2025 AOC Legislative Session Recap

OACTFO Conference 2025

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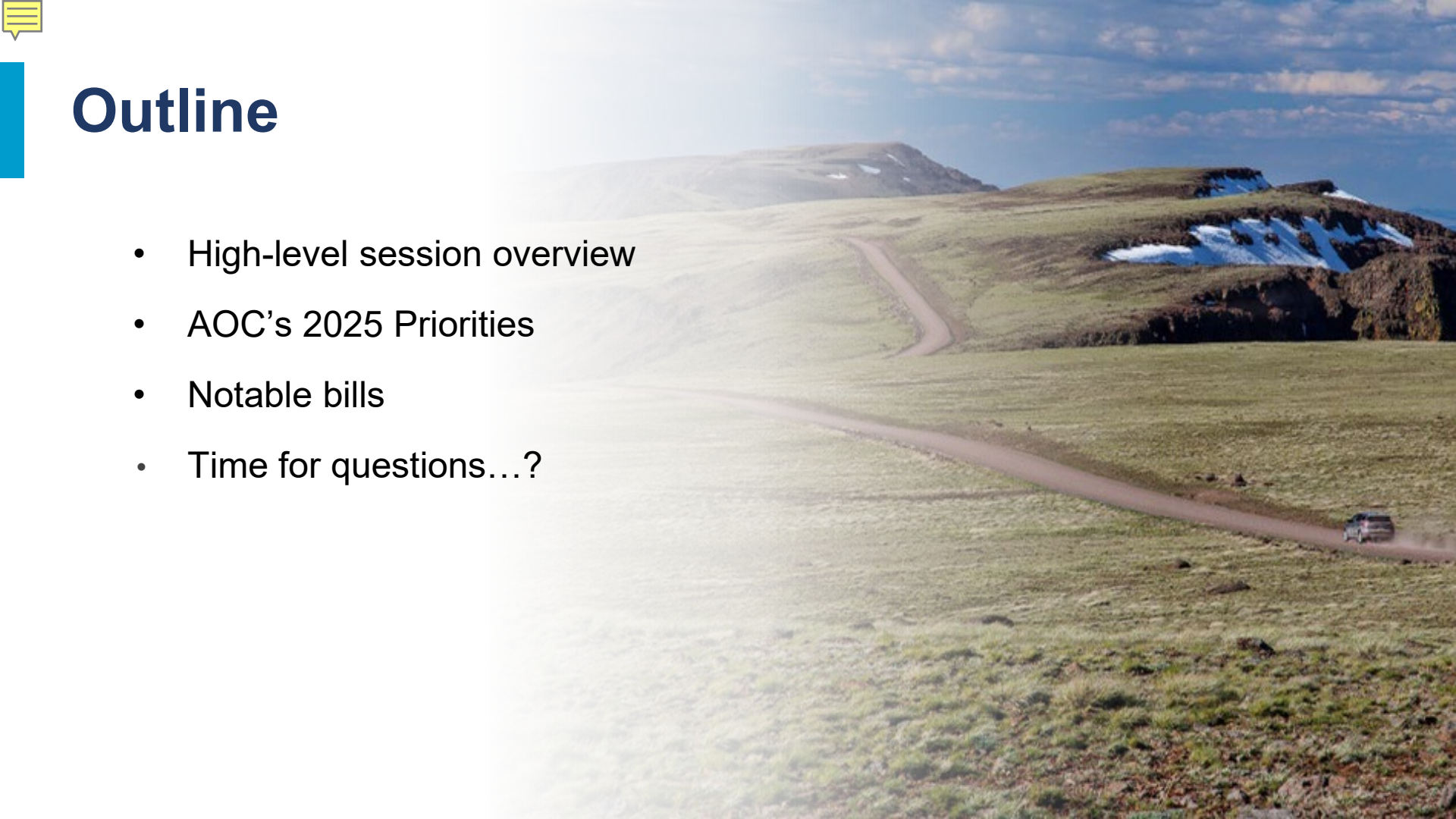
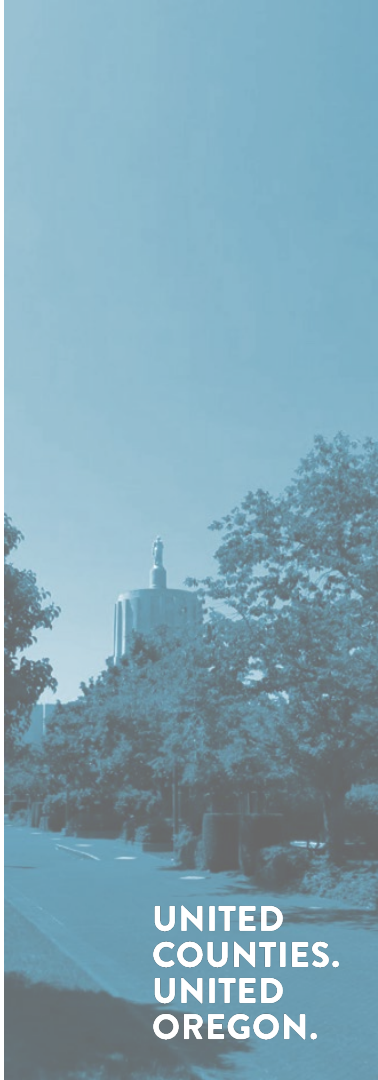
Outline

- High-level session overview
- AOC’s 2025 Priorities
- Notable bills
- Time for questions…?



2025 Legislative Session Overview

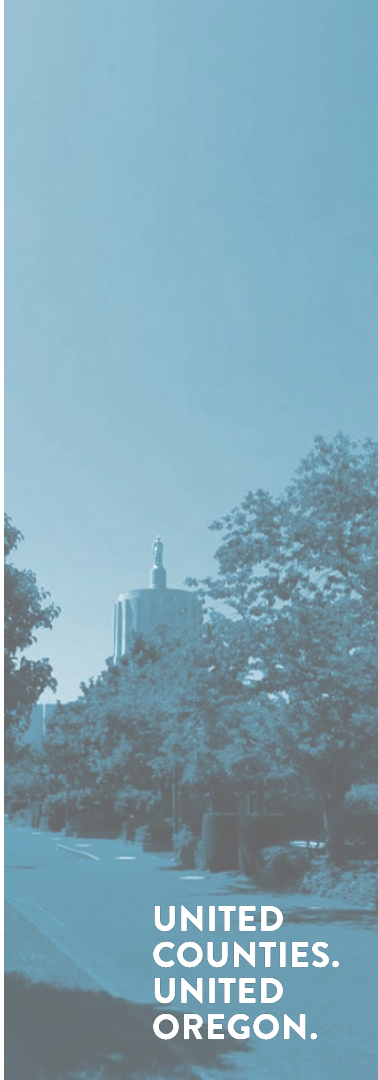
- 160 day “Regular Session”
- 3,466 bills introduced, 762 bills passed
- New(ish) legislative leadership
  - D super majorities
- Leadership priorities
  - Education funding
  - Wildfire funding
  - Housing development
  - Behavioral health
  - Transportation funding
- May Revenue Forecast
  - Down ~$500M from previous forecast
  - Federal uncertainty



2025 AOC Policy Priorities

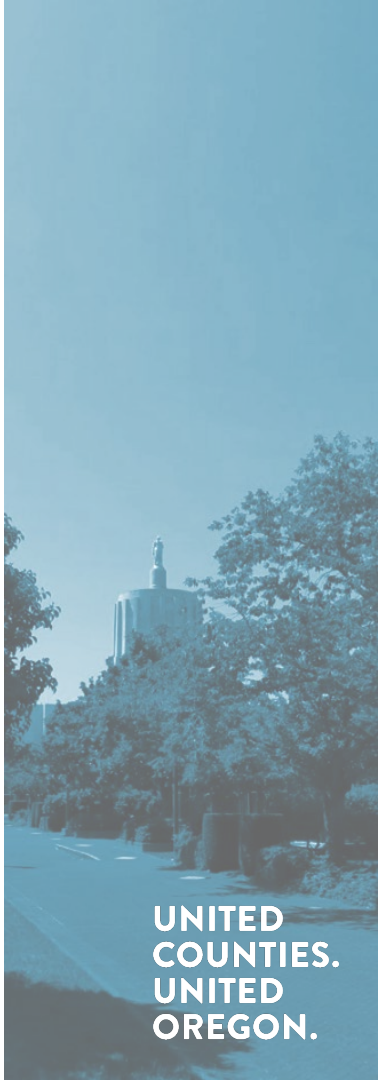
Adopted by AOC Legislative Committee June 2024

- ***Governance and Revenue***: Assessment & taxation funding/CAFFA modernization
- ***HHS***: Resources for county behavioral health, public health, homelessness response
- ***Natural Resources*****:** Strengthen county role in natural resource management (wildfire, wolves, water)
- ***Public Safety*****:** Community corrections funding (cost study level)
- ***Transportation***: Comprehensive transportation funding package



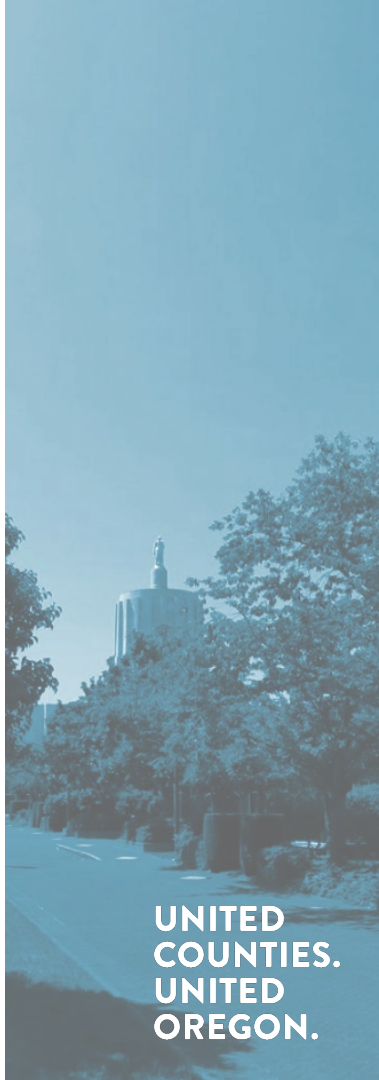
A&T Funding

- **HB 3518 (+) CAFFA Funding Modernization**
  - Document recording fee increase
  - 0.3% holdback
  - $10M general fund
  - Reporting requirements
- *Did not pass, 2026 short session commitment*



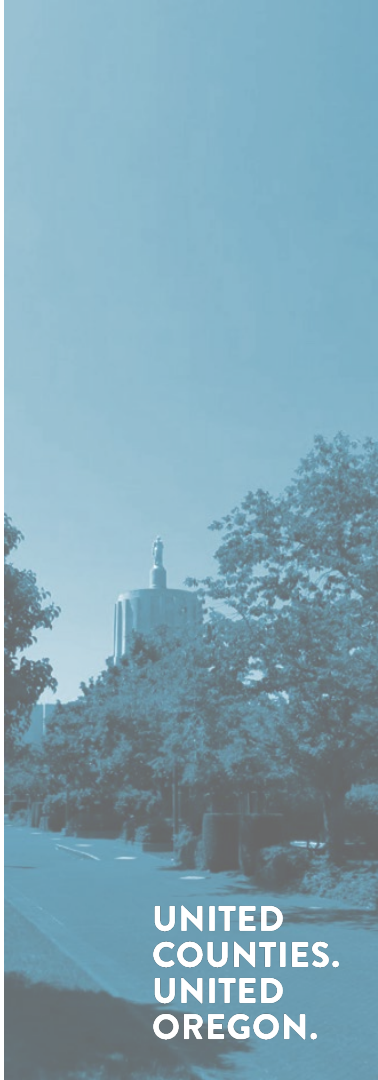
Governance

- **HB 2089 (+) Foreclosure Surplus Process Fix**
  - State Treasury Unclaimed Property process
  - Reasonable notice requirements, and definitions of “surplus,” “claimant,” and “fair market value”
  - Process for residential property sale: high-bid public auction, minimum bid ⅔ FMV → delinquent amt after failed attempt, real estate agent under certain circumstances, unaffiliated licensed appraisal
  - Sets out costs a county may charge against the surplus
  - Applies to claims where notice of redemption period received on/after May 2023
- *Heavily negotiated with broad opposition coalition*
- *Primary concerns mitigated, commitment to revisit*



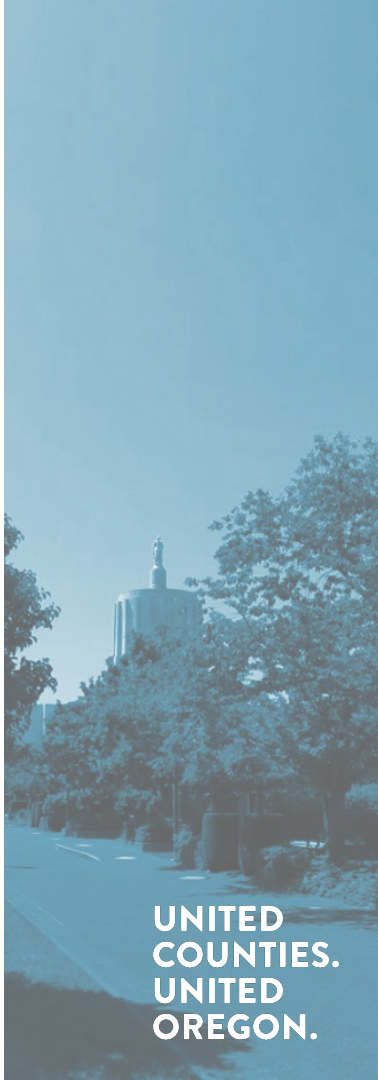
Governance, cont.

- **SB 179 (+) Recreational Immunity Permanent Fix**
  - Makes SB 1576 (2024) provisions permanent
  - Adds “walking, running, and biking,” expands local govt definition to include service districts
  - Limits immunity in case of gross negligence, etc. or strict liability



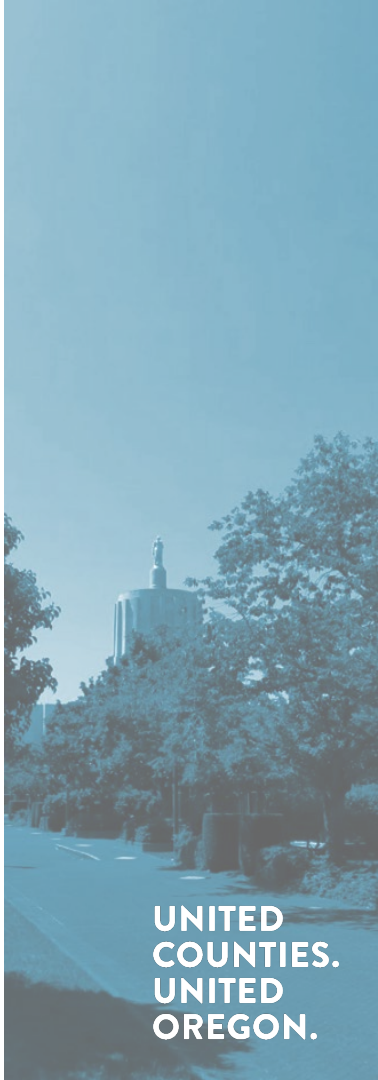
Labor

- **SB 916 (-) Unemployment Insurance for Striking Employees**
  - Two week waiting period, 10 week cap
  - As reimbursing employers, counties will pay back every dollar in benefits that striking workers receive
  - This will likely require increases to county risk pool contributions
- **HB 2944** *(neutral)* **Civil Penalties for PECBA Violations**
  - Negotiated amendment to:
    1) remove private right of action,
    2) create sliding scale penalty range,
    3) add immunity for violation due to natural disaster, computer crime, destruction of a building.



Revenue and Tax

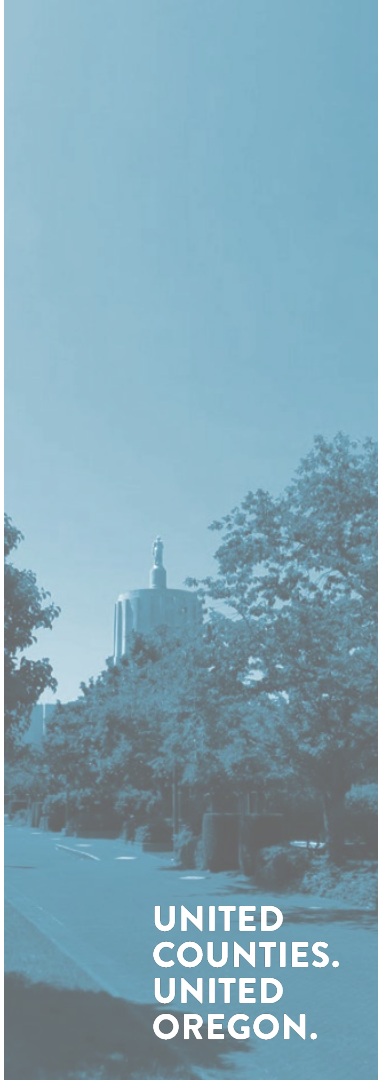
- **HB 2321** *(No position)* **LRO Property Tax Study**
  - Report due to legislature December 1, 2026
  - Overview of the current system, effects of Measures 5 and 50, stakeholder concerns (input from AOC/LOC), options to modernize
- **HB 3962 (+) Transient Lodging Tax Expenditure Flexibility**
  - 70% tourism / 30% local govt → 40% tourism / 60% local govt
  - Applies to pre-2003 TLTs
  - Local govt services defined: emergency and non-emergency
  - *Did not pass, bipartisan sponsor commitment to intro in 2026*



PERS Bills

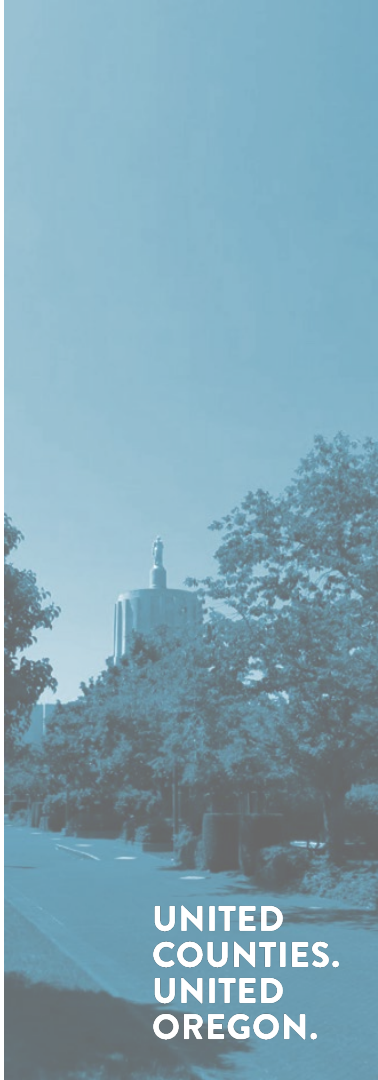
- **SB 847 (-) PERS Health Insurance Subsidies**
  - Increases RHIA subsidy for Medicare from $60 to $100 (for T1 and T2 members)
  - Makes OPSRP members eligible to receive RHIPA, which is a health care premium subsidy for non-Medicare eligible PERS members
  - *Did not pass*

- **SB 902 (-) Lowering OPSRP Police and Fire Retirement Age**
  - Reduces age of retirement from 53 to 50
  - Would have led to PERS rates increases for all public employers to backfill the UAL, and additional rate increases for employers with police and fire OPSRP.
  - *Did not pass*



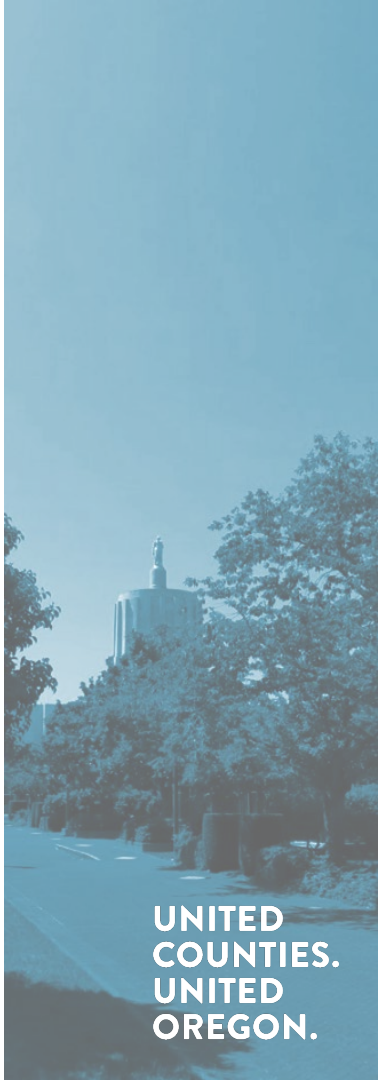
Behavioral Health Policy

- **SB 610 (+) Behavioral Health Resource Network Grant Administration Adjustments**
  - OAC role moved to “advisory to OHA”
  - OHA administrative control over funding formula and grant decisions
  - Additional OAC members: CMHP, AOC, DHS, CJC, Tribes
  - Application denial appeal process
  - BHRN SUD screening response to w/in 48 hours of client contact
  - Repeals BHRN hotline
- **HB 2208 (+) CCO/LMHA Local Health Planning Process Coordination**
  - OHA plan submission deadline alignment
  - CCO plans must include LMHA plans and serve as regional strategic plan



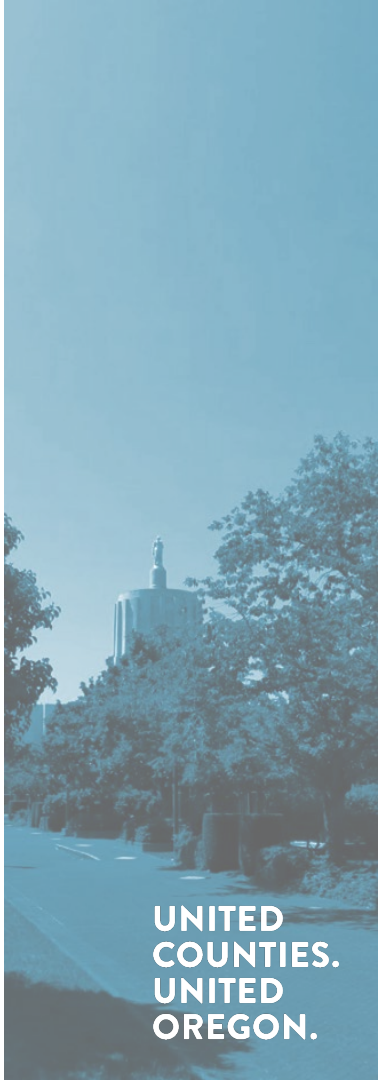
Behavioral Health Funding

- **HB 2059 (+) Residential Treatment Capacity Expansion**
  - Response to OHA Behavioral Health Residential Facilities Study - targeted to deserts/deficits
  - $65M - *helpful but not enough*
- **HB 2056 (+) Behavioral Health Crisis Response Funding**
  - Gap funding identified by HB 4092 (2024) OHA study
  - HB 2056 died in Ways & Means, funding allocated elsewhere:
    - $10M Aid & Assist gap funding in OHA budget HB 5025
    - $5.5M County civil commitment service gap in HB 2005



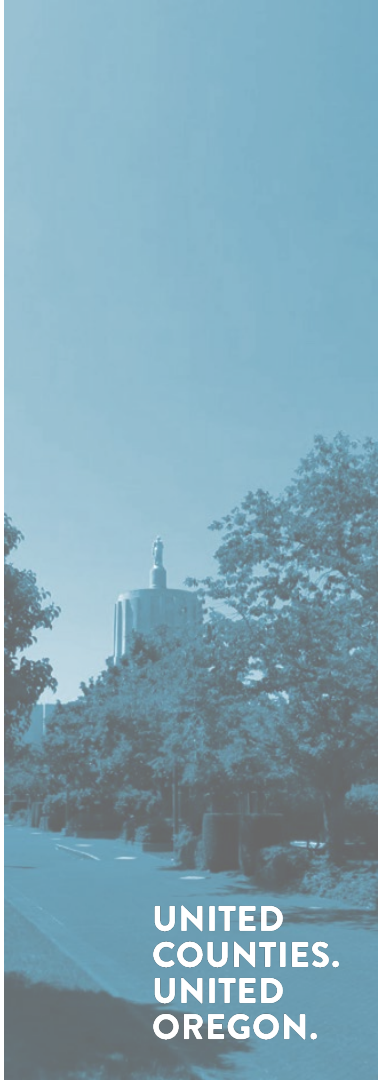
Public Health

- Public health funded at 23-25 current service level/minor reductions
- Unfunded priority requests include:
  - $25M statewide addition primary prevention
  - $5M public health workforce development
  - $25M next phase of public health modernization for communicable disease prevention and response



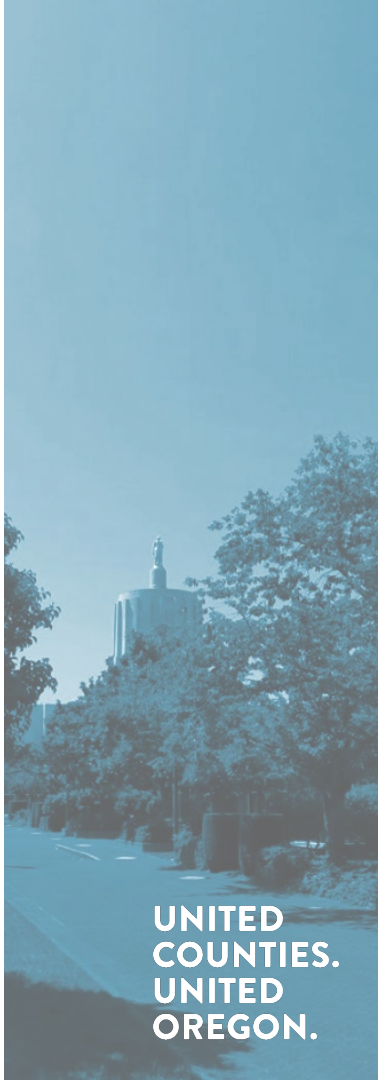
Wildlife

- **SB 777 (+) Wolf Depredation Program Updates**
  - Removes compensation for missing livestock
  - Adds compensation for probable or confirmed loss or injury
  - Increases from 30% to 50% for deterrence
  - Counties determine multiplier



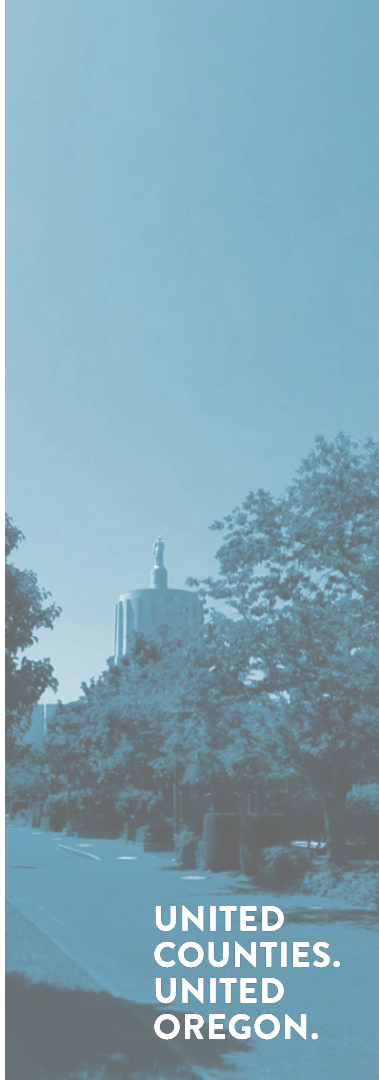
Wildfire

- **HB 3940 (+) Wildfire Funding Package**
  - Funding via: nicotine products, Rainy Day Fund interest
  - Changes to forest products harvest tax, forest protection districts, minimum assessments and surcharges, forestland acreage assessments, rural fire protection districts
  - Creates offset against fire protection costs for certain forestland
  - Landowner rate relief (to the benefit of counties)
  - Grant program for wildfire resilience
- **SB 83** *(No position)* **Wildfire Omnibus/Hazard Map Repeal**
  - Repeals the statewide wildfire map and all applications and references



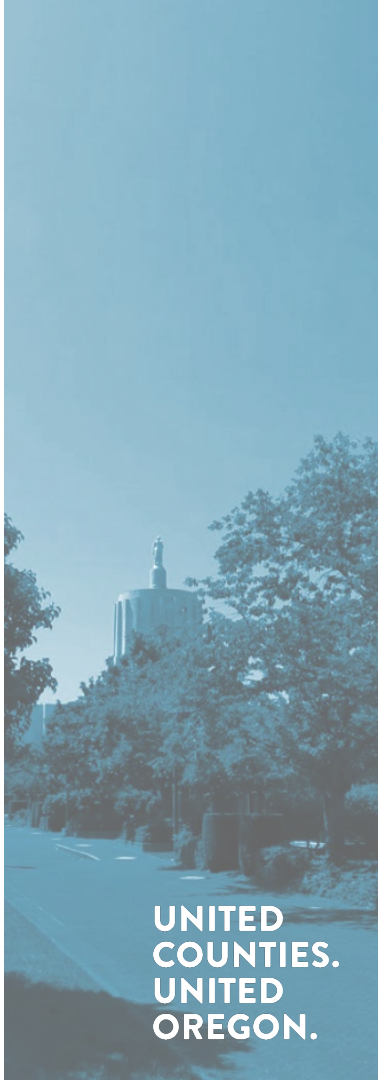
Community Corrections

- **HB 5004 (+) Department of Corrections Budget**
  - Community corrections funded at $279M - current service level
    - $61M biennial shortfall
    - Funded at $15.09 capitated rate vs ACS $18.18 capitated rate
  - *Likely 50+ FTE loss statewide, service reductions, etc.*



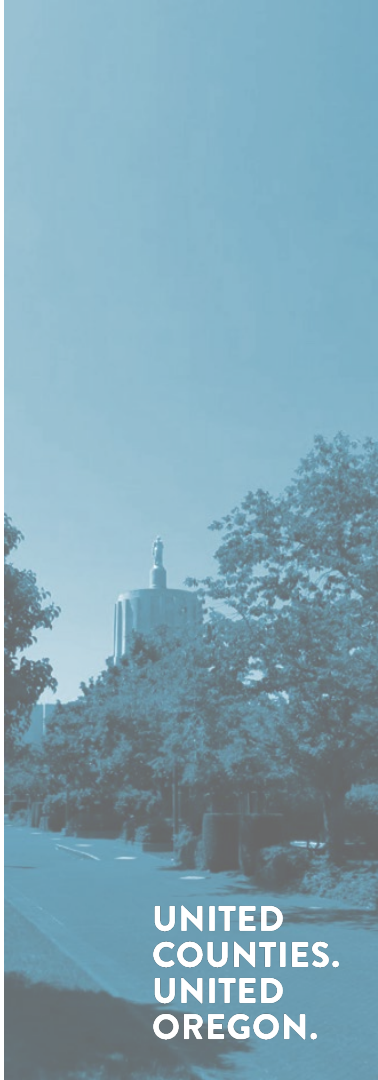
Emergency Management

- **HB 3243 (+) Ambulance Rate-Setting and Balance Billing Prohibition**
  - Requires insurance companies, other than PEBB, OEBB, and ERISA covered plans, to pay the locally set rate for ambulance services
- **Federal Emergency Management Performance Grant backfill request $8.9M**
  - Not funded



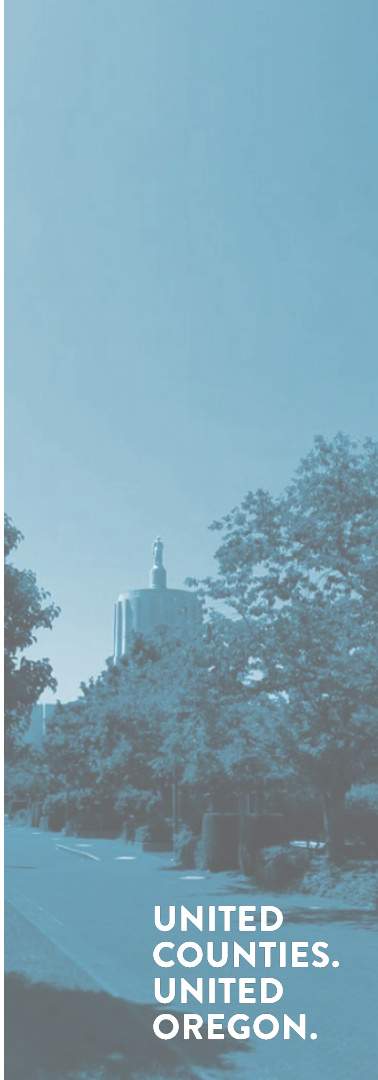
Transportation Package

- **HB 2025 (+) Transportation Reinvestment Package**
  - -23 Amendment: Transfer/sales tax for HB 2017 projects and programs, $0.15 gas tax increase by 2028 – then indexed, DMV fee increases, RUC for passenger and delivery vehicles, privilege tax increase, abandoned RV fund, STIP project selection criteria, revenue distribution study, ODOT audits, local govt scope change process
  - Changes in -A28: no transfer tax, no indexing, one-time gas tax, staggered DMV fee increases, increased privilege tax
- **HB 3402 (-) ODOT-only Gas Tax/DMV Fee Increases**
  - $0.03 gas tax increase and DMV fee increases to ODOT – not split 50/30/20



More info…

- **AOC 2025 Legislative Summary -** Out now!
  - Details on the 210-ish bills AOC lobbied for/against this session
  - 1 copy mailed to counties and PDF available on **AOC Website**
- **AOC Legislative Affairs Department Staff**
  - Contact info and portfolios on **AOC Website**



Questions?

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