



OREGON SEED
COUNCIL

2026
LEGISLATIVE
SESSION

LEGISLATIVE

REPORT



EXECUTIVE SUMMARY

INTRODUCTION

The 83rd Oregon Legislative Assembly convened for the 2026 Legislative Session on Monday, February 2, and adjourned Sine Die on Friday March 6. In the 32 days of Session, legislators passed dozens of bills of the more than 300 introduced. The Oregon Seed Council tracked more than one sixth of the total bills over the course of the Session. Issues ranged from employment to estate tax, to land use, to climate, to water, to taxes, to transportation – and many more.

The short Legislative Session, held in even numbered years, is authorized for 35 days by the Oregon Constitution and was intended to focus on adjusting budgets, and small, technical policy changes.

STATE'S TOP ISSUES

The Legislature started its short Session with a heavy emphasis on budgets and a focus on where to trim. Following the 2025 Legislative Session, the federal spending bill, H.R. 1 passed Congress and was estimated to leave a \$900 million shortfall in the state's coffers.

Budget cut options were reviewed during the Interim Legislative Days, and within the first couple of days of Session, Ways and Means Co-Chairs scheduled a public hearing on proposed program reductions.

The Oregon Seed Council submitted testimony advocating for four programs:

- Funding for OSU Statewides
- Maintaining funding for Future Farmers of America
- Retaining grant funding for the Oregon Agricultural Heritage Program (OAHP)
- Japanese Beetle Eradication

Following this hearing, the February revenue and economic forecast was released, highlighting more receipts than anticipated from the close of the last fiscal year and additional revenue anticipated. Total budget reductions hit around \$128 million, generally through keeping vacant positions open and reducing agency supply budgets.

Other large areas of focus areas for the Session included:

- Transportation package referendum and funding
- Providing funding for improvements to the Moda Center (up to \$365 million approved through [SB 1501](#))
- Response to federal immigration policies
- Campaign finance

For OSC and the seed industry, major policies included:

- Taxes ([SB 1507](#), the federal disconnect bill; [SB 1511](#), estate tax restructure)
- Land Use ([SB 1586](#))
- Seed Industry Regulation ([HB 4065](#))
- Budgets
- Cost drivers

LEGISLATIVE RELATIONSHIPS

OSC met with numerous legislators and staff to build relationships, elevate the partnership of the seed industry overall, and begin the conversations of how OSC can be a resource for the Legislature.

During the Session, OSC President Dave Goracke and I were able to meet with several legislators, county commissioners, and leaders from the San Francisco Chinese Consulate to build partnership between agricultural industries in Oregon, Oregon government officials, and Chinese officials.

We are excited for the potential to build more relationships and bring positive outcomes to our industry.

THANK YOU!

Finally, I want to thank each of you for thoughtful conversations, your input, and your support as we navigated the 2026 Session.

A special thank you to the OSC Board of Directors, Government Affairs Committee, and Executive Committee for quick action and in-depth discussion on policies and how OSC can best support industry in the legislative process and policy discussions.

Our industry members were quick to react to Action Alerts and engage legislators, and for that, we want to offer a big thank you! Your engagement truly makes a difference, and this, we hope will be clearly evidenced in the pages that follow.

Megan Chuinard Graser

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Executive Director

Oregon Seed Council

THE REPORT

The pages that follow provide additional information on the policies mentioned in the executive summary of this report and others we tracked for the Session.

OREGON SEED COUNCIL STATE POLICY PRIORITIES

Last year, OSC developed its first policy guide to support its advocacy in the Capitol. Leading up to the State Legislative Session OSC updated its policy priorities, highlighting policies surrounding:

- Ag overtime
- Budgets, including the Japanese Beetle Eradication Program; Oregon Agricultural Heritage Program; OSU and OSU Extension Services; Oregon Department of Agriculture programs; and Future Farmers of America
- Employer policy
- Taxes, including estate tax, Corporate Activities Tax, and taxes generally
- Production regulations
- Water
- Workforce
- Right to Farm Laws
- Protecting access to crop management resources
- Agricultural and field burning
- Land use

The internal policies provide firm footing for the Oregon Seed Council to navigate complex policy issues, and focus the what issues the organization engages in.

In the pages that follow, our narrative will review major policies of interest, Oregon Seed Council's position on the policy, any relevant background for the policy discussion, and how the Oregon Seed Council engaged on the issue.

OSC ENGAGEMENT

Bills highlighted in this section had signification engagement by OSC through testimony, coalition engagement, and industry discussion.

BUDGET

The Session began with a [Ways and Means](#) hearing on budget reductions. OSC advocated for sustained or new funding for Oregon State University and statewide programs, Future Farmers of America, Oregon Agricultural Heritage Project funding, and Japanese Beetle Eradication efforts. - [Coalition Testimony](#); [OSC Testimony](#)

OSC Position: Support continued funding for industry programs.

Status:

- **OSU Funding:** The proposed state budget adjustments for higher education moved in [HB 5204](#). No reductions were proposed for the Public University Support Fund, OSU Statewides or State Programs.
- **Japanese Beetle Eradication Funding:** Provided for in [HB 5204](#):
 - SECTION 204. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 2 (3), chapter 419, Oregon Laws 2025, for the biennium ending June 30, 2027, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, and including federal funds for contract services, but excluding lottery funds and federal funds not described in section 2, chapter 419, Oregon Laws 2025, collected or received by the State Department of Agriculture, for natural resources, is increased by \$372,490, for a Japanese beetle market access program.
 - SECTION 250. Notwithstanding any other provision of law, the General Fund appropriation made to the State Department of Agriculture by section 1 (3), chapter 419, Oregon Laws 2025, for the biennium ending June 30, 2027, for natural resources, is increased by \$1,800,000, for Japanese beetle eradication.
- **OAHP Funding** - No cuts were made to this program.

- **FFA Funding** – Program funds were preserved.

OSC Engagement: [OSC Action Alert](#); [Coalition Testimony](#); [OSC Testimony](#)

EMPLOYMENT POLICY/COST DRIVERS

WAGE THEFT – [HB 4089](#)

OSC Position: Oppose initial bill. Neutral on amended bill.

Status: Signed into law.

Summary: The bill as introduced would have imposed both civil and criminal penalties to employers if found to make a mistake in interpretation of workplace protections/requirements.

The bill was amended to impact construction contractors who knowingly hire unlicensed construction labor.

OSC Engagement: [Coalition Testimony](#)

Press: [Ag employers excluded from Oregon wage theft bill](#) | Capital Press

LITIGATION/INSURANCE COST DRIVER– [HB 4098](#)

OSC Position: Oppose.

Status: Died on House Floor on 2.18.2026.

Summary: The bill as introduced would provide trial lawyers more opportunity to sue insurers and would ultimately drive up the cost of insurance for businesses and everyday Oregonians.

OSC Engagement: [Business Coalition Testimony](#), [Ag Coalition Testimony](#), [OSC Testimony](#)

MEDICAIDE SHAME BILL – [HB 4147](#)

OSC Position: Oppose initial bill.

Status: Died on House Floor on 2.18.2026.

Summary: The bill as introduced is not reflective of all employment scenarios, seeking to put on display employers whose employees may be on the Oregon Health Plan. If passed, next steps of the legislation would mean new regulations and penalties for employers. Significant headway was made on the bill during the Session, and the bill died.

OSC Engagement: [Coalition Testimony](#)

ENVIRONMENT

CLIMATE SUPERFUND – [SB 1541](#)

OSC Position: Oppose.

Status: Died.

Summary: SB 1541 would create open-ended financial risk, raising costs for households and businesses. Essentially, the bill allows for DEQ to hold energy companies liable for adverse impacts of climate change.

OSC Engagement: [Coalition Testimony](#)

Press: [Concerns rise as Oregon's new bill may hike living costs for families](#) | KDRV

LAND USE

“OREGON JOBS ACT” – [SB 1586](#)

OSC Position: Oppose.

Status: Died.

Summary: The base bill for the “Oregon JOBS Act” – would have added around 1,700 acres of farmland to the Hillsboro UGB. About 1,500 acres of the 1,700 acres proposed for annexation are Class 1 and 2 soils, some of the best in the world. An amendment was proposed changing the acreage to under 400 in the UGB and the rest to Urban Reserves and modified the tax incentives incorporated in the bill. OSC opposed this amendment as well. Three public hearings were held 2.16, 2.18, and 2.23 in Senate Finance and Revenue.

Additional Information: While OSC opposes the land use component of the bill, it is important to note that the bill also would have brought a significant tax credit for advanced manufacturing.

OSC Engagement: [OSC Testimony](#), [Verbal Testimony by Charles Ortiz on behalf of OSC](#), and [Individual Testimony by Charles Ortiz for OSC](#).

Press:

[Oregon lawmakers consider adding Hillsboro industrial land and, for data centers, even bigger tax breaks](#) | The Oregonian

[State drops bill to rezone 1,700 acres of Hillsboro land for industrial use](#) | KGW

[Hillsboro will not get more industrial land for high tech, data centers after all – for now](#) | Oregon Public Broadcasting

SEED INDUSTRY

SEED PAYMENT UPDATES – [HB 4065](#)

OSC Position: Support.

Status: Signed into law.

Summary: This bill increases grower fees, codifies rule into statute around the payment timeframe and dealer notifications, and increases interest rate for missed/late payments to prime, plus one percent.

Additional Information:

BACKGROUND

The slow pay/no pay statutes (ORS 576.700 to ORS 576.814) were established to provide minimum contract specifications for Oregon seed growers and to prevent "slow pay/no pay" problems, specifically, this refers to when payments are to be made for contracted seed.

The Oregon Department of Agriculture (ODA) administers the slow pay/no pay program to assist growers in obtaining timely payments for their crops.

In 2011, HB 2159 was implemented, covering grass seed types commonly sold for turf lawns or as forage seed.

In 2018, HB 4068 extended slow pay/no pay protections to all other seed kinds, including other agricultural seeds, vegetable, and flower seeds.

Since its inception in 2011 through 2024, one complaint had been filed, and that was in 2024.

In 2025, at the time of the introduction of this bill, complaints increased to 22 total. While primarily the references to the uptick in complaints in the news have centered around the grass seed industry, it is important to know that other seed types have had complaints filed as well.

INFORMATION ON THE 2025 COMPLAINTS

According to ODA at the time of the bill's introduction, in 2025:

- Three of the 22 cases were resolved without department involvement.
- One case had no determination.
- 13 cases for the 2024 crop tall fescue underpayment had the following results:
 - 11 notices of payment demand issued
 - One withdrawn
 - One pending (complaint received 12/15/2025)
- Five cases related to other seeds - these were still in progress.

INFORMATION ON 2024 CROP UNDERPAYMENTS

- At the time of the bill's introduction, the department reported that 11 Notices of Payment Demand were issued to one seed company who had paid growers less than they were owed for 2024 crop tall fescue.

- Contested case hearings were scheduled for early December for eight cases.
- In November, the company paid all 11 growers the outstanding amounts plus interest owed and rescinded their requests for contested case hearings.

At the time this bill was introduced, there was one more contested case hearing underway. The next court date was anticipated to occur mid-to-late February. OSC anticipated the results of that case hearing would provide additional context and clarity on how authority is interpreted, and whether there may be a need for amendments to existing statute or rule.

NEXT STEPS

OSC clarified in its testimony that while this bill seeks to change a few small areas in statute, there are changes that may need to be made within this statute and/or the rule that will be made clear following the Oregon Department of Agriculture rulemaking process this spring.

Regarding the rulemaking, there are some inconsistencies in the rules that have been identified by the department that can be fixed in the rulemaking process. With this truly the first time the slow pay/no pay law has been put to the test, the process has highlighted some areas for improvement.

OSC and our member organizations look forward to participating in the ODA Rulemaking Advisory Committee. Based on the department's anticipated timeline, OSC is encouraged and believe this process will clarify what can be updated through rulemaking, bring stakeholders together, and will allow for a clear forum to discuss challenges and opportunities to improve the rules and process for all parties.

OSC believes that following the administrative case hearing in process, we will learn more to inform how the industry may wish to proceed.

OSC Engagement: [OSC Testimony \(House\)](#); [OSC Testimony \(Senate\)](#)

Press: [Bill bolstering Oregon seed law passes Legislature unanimously](#) | Capital Press

TAXES

FEDERAL TAX CODE DISCONNECT – [SB 1507](#)

OSC Position: Oppose.

Status: Signed into law.

Summary: The Oregon Seed Council strongly opposes the disconnection to the federal tax code, especially to 100 percent the bonus depreciation.

This provision in the federal tax code provides a mechanism for businesses to purchase a piece of equipment or machinery and deduct the full cost of at purchase in the year the equipment was purchased, rather than pushing that deduction out across a full depreciation schedule.

The bonus depreciation provision helps Oregon’s businesses, especially our agricultural community, stay competitive with other states that are producing similar products. This provision provides an incentive for businesses to invest in equipment and machinery that will improve efficiency and outcomes for our industry and the state.

It is important to note that the bonus depreciation simply changes when the state receives revenue - it does not lose revenue.

This important tool can help businesses free up capital to support additional staff investments and allow the industry to remain competitive in a challenging market.

OSC Engagement: [Ag Coalition Testimony](#); [OSC Testimony](#); [OSC Testimony on SB 1507 \(House Revenue\)](#); [OSC Verbal Testimony \(Charles Ortiz in House Revenue\)](#); Coalition letter for office distribution; Coalition veto request letter; OSC Veto Letter; Industry Engagement – Veto Request Letters; OSC Testimony read on the Senate Floor by Senator David Brock Smith

Press: [Republicans launch referendum after Gov. Tina Kotek signs tax bill](#) | Statesman Journal

POLICY OF INTEREST

Below are notes on other bills that members may have interest in that OSC monitored or took a position on.

EMPLOYMENT POLICY/COST DRIVERS

VACATION PAYOUT – [HB 4094](#)

Status: Died.

Summary: The base bill would have required employers to pay employees for up to 300 hours of unused vacation time. Vacation is a benefit and often seen as a replacement for wages when time off is taken not in excess of that. The bill would push employers to move to a use it or lose it policy. The bill as amended would have required employers to follow what is in the employer's policy.

IMMIGRATION-RELATED PRACTICES – [HB 4111](#)

Status: Signed into law.

Summary: The base bill contained concerns for agriculture on how federal mandates would be implemented with this policy as this bill versus federal compliance measures were in contradiction. The bill was amended to address the agricultural industry's concerns.

TAXES

ESTATE TAX UPDATES – [SB 1511](#)

Status: Died.

Summary: The amended bill would have changed the estate tax threshold from \$1 million to \$2.5 million and rate change to maintain revenue neutral impact. A summary of the changes is [available here](#).

TAX FIX FOR AG EQUIPMENT – [HB 4130](#)

Status: Signed into law

Summary: OSC supported this measure. Farmland may be assessed based on its value for farm use rather than on its highest and best use value. Farm use value is based on the farmland’s ability to generate farm income, as determined by soil quality, climate, and distance to market. Value is then converted to present value.

Farm use value is calculated the same way for EFU land and non-EFU land. Owners are required to file an application for special assessment of non-EFU land. Farm use is the current employment of land for the primary purpose of obtaining a profit by using land for crops, livestock, poultry, fur-bearing animals, honeybees, dairies, animal husbandry, aquatic species, or cultured Christmas trees. Farm use may also involve a woodlot of 20 acres or less, wasteland, land under farm buildings, ponds, or land for implementing a remediation plan.

HB 4130 states that lands under certain farm crop and farm product processing facilities that are currently employed for “farm use” may qualify for the farmland special assessment. It requires an owner of exclusive farm use (EFU) land under such processing facilities to apply for the first year of the special assessment. It requires an owner of non-EFU land under such processing facilities to include information in the application demonstrating that the facility meets the definition of “processing facility.” It applies to tax years 2027–2028 and later.

The bill clarifies an issue several processors have run into with the existing tax law in the last year.

TRANSPORTATION

TRANSPORTATION PACKAGE TAX AND FEE REFERRAL – ELECTION CHANGE – [SB 1599](#)

Status: Signed into law.

Summary: This bill moves the referral of four tax and fee components of the transportation package passed in the Special Session to the May Primary of 2026 rather than November General Election.

Press:

[Republicans are a no-show in Oregon Senate as contentious bill vote nears](#) | Oregon Public Broadcasting

[Oregon Republicans walk out of Senate ahead of vote on transportation referendum](#) | Oregon Capital Chronicle

[Oregon Senate Republicans end one-day walkout ahead of transportation referendum vote](#) | Oregon Capital Chronicle

[Clock ticks as Oregon lawmakers postpone transportation referendum vote yet again](#) | Oregon Capital Chronicle

CONTACT

If you have any questions, please do not hesitate to reach out.

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