

LC 322  
2026 Regular Session  
1/20/26 (DFY/ps)

# D R A F T

## SUMMARY

Digest: The Act sets the amounts allowed to be spent on capital construction. (Flesch Readability Score: 67.7).

Establishes and modifies limits on payment of expenses from specified funds by certain state agencies for capital construction.

Declares an emergency, effective on passage.

## 1 A BILL FOR AN ACT

2 Relating to state financial administration; creating new provisions; amending  
3 section 1, chapter 631, Oregon Laws 2025; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** Section 1, chapter 631, Oregon Laws 2025, is amended to  
6 read:

7 **Sec. 1.** Notwithstanding any other law limiting expenditures, the following amounts are established for a six-year period beginning July 1, 2025, as the maximum limits for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the state agencies listed, for the acquisition of land and the acquisition, planning, constructing, altering, repainting, furnishing and equipping of buildings and facilities:

14 (1) Oregon Department of  
15 Administrative Services:  
16 (a) Labor and Industries  
17 Building Renovation  
18 and Seismic Upgrade..... \$ 150,000,000  
19 (b) Deferred Maintenance

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1                   Projects..... \$ 15,500,000  
2                   (c) Building Automation System..... \$ 5,000,000  
3                   **(d) Parking Lot Improvements and**  
4                   **EV Charging Stations .....** \$ 3,500,000  
5                   **(e) Portfolio Repositioning**  
6                   **Facility Alterations..... \$ 14,750,000**  
7                   **(f) Portland State Office**  
8                   **Building Restack..... \$ 11,500,000**  
9                   (2) Housing and Community  
10                   Services Department:  
11                   (a) Local Innovation and  
12                   Fast Track (LIFT) Affordable  
13                   Rental Housing Program..... \$ 465,000,000  
14                   (b) Local Innovation and  
15                   Fast Track (LIFT)  
16                   Homeownership Program ..... \$ 100,000,000  
17                   (c) Permanent Supportive  
18                   Housing Program ..... \$ 80,000,000  
19                   (3) Oregon Military Department:  
20                   (a) Medford Field Maintenance  
21                   Shop..... \$ 6,600,000  
22                   (b) Klamath Falls Readiness  
23                   Center ..... \$ 2,000,000  
24                   (c) Linn County Readiness  
25                   Center ..... \$ 7,000,000  
26                   (4) Department of State Police,  
27                   Area Command Center Property  
28                   Acquisition..... \$ 3,500,000  
29                   (5) Department of Corrections:  
30                   (a) Capital Improvement and  
31                   Renewal..... \$ 50,000,000

1       (b) Wireless Communication  
2           System..... \$ 12,900,000  
3       (6) Oregon Youth Authority:  
4           (a) Capital Improvements  
5              - All Facilities..... \$ 5,000,000  
6           (b) CCTV and Access Control  
7              Improvement, Phase IV ..... \$ 5,551,193  
8           (c) MacLaren Infirmary and  
9              Pharmacy Renovation  
10             and Expansion..... \$ 2,700,000  
11       (7) State Forestry Department:  
12           (a) Klamath Fire Cache Warehouse  
13              [*Replacement*..... \$ 5,000,000]  
14              **Replacement**..... \$ 6,000,000  
15           (b) Santiam Facility  
16              [*Replacement, Phase I* ..... \$ 5,000,000]  
17              **Replacement, Phase I** ..... \$ 10,000,000  
18           (c) State Forester Office  
19              Building Restoration ..... \$ 1,500,000  
20           (d) Toledo Facility  
21              Replacement, Phase III..... \$ 6,000,000  
22           (e) Veneta Campus Remodel..... \$ 10,705,053  
23       (8) State Department of  
24              Fish and Wildlife:  
25           (a) Capital Improvements,  
26              Hatchery Facilities ..... \$ 20,000,000  
27           (b) North Willamette Watershed  
28              District Office ..... \$ 5,250,000  
29       (9) Oregon Health Authority,  
30              Oregon State Hospital Capital  
31              Improvements and Equipment..... \$ 2,675,000

1 (10) Department of Veterans'  
2 Affairs:  
3 (a) Department of Veterans'  
4 Affairs Salem HVAC Controls  
5 Replacement, Phase II ..... \$ 1,554,000  
6 (b) Department of Veterans'  
7 Affairs Salem Roof  
8 Replacement ..... \$ 1,200,000  
9 (c) **Department of Veterans' Affairs**  
10 **Lebanon HVAC System** ..... \$ 7,100,000  
11 (11) Oregon Department of Aviation,  
12 Oakridge Airport Runway ..... \$ 2,630,000  
13 (12) Department of Public Safety  
14 Standards and Training,  
15 Deferred Maintenance ..... \$ 3,241,060

16 **SECTION 2. Notwithstanding any other law limiting expenditures,**  
17 **and in lieu of the limitation on expenditures established at the De-**  
18 **cember 9, 2022, Emergency Board meeting (Item No. 19), the amount**  
19 **of \$4,300,000 is established for a six-year period beginning July 1, 2021,**  
20 **as the maximum limit for payment of expenses for the Corvallis Ar-**  
21 **mory Service Life Extension project from federal funds collected or**  
22 **received by the Oregon Military Department.**

23 **SECTION 3. This 2026 Act being necessary for the immediate pres-**  
24 **ervation of the public peace, health and safety, an emergency is de-**  
25 **clared to exist, and this 2026 Act takes effect on its passage.**