wait to see if their employee decides to file a lawsuit following the BOLI investigation.

EMPLOYMENT & LIABILITY, CONT.

Amended and passed: HB 3187–Age Discrimination During Hiring

Background: As introduced, HB 3187 would have expanded current law on unlawful employment practice to include choosing not to hire an applicant for something that could be a “proxy” for age, including salary, length of employment service, or retirement/pension eligibility or status. AGC was part of a broad business coalition that opposed the bill as drafted, given concerns that it would increase liability for employers in the hiring process when requesting information necessary for making a hiring determination.

Result: Following negotiations, the bill was amended to remove the proxy for age provision. The bill passed with the requirement that employers cannot ask for the graduation dates or date of birth of an applicant before the initial interview, or a conditional offer of employment if there is no interview.



WORKERS' COMPENSATION

Defeated: SB 174–Attack on Oregon’s Exclusive Remedy

Background: SB 174 was the 2025 iteration of a bill that has been brought multiple times in the past several decades. The bill would have allowed for lawsuits against insurance companies under the Unlawful Trade Practices Act. While in past sessions workers’ compensation insurance has been explicitly exempted from the bill, this year there was no such exemption. This would have created a conflict with exclusive remedy, the provision in workers’ compensation that doesn’t allow for remedies outside the workers’ compensation system. This is a key tenet that keeps Oregon’s system working well and limits frivolous litigation.

Result: The governor’s office intentionally kept out of the Management Labor Advisory Committee’s (MLAC) bill review process, despite the clear impact its passage would have on the system. We brought this bill to the attention of MLAC, and urged legislative leadership to allow MLAC an opportunity to review the bill. After lying dormant in the Senate for several months, the bill moved out of the Senate in the last month of the session. However, it did not pass out of the House.

Defeated: HB 3331–Bill to Redirect SAIF’s Dividends

Background: HB 3331 would have required that a portion of dividends paid by SAIF be redirected into a fund for disaster preparedness and would have created a board to advise on how the fund is used. As a strong partner with SAIF, AGC opposed this legislation. The dividends from SAIF are not state money, and the state should not dictate how these are funded.

Result: HB 3331 did not get a public hearing or work session, dying at the first chamber deadline. However, this bill made it clear that SAIF’s reserves and dividends are still in the line of fire for legislators looking for ways to fund other projects and needs. AGC continues to remain diligent and will oppose any such overreach.

Failed: HB 3374–SAIF’s Subsidiary Proposal

Background: SAIF introduced HB 3374, in an effort to alleviate some of the access-to-care issues that injured workers are experiencing in Oregon’s workers’ compensation system. These access-to-care issues arise from a variety of sources, including a lack of providers. HB 3374 would allow SAIF to establish subsidiaries and for SAIF or its subsidiary to provide managed care within the workers’ compensation system. It also required an audit by the Workers’ Compensation Division.

Result: Through conversations at MLAC, it became clear that a broader conversation about access to care was needed. The bill did not move forward this session, and a subcommittee at MLAC is meeting to work on access to care issues broadly and look for solutions. AGC is actively engaging in those subcommittee discussions.

WORKERS' COMPENSATION, CONT.

Defeated: SB 705–Increased Temporary Total Disability Benefits

Background: SB 705 was introduced to deal with concerns brought forth about the adequacy of the 66 2/3% provision in workers' compensation temporary total disability benefits. The percentage was chosen to account for the fact that these benefits are not subject to taxation. However, given lower income tax rates for low-wage workers, the 66 2/3% is not necessarily appropriate for ensuring that their benefits are similar to their usual take-home pay. However, the policy change proposed in SB 705 would have far exceeded bringing parity to these employees, raising concerns that workers would earn more when off work due to temporary disability than they would when working. Through conversations at MLAC, it became clear that this concept required a deeper dive than was possible during the quickly progressing 2025 session.

Result: MLAC determined that the bill required further discussion and has created a subcommittee to explore the issue, aiming to develop a more targeted solution. AGC is actively engaging in the subcommittee's work, which began earlier this spring, and emphasizing the need to find a carefully crafted solution to this issue.

Defeated: SB 946–Transfer of Funds From the Workers' Benefit Fund to BOLI

Background: SB 946 proposed a new solution to the problem of inadequate BOLI funding. Instead of drawing on General Fund dollars, this bill would have taken money from the Workers' Benefit Fund (WBF) at the Workers' Compensation Division, and redirected them to BOLI. AGC pushed back on the concept moving forward without discussion at MLAC, citing the impact this could have on the workers' compensation system if not done correctly or appropriately.

Result: SB 946 did not move forward this session, and the conversation continues on how to obtain sufficient and consistent funding for BOLI. AGC continues to push that BOLI funding should come from the General Fund, rather than pots of money designated for other purposes.



ENERGY & ENVIRONMENT

Failed: HB 3261–Renewable Diesel Tax Force

Background: HB 3261 was introduced as an avenue to dive into the details of renewable diesel within our state and region. It was pitched as a bill to establish a true task force charged with examining the details of the needs, current uses, and future viability of renewable diesel for consumers and industry in Oregon. AGC’s core policies support the development and availability of renewable diesel, as it can be used in legacy diesel engines.

Result: The bill did not receive more than a courtesy public hearing in the early days of the legislative session. The sponsor of the bill frequently spoke during the course of the transportation package discussion about the need for renewable diesel to be a focus of reducing Oregon’s carbon footprint in the transportation sector.



Defeated: HB 2961–Mandatory EV Charging Stations in New Multifamily Residential Dwellings

Background: HB 2961 would have changed the state building code requirements that must be met for electric vehicle (EV) charging stations in each newly constructed multifamily residential building with 10 or more residential dwelling units or a mixed-use building consisting of privately owned commercial space and 10 or more residential dwelling units. The introduced version of the bill required 50 percent of vehicle parking spaces with electrical service capacity for charging EVs and required at least 20 percent of parking spaces to have level 2 or level 3 EV charging stations.

Result: The bill was amended to reduce the number of parking spaces from 50% to 20%, the number of level 2 and level 3 charging stations was lowered from 20% to 5% and the bill was changed to only apply to Multnomah, Washington, and Clackamas Counties. After passing out of its first policy committee, the bill was referred back to the committee and died in committee upon adjournment.

ENERGY & ENVIRONMENT, CONT.

Defeated: SJR 28– Constitutional Right to Clean Air

Background: The passage of SJR 28 would have amended the Oregon State Constitution to declare a right to a clean, safe, and healthy environment, subject to voter approval in the next general election. This resolution raised numerous questions and concerns within the business community due to the vague standards set forth by the proposed amendment, which created a provision to bring legal action based on a perceived “threat of harm” to the environment. The vague standard opened the door to a flood of claims rooted in subjective perception rather than measurable impact.

Result: The resolution had one public hearing and did not move out of committee upon adjournment of the legislative session. There is currently an effort to get similar language on the ballot of the 2026 general election through the initiative petition process, which AGC is monitoring.

Failed: HB 3119–Delaying Advanced Clean Trucks Rules

Background: HB 3119 would have directed the Department of Environmental Quality (DEQ) to delay the implementation of the Advanced Clean Trucks (ACT) rules, which went into effect this year, until January 1, 2027. For a long time leading up to the implementation of the ACT, industry and truck manufacturers have pointed out that there are very few, if any, trucks that meet the ACT requirements for each of the classes of trucks covered by the rules. Delaying the rules an additional two years would allow manufacturers more time to comply with the regulations and would put Oregon on the same implementation timeline as the Environmental Protection Agency’s Greenhouse Gas Emissions Standards for Heavy-Duty Vehicles.

Result: Although the bill did not move past the first chamber deadline, DEQ made the decision to delay the rules to 2027, since the pressure continued to mount over the rules the agency was pushing and whether they were attainable for industry.



TAXES & FUNDING

Defeated: HB 2092–Disconnecting Oregon Tax Code from Federal Tax Code for 2025 Tax Year

Background: HB 2092 would have made changes to the Oregon Tax Code for the 2025 tax year to remove the rolling connection between state and federal connection as it relates to the federal definition of taxable income for personal and corporate income taxpayers. This would have created additional tax forms and administrative burden, leading to more confusion and time spent trying to meet compliance with the two sets of tax codes.

Result: AGC worked with business coalition partners to urge the legislature not to move forward with this bill, maintaining the rolling connection between the Oregon and federal tax codes. The bill did not move forward this session.

Failed: SB 111–SALT Cap Workaround Extension

Background: When the United States Congress passed the Tax Cuts and Jobs Act (TCJA) in 2017, it placed a cap on the State and Local Tax (SALT) deductions a business owner in any given state could claim on their federal tax return at \$10,000. Oregon then passed a law that allows for a legal workaround in 2021, and sunsets every two years. It was extended in the 2023 session. With federal uncertainty around the SALT cap and the TCJA sunseting this year, there were questions about whether the SALT cap should be expanded to include other entities or if it would even be necessary if Congress did not include a SALT cap in its next tax bill iteration.

Result: The bill to extend the sunset died upon adjournment. Without the extension of the sunset, the SALT cap workaround will expire on December 31, 2025. The coalition plans to continue to work on this issue in the months to come.

Defeated: HB 2871–Requirement to Report Tax Information for Public Contracting

Background: HB 2871 would have created new reporting requirements for contractors who perform public work. If the contractor had received at least 20% of its gross receipts from one or more public contracts during a given tax year, they would be required to submit a statement setting forth the amount they received, and which of the three new categories the company falls under: “public affiliate” (20–34% of gross receipts), “public partner” (35–49% of gross receipts), or “public agent” (greater than 50% of gross receipts). AGC opposed the bill due to the increased workload required for contractors in this reporting, as well as concerns about the creation of new categories with no clear purpose.

Result: The bill did not move forward this session; however, we expect to see similar legislation from this bill’s sponsor on this topic in the future.

TAXES & FUNDING, CONT.



Passed: HB 2411–Industrial Site Revolving Loan Fund

Background: In recognition of the available land zoned for industrial development, AGC joined a group of business industry coalition partners to advocate for a revolving loan fund that continuously provides grants for industrial land readiness, which will allow Oregon to attract or retain businesses looking to invest in these areas. It is estimated that Oregon has a current need of \$300–500M in industrial site improvements. The coalition requested \$40M in lottery funds in the revolving loan fund to start tackling the identified backlog with incremental investments.

Result: The bill passed out of Ways and Means in the final days of the legislative session with a \$10M funding allocation from the Lottery Bond bill. The Oregon Business Development Department will develop the rules associated with the fund and will administer the program when it is ready to start accepting applications.

Though the fund is starting smaller than the coalition had advocated for, it will be a good starting point, and we will be able to make a case to increase the fund in the future when we begin to see positive results.

TRANSPORTATION

Failed: HB 2025/HB 3402–Transportation Funding Package

Background: After months of touring the state and workgroup meetings with stakeholders, the time came this session for the legislature to craft a comprehensive transportation package that would alleviate the budgetary issues facing ODOT, cities, and counties due to decreasing gas tax revenue. Despite being highly engaged in the preparation work, AGC and all other stakeholders were excluded from the closed-door negotiations where the particulars of the package were crafted. While there were Republicans included in those negotiations, the package proposal that was finally released as HB 2025 in June was a purely partisan one. This is unprecedented: all major transportation packages in recent history have been bipartisan legislation. While AGC was enthusiastic about supporting a package for much-needed transportation funding, HB 2025 was a package that AGC could not support. It diverted Highway Trust Fund dollars from constitutionally protected purposes, a principle AGC has long opposed. The proposal also lacked sufficient accountability measures to ensure proper management of ODOT resources in the future. In addition, a robust referendum strategy was already taking shape, making it unlikely that this bill would survive to implementation. That outcome would likely result in a years-long delay before the legislature would be willing to take on another funding package.

Result: When it became clear that HB 2025 did not have the votes to move out of the Senate, legislative leadership pivoted to a new proposal, HB 3402, on the last day of session. This bill was extremely narrow, only raising the basic funds needed to ensure ODOT could avoid layoffs. In addition to including a bust of the Highway Trust Fund, it also failed to respect the 50/30/20 split that currently exists for local government transportation funding. HB 3402 was a bill that was only supported by the governor's office and Service Employees International Union (SEIU). It passed out of committee, but was not granted rule suspension to fly through the floor vote process. As a result, it died when the session adjourned.

Next Steps: A comprehensive transportation package remains necessary to ensure adequate funding for infrastructure in Oregon. Governor Kotek is pushing for a special session to address transportation needs, although it will likely be a narrower solution proposed, rather than a package that makes significant and necessary changes to the system. AGC is continuing to engage with our coalition to find a path for a common-sense and strategic solutions to the widespread transportation needs in our state.



HB 2025 WOULD HAVE BEEN THE SINGLE LARGEST TAX INCREASE IN OREGON'S HISTORY



**\$.15/GAL
INCREASE
TO THE GAS
TAX**

**0.2%
INCREASE
TO
PAYROLL
TAXES**



**2% SALES
TAX ON
NEW CARS
1% SALES
TAX ON
USED CARS**

**0.5%
INCREASE
TO THE
VEHICLE
PRIVILEGE
TAX**



*Vehicle's priced over
\$10,000

**Numbers are from the
introduced version of HB 2025

TRANSPORTATION, CONT.

Failed: SB 711–Work Zone Safety/Photo Radar

Background: SB 711 would have allowed ODOT to utilize Automated Work Zone Speed Enforcement (AWZSE) devices in highway work zones when workers were present on the work site. AGC worked with a broad coalition of both construction associations and labor to craft a bill that would help change the culture around careless and dangerous driving in highway work zones. After an incredibly positive public hearing on the bill, we encountered issues moving the bill out of the policy committee when it received a larger-than-expected fiscal estimate from the Legislative Fiscal Office, based on information from the Oregon Judicial Department regarding the administration of traffic citations.

Result: We worked with our coalition partners, the Legislative Fiscal Office, and agency staff to try to work out a solution to get the bill to the budget committee where we could have a more in-depth conversation on the revenue and fiscal sides of the program, but the committee decided not to move forward with the bill given the time in the session and the continued fiscal questions. We have secured a commitment from the co-chairs of the transportation committee to establish a post-session work group to introduce a bill in the 2026 session.



TRANSPORTATION, CONT.

Passed: HB 2931–I-5 Bridge Tolling Bill

Background: HB 2931 gives the Oregon Transportation Commission authority to enter into agreements with the State of Washington related to establishing toll collection and repayment for bonds issued for the Interstate 5 Bridge Replacement Project. The bill removes the requirement that the tolls will be abolished upon completion of the project – it is expected that the tolls will be reduced to cover the maintenance and operations costs of the infrastructure.

Result: There were a few questions about the language included in the bill related to congestion pricing, but the bill ultimately passed. Tolling continues to be a politically unpopular topic in the legislature, despite the practical funding solution it offers.

Defeated: HB 3362–Tire Tax for Non-Highway Trust Fund Uses

Background: HB 3362 would have created a 4% excise tax on the sale of new and newly refurbished vehicle tires throughout the state of Oregon. Funds generated from the new tire tax would have been used to create a Tire Pollution and Rail Transit Fund, supporting public transportation by rail and preventing tire pollution, including the mitigation of known pollution sites. Funds from the tire tax also would have established its own Wildlife-Vehicle Collision Reduction Fund to reduce the number of wildlife injured or killed by vehicles and improve habitat connectivity for wildlife.



Result: AGC opposed HB 3362, given that the intended use of the new tire tax would have been unconstitutional according to Article IX, Section 3 of the Oregon Constitution, though the bill sponsors disagreed with this analysis. The bill did not move forward after it received a long public hearing. The tire tax was not included in future conversations about the transportation package; however, funding for wildlife collision reduction remains a priority for some stakeholders.



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2025 LEGISLATIVE CO-CHAIRS

“Unfortunately, this was the worst legislative session in my 35 year tenure in politics. The majority party’s main accomplishment of this session is passing a bill that will pay striking workers unemployment benefits while doing nothing to deal with our critical transportation infrastructure funding.

A huge thank you to AGC’s legislative team for doing outstanding work in representing the construction industry and stopping or delaying many bad bills.”

-Dee Burch, Advanced American Construction

“Elections matter, and this session was a classic example. With Democrats holding supermajorities in both the Senate and House, this session became about trying to mitigate significant damage to our industry. Our PAC is already looking towards the 2026 election and how to improve numbers for the 2027 session and beyond.”

-Tom Gerding, Gerding Companies

AGC MEMBER ENGAGEMENT

Thank you!

Our team relies on our members' opinions and real life experience when we are lobbying in Salem. Our core policies drive our position on bills, but your testimony brings real life examples that the legislators value most. Thank you to all who participated in some way throughout this session. Whether is was attending the Legislative Forum annual meeting, engaging with our VoterVoice campaigns, testifying in committees, or contacting your legislator, your efforts make a huge impact supporting AGC's work in the Capitol.

12

VOTERVOICE
CAMPAIGNS

107

AGC
MEMBERS
ENGAGED

448

LEGISLATOR
CONTACTS

JOIN LEGISLATIVE FORUM!

Every member of AGC is encouraged and invited to join AGC's Legislative Forum to help shape the core polices that inform our legislative positions. Contact Kirsten Adams to become a member of AGC's Legislative Forum and attend our annual meeting.

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