



# Legislative REPORT

2026





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Thank you for reviewing the 2026 Legislative Report, which provides Oregon REALTORS® members with an overview of the key legislation our Association engaged with during the 2026 session and the outcomes that affect homeownership, property rights, and small businesses across our state.

Oregon’s legislature meets for up to 35 days in even-numbered years and up to 160 days in odd-numbered years. The 2026 Legislative Session convened on February 2 and adjourned on March 6. Although considered a “short” session, lawmakers addressed several significant and controversial issues.

Among the most notable actions was the passage of SB 1599, which moved the voter referral of the 2025 transportation package from the November 2026 ballot to the May 2026 election. Legislators also approved SB 1507, raising more than \$300 million in taxes by “disconnecting” from certain provisions of the Internal Revenue Code for Oregon tax purposes. In addition, SB 1501 passed, providing funding for renovations to the Moda Center to keep the Portland Trail Blazers in Oregon.

Beyond these high-profile issues, lawmakers considered dozens of bills related to housing production, landlord-tenant policy, and small business regulations. These are the issues on which Oregon REALTORS® focused the majority of its advocacy efforts.

This report highlights the legislation we tracked, the positions we took, and the final outcomes — whether those bills passed or did not move forward. I am pleased to report that the 2026 session was another successful one for Oregon REALTORS® and our partners as we worked to support policies that expand housing opportunity across our state.

I extend my sincere appreciation to the Oregon REALTORS® Government Affairs Key Committee for their dedication in reviewing legislation and establishing our Association’s positions. Thank you to our staff and contract lobbyists for their tireless work representing REALTORS® in Salem. And most importantly, thank you to the members who responded to Calls for Action and contacted your legislators. Your voices make a real difference.

Oregon REALTORS® will continue to be a strong and consistent advocate for homeownership, private property rights, and policies that support a vibrant real estate market. When REALTORS® speak with a unified voice, policymakers listen. Together, we will continue working to protect the dream of homeownership and ensure that the REALTOR® voice remains strong in Salem.

Sincerely,

Dr. Tony Kelly, 2026 President  
Oregon REALTORS®



We are protecting and promoting the interests of our industry and our membership more vigorously.



The 2026 legislative session was one of the busier “short” sessions for the Government Affairs Key Committee (GAKC) in recent years. GAKC tracked 78 bills this year — a 56% increase from our average for short sessions since 2016. This continues the trend from 2025, when we also tracked approximately 58% more bills than in recent “long sessions.” I believe that by monitoring and engaging with more legislation than ever before, we are protecting and promoting the interests of our industry and our membership more vigorously.

I am grateful to every member of GAKC for their dedication to the process. Thanks to their hard work, and with the help of Oregon REALTORS® staff and lobbyists, we were able to:

- Prevent an attempt to eliminate the mortgage interest deduction for owners of second homes (HB 4136),
- Stop numerous bills which would have worsened affordability and the cost of living (SB 1541, 1582, 1588, and HB 4098 to name a few), and
- Amend several bills we initially opposed in ways that allowed us to take a neutral position on the final bill (HB 4128, SB 1521, and SB 1576 to name a few).

This year, Oregon REALTORS® requested the introduction of SB 1513 — a bill to extend the date by which real estate teams would be required to comply with new restrictions on the use of the terms “real estate” and “realty” in team names. Thanks to Senator Meek, who introduced the bill and carried it through the Senate, and Representative Breese-Iverson, who carried the bill through the House, our bill passed without a single vote in opposition.

Further, working with our partners we successfully advocated to:

- Enable more cities to utilize the one-time urban growth boundary (UGB) expansion tool created by SB 1537 (2024) and increased the maximum allowable acreage that can be brought into a UGB through this process (HB 4035),
- Increase opportunities for economic development (HB 4084),
- Strengthen private property rights (HB 4153), and
- Renew the Pass-Through Entity Elective Tax (often called the “SALT Workaround”) for pass-through businesses (SB 1510).

On behalf of the Government Affairs Key Committee, I extend my thanks to the members of Oregon REALTORS® for entrusting us with this important work. We look forward to continuing to represent our industry and your interests in the Capitol during the 2027 legislative session and beyond.

Sincerely,

Cynthia Thackery, 2026 Chair  
Government Affairs Key Committee





# Bills Summary Table

Bill	Topic	Position	Outcome
<a href="#">SB 1513</a>	<i>Delays the Operative Date of Regulations Related to Real Estate Team Names</i>	Support	Passed
<a href="#">SB 1521</a>	<i>Prevents Unintended Consequences of Inclusionary Zoning Policies</i>	Neutral	Passed
<a href="#">SB 1590</a>	<i>Prohibits Assisting the Federal Government in the Sale of Federal Public Lands</i>	Oppose	Passed
<a href="#">HB 4035</a>	<i>Expands Eligibility for &amp; Allowable Acreage of SB 1537 UGB Expansion Opportunities</i>	Support	Passed
<a href="#">HB 4037</a>	<i>Addresses Numerous Policy Issues Related to Housing Production</i>	Support	Passed
<a href="#">HB 4082</a>	<i>Creates an Additional SB 1537 UGB Expansion Opportunity for Manufactured or Senior Housing</i>	Support	Passed
<a href="#">HB 4153</a>	<i>Enables Counties to Allow "Farm Stores" on Certain Exclusive Farm Use Zoned Lands</i>	Support	Passed
<a href="#">SB 1561</a>	<i>Ensures a Local Decision to Replace a Destroyed Home is not Appealable</i>	Support	Passed
<a href="#">HB 4036</a>	<i>Establishes and Funds an Account in State Treasury for Affordable Housing Preservation</i>	Support	Passed
<a href="#">HB 4098</a>	<i>Adds Certain Insurance Practices to the Oregon Unlawful Trade Practices Act</i>	Oppose	Died
<a href="#">HB 4089</a>	<i>Modifies Crimes of Theft of Services &amp; Hiring Unlicensed Construction Labor Brokers; Increases Penalties</i>	Neutral	Passed
<a href="#">HB 4128</a>	<i>Creates a Waiting Period for Large Institutional Investors Purchasing a Single-Family Home</i>	Neutral	Passed
<a href="#">SB 1540</a>	<i>Regulates Insurance Risk Assessments, Underwriting, &amp; Risk Mitigation Benefits</i>	Oppose	Died
<a href="#">HB 4120</a>	<i>Allows Landlords to Convert Multifamily Property to Nonsmoking With 180 Days' Notice</i>	Support	Passed
<a href="#">SB 1523</a>	<i>Regulates Access to Common Areas; Requires Acceptance of Various Forms of Payment</i>	Monitor	Passed
<a href="#">SB 1576</a>	<i>Requires Heightened Accessibility Standards for Units in Publicly Subsidized Multifamily Structures</i>	Neutral	Passed
<a href="#">HB 4136</a>	<i>Eliminates the Mortgage Interest Deduction Applicable to Second Homes</i>	Oppose	Died
<a href="#">HB 4084</a>	<i>Establishes the Joint Permitting Council to Administer a Fast Track Permitting Program and Expands Enterprise Zone Eligibility</i>	Support	Passed
<a href="#">SB 1507</a>	<i>Disconnects from Certain Parts of the Internal Revenue Code</i>	Oppose	Passed
<a href="#">SB 1510</a>	<i>Renews Pass-Through Entity Elective Tax (SALT Workaround)</i>	Support	Passed
<a href="#">SB 1511</a>	<i>Raises Estate Tax Exclusion Amount While Also Raising Estate Tax Rates</i>	Monitor	Died
<a href="#">SB 1586</a>	<i>Expands Semiconductor &amp; Advanced Manufacturing Tax Benefits; Adds Lands to Metro</i>	Support	Died
<a href="#">SB 1541</a>	<i>Establishes the Climate Superfund Cost Recovery Program</i>	Oppose	Died
<a href="#">SB 1582</a>	<i>Requires Electric Companies to Create Distributed Power Plant Programs</i>	Oppose	Died
<a href="#">SB 1588</a>	<i>Requires Electric Companies to Create Inclusive Utility Investment Programs</i>	Oppose	Died
<a href="#">SB 174</a>	<i>Adds certain insurance practices to the Unlawful Trade Practices Act</i>	Oppose	Died



## SB 1513

### Delays the Operative Date of Regulations Related to Real Estate Team Names

SB 1513 was requested by Oregon REALTORS® and introduced by State Senator and fellow REALTOR® Mark Meek. SB 1513 delays the operative date of a provision regulating real estate team names to ease the compliance burden related to rebranding real estate teams.

HB 3137, which became law in 2025, was brought forward by Oregon REALTORS® and was the most substantial update of ORS chapter 696, the statutes governing real estate licensees, in more than two decades. It introduced terms and concepts that are common in today's real estate practice but were previously absent from statute.

Section 13 of HB 3137 created a regulatory framework for real estate teams — including one provision that prohibits teams from using the words “realty” or “real estate” in their team name — to avoid confusing consumers that the team is an independent real estate brokerage. Due to legitimate concerns about the time and cost associated with potential rebranding, SB 1513 delays the operative date of that provision to July 1, 2027.

Senator Meek and Representative Breese-Iverson each carried this key bill for its votes on the Senate floor and House floor, respectively. We thank them both!



Support



Passed





## SB 1521

### Prevents Unintended Consequences of Inclusionary Zoning Policies

Prohibits cities and counties in the Portland region, other than the City of Portland, from enforcing inclusionary zoning requirements unless the city or county offsets developer and operator financial losses resulting from inclusionary zoning requirements. In practice, SB 1521 reduces the risk of unintended consequences resulting if a local government decides to enact an inclusionary zoning policy.

While Oregon REALTORS® opposed the bill as originally drafted, successful negotiations with the bill's chief sponsor, its primary proponent, and other key housing stakeholders led to a better bill and got us to a neutral position.

Neutral  Passed

## SB 1590

### Prohibits Assisting the Federal Government in the Sale of Federal Public Lands

Prohibits public bodies (state and local governments, special districts, etc.) from assisting the federal government with the sale or transfer of federal public lands to private owners until 2032. Creates exemptions for certain land transfers for designated uses such as infrastructure, utility, transportation, conservation, recreation, surplus federal buildings, and tribal land trusts. While Oregon REALTORS® reveres public lands, we opposed this bill because there may be some instances in which marginal federal lands could be used for housing or other purposes that serve the public interest, and SB 1590 shuts down the conversation.

Oppose  Passed

## HB 4035

### Expands Eligibility for & Allowable Acreage of SB 1537 UGB Expansion Opportunities

Expands eligibility for cities to take advantage of the one-time Urban Growth Boundary (UGB) expansion for housing allowed under SB 1537 (2024). The bill increases the maximum allowable acreage of a site added to a city's UGB from 100 net residential acres to 150 net buildable acres and reduces the city's housing cost burden demonstration requirement. HB 4035 also provides clarity related to the land availability eligibility criteria and includes a specific allowance for the City of Woodburn to add a site to their UGB under modified eligibility requirements.

Support  Passed



## HB 4037

### Addresses Numerous Policy Issues Related to Housing Production

Addresses a wide variety of housing-related policy issues, including modifying local government housing project funding programs, improving building plan reviews, limiting notice requirements for certain housing projects, elevating the priority of housing as a use of surplus state property, clarifying land prioritization criteria for the designation of urban reserves, and making other technical fixes.



Support



Passed

## HB 4153

### Enables Counties to Allow “Farm Stores” on Certain Exclusive Farm Use Zoned Lands

Enables counties to allow “farm stores” on land zoned for exclusive farm use. Farm stores are on-site retail markets that connect consumers to the source of their food, offering fresh seasonal produce and local goods alongside immersive on-farm experiences. The bill permits local governments to adopt siting standards related to access, egress, and parking, as well as traffic and noise management, hours of operation, and sanitation — allowing farm stores to operate while retaining compatibility with adjacent uses. HB 4153 enables farmers to make ends meet while also strengthening private property rights.



Support



Passed

## HB 4082

### Creates an Additional SB 1537 UGB Expansion Opportunity for Manufactured or Senior Housing

Allows cities (including Metro) to use the one-time urban growth boundary expansion tool from SB 1537 (2024) a second time by authorizing cities to add a site for housing for older persons or manufactured dwelling parks to their UGBs with limited demonstrations of need. Inclusion of a site into a city’s UGB under HB 4082 is in addition to, not in lieu of, the original SB 1537 allowance.



Support



Passed

## SB 1561

### Ensures a Local Decision to Replace a Destroyed Home is not Appealable

Provides that the finding of a local government which approves the replacement of a lawfully acknowledged home that was destroyed is not a land use decision. Prior to SB 1561, the decision to replace the home could be appealed as a land use decision, which would prolong the tragedy experienced by a disaster victim who lost their home.



Support



Passed



**HB 4036**

**Establishes and Funds an Account in State Treasury for Affordable Housing Preservation**

Establishes the Housing Opportunity, Longevity, and Durability Fund to finance affordable housing preservation efforts through the Department of Housing and Community Services (OHCS). The bill also appropriates \$295,175 from various sources to OHCS to administer the Housing Opportunity, Longevity, and Durability Fund and requires the department to submit a report to the legislature regarding opportunities for process improvements related to affordable housing programs administered by OHCS.



Support



Passed

**HB 4098**

**Adds Certain Insurance Practices to the Oregon Unlawful Trade Practices Act**

As representatives of home buyers and sellers and advocates of homeownership, Oregon REALTORS® is tracking issues related to insurance closely. If insurance is unavailable for a property, a seller won't be able to sell their home. If insurance is unaffordable, buyers won't be able to buy a home.

HB 4098 would increase class action lawsuits against insurers. While we strongly support ensuring fairness in Oregon's insurance market, HB 4098 risked overregulation of the insurance industry, which could have resulted in insurers leaving the state — like happened in California in recent years. Oregon insurance is already heavily regulated, and remedies exist for insurance customers who believe they have been wrongfully denied coverage.



Oppose



Died





## HB 4089

### Modifies Crimes of Theft of Services & Hiring Unlicensed Construction Labor Brokers; Increases Penalties

Provides that a first violation of laws prohibiting the hiring of unlicensed construction labor brokers is a Class A misdemeanor. The bill also provides that subsequent violations of such laws are a Class C felony, as are the use of a licensed contractor’s license number without authorization or with the intent to deceive the public.

Oregon REALTORS® strongly opposed HB 4089 as introduced. Under the original version of the bill, initial violations — even if unintentional — would have immediately been Class C felonies, including homeowners who unwittingly hired an unlicensed contractor. Negotiations between HB 4089’s proponents and other impacted stakeholders resulted in a much more reasonable amended bill, which enabled us to change position from opposed to neutral.

Neutral  Passed

## HB 4128

### Creates a Waiting Period for Large Institutional Investors Purchasing a Single-Family Home

Prohibits institutional investors — defined as those entities with >10% ownership interest in 2,500 or more homes and which manage more than \$1 billion in assets pooled from other investors – from purchasing, acquiring, or offering to purchase or acquire a single-family home until the home has been listed for sale on the market for at least 90 days. The bill also requires certain disclosures upon purchase of such a home and authorizes the Attorney General to investigate and enforce violations of the 90-day prohibition and disclosure requirements by institutional investors.

Oregon REALTORS® was originally opposed to the bill. We were able to secure amendments creating exemptions for homes that tenant-occupied, homes that were built as rentals, and homes that are not on the market. Additional exemptions were added for homes that are acquired through foreclosure. The chief sponsor of the bill engaged Oregon REALTORS® and other relevant stakeholders throughout the legislative process which allowed us to get to a neutral position on the bill.

Neutral  Passed

## SB 1540

### Regulates Insurance Risk Assessments, Underwriting, & Risk Mitigation Benefits

During the 2025 legislative session, the legislature passed SB 85, which directed the Department of Consumer and Business Services, the Department of the State Fire Marshal, the State Forestry Department, and representatives of insurers to recommend community-based wildfire risk mitigation actions and strategies to reduce wildfire risk and improve insurance availability and affordability.

SB 1540, like HB 4098, would have risked insurers raising rates or retreating from the Oregon market. This is because SB 1540 would have “put the cart before the horse” by imposing new requirements on insurers without incorporating the yet-to-be-published findings and recommendations resulting from the work directed by SB 85.

Opposed  Died



**HB 4120**

**Allows Landlords to Convert Multifamily Property to Nonsmoking With 180 Days' Notice**

Protects and balances the rights on tenants and landlords alike by allowing a landlord to prohibit smoking in multifamily rental units and indoor common areas upon issuing a notice of the policy change at least 180 in advance. A landlord who implements a nonsmoking policy must designate at least one area on the property where smoking is allowed.



Support



Passed

**SB 1523**

**Regulates Access to Common Areas; Requires Acceptance of Various Forms of Payment**

Requires landlords to provide application forms other than through a “tenant portal” in response to a request from an applicant or tenant under certain circumstances. It prohibits landlords from requiring payments via a tenant portal, credit card, or electronic means, requires landlords to provide non-tenant portal access to common areas, and allows landlords to charge tenants for payment processing fees for credit card or tenant portal payments.



Monitor



Passed

**SB 1576**

**Requires Heightened Accessibility Standards for Units in Publicly Subsidized Multifamily Structures**

Requires new multifamily dwellings that receive state subsidies to meet heightened accessibility standards, namely the requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and its implementing regulations. In effect, this will result in more “Type A” accessible units, which provide a higher, more immediate level of accessibility such as 32-inch doors and specific knee clearance in kitchens for wheelchairs. As originally drafted the bill applied to all multifamily units but was modified in negotiations with stakeholders to only apply to subsidized units.



Neutral



Passed





**HB 4136**

**Eliminates the Mortgage Interest Deduction Applicable to Second Homes**

Disconnects Oregon from federal tax policy and eliminates the Mortgage Interest Deduction for 2nd homes beginning in the 2026 tax year. Beginning in 2028, increases funding for downpayment assistance programs administered by nonprofit organizations by an amount equivalent to the savings generated from eliminating the deduction.



Oppose



Died

**HB 4084**

**Establishes the Joint Permitting Council to Administer a Fast Track Permitting Program and Expands Enterprise Zone Eligibility**

Establishes the Joint Permitting Council and directs the council to administer a "Fast Track Permitting Program" for large-dollar projects which require permitting approval from multiple state agencies. Directs certain agencies to inventory backlogs of permits for economic development projects and identify opportunities to streamline approval. Expands applicability and potential length of Enterprise Zone property tax abatements, but also makes them unavailable for data centers.



Support



Passed

**SB 1507**

**Disconnects from Certain Parts of the Internal Revenue Code**

Oregon has a "rolling reconnect" to the federal definition of taxable income, meaning that absent affirmative action, Oregon automatically adopts the federal definition and Oregon taxpayers get the same deductions for both federal and Oregon tax purposes. However, there are some provisions for which Oregon chooses to "disconnect" and set its own tax policy. SB 1507 "disconnects" from several provisions of the federal tax code after the 2025 passage of HR 1 (the One Big Beautiful Bill Act) including bonus depreciation for businesses, auto-loan interest, and the Qualified Small Business Stock deduction. As a result, taxpayers who deducted these items to determine their federal taxable income would have to add them back in to determine their Oregon taxable income.



Oppose



Passed





## SB 1510

### Renews Pass-Through Entity Elective Tax (SALT Workaround)

Following the 2017 Tax Cuts and Jobs Act which limited the deductibility of state and local taxes (SALT) on federal tax returns to \$10k, Oregon enacted legislation to workaround the federal limitation by imposing a tax on a pass-through entity (where the tax is deductible from federal tax) and providing a related personal income tax credit for the owners of the pass-through entity. This provides a means to reduce a taxpayer's federal income tax liability while leaving net state revenue unchanged. SB 1510 renews the workaround for tax years 2026 and 2027. While the SALT deduction limit was raised to \$40k by HR 1 in 2025 (the One Big Beautiful Bill Act), SB 1510 ensures that small business owners with greater than \$40k in state and local tax liabilities can still benefit.



Support



Passed

## SB 1511

### Raises Estate Tax Exclusion Amount While Also Raising Estate Tax Rates

SB 1511 converts the \$1 million estate tax exclusion to a \$2.5 million deduction, and increases the tax rates imposed on estates of greater than \$2.5 million.



Monitor



Died

## SB 1586

### Expands Semiconductor & Advanced Manufacturing Tax Benefits; Adds Lands to Metro

Allows Hillsboro to bring lands identified by the recent semiconductor task force into its UGB. The bill contained key incentives to bring new jobs and economic growth to the region such as expanding the existing Semiconductor Research & Development Tax Credit, creating a new advanced manufacturing R&D tax credit, allowing local governments to offer property tax exemptions for certain new or updated machinery and equipment, and expanding eligibility for the Industrial Site Readiness Program.



Support



Died



**SB 1541**

**Establishes the Climate Superfund Cost Recovery Program**

Directs the Department of Land Conservation and Development to lead an interagency team to assess the cost of greenhouse gas emissions released by fossil fuel companies since 1995 and recover those costs from the fossil fuel companies.



Oppose



Died

**SB 1582**

**Requires Electric Companies to Create Distributed Power Plant Programs**

Establishes requirements timelines for each electric company to establish and implement a “distributed power plant program” to help reduce the impacts of peak-hour electricity consumption. Utilities like PGE already have similar programs and the requirements would have been redundant and likely harmful to program continuation.



Oppose



Died

**SB 1588**

**Requires Electric Companies to Create Inclusive Utility Investment Programs**

Requires each electric company to develop an “inclusive utility investment program” to assist in the financing of energy efficiency upgrades or renewable energy projects by the electric company’s customers. Analysis by utilities indicated that the cost recovery of financing a heat pump under the requirements of SB 1588 would have taken three decades.



Oppose



Died





## SB 1501

### Moda Center Renovation

SB 1501 authorizes the State of Oregon to create a joint authority for ownership of the Moda Center with the City of Portland and creates the Oregon Arena Fund which will be funded by income tax revenues generated from economic activity at the Rose Quarter which, along with other capital improvement funds, will be used to renovate the Moda Center. SB 1501 was passed in conjunction with the Blazers agreeing to enter into a 20-year lease for the Moda Center.



Monitor



Passed

## SB 1517

### Recreational Liability

Allows operators of sports, fitness, and recreational activities to require customers to release the operator from claims for damages from injuries resulting from the ordinary negligence of the operator so long as the customer or their parent/guardian signs a clear and unambiguous written release disclosing risks associated with the sport, fitness, or recreational activity or volunteering and waiving the operator's liability for damages for injuries resulting from those risks. Certain types of claims cannot be waived, including those involving a greater degree of culpability than ordinary negligence, and claims relating to the maintenance or inspection of safety equipment or safety-related training of an employee or agent.



Monitor



Passed

## SB 1599

### Changes Election Date for Transportation Package Referral

In a fall 2025 special session, the legislature passed a bill to fund Oregon's transportation system that included increases to gas taxes, vehicle fees and payroll taxes. After its passage, opponents gathered enough signatures to refer the measure to voters on the November 2026 ballot. SB 1599 moves the vote to the May 19, 2026, primary election ballot. Republicans accused Democrats of moving the referral to May as a political move to avoid having to run for election on the same ballot as the unpopular tax. Democrats said the move was to let the voters weigh in as soon as possible and allow more time to react if voters reject the measure, as is anticipated. SB 1599 proved to be the most controversial bill of the session, precipitating several short walkouts by Republicans, but ultimately the bill passed.



Monitor



Passed

