

**HB 4143 B STAFF MEASURE SUMMARY****Carrier:** Sen. McLane**Senate Committee On Judiciary****Minority Report****Action Date:** 02/25/26**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.) Minority**Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Report Signers:** Sen. McLane, Sen. Thatcher**Prepared By:** Amie Fender-Sosa, LPRO Analyst**Meeting Dates:** 2/23, 2/25**WHAT THE MEASURE DOES:**

The measure authorizes the governor, with the consent of the attorney general and state treasurer, to direct an executive agency to withhold funds from the federal government that it otherwise owes (with some exceptions) if the U.S. Court of Appeals for the Ninth Circuit issues an order or judgment that the federal government owes funds to Oregon and the federal government withholds those funds. The measure requires that the court order or judgment is not under review by the U.S. Supreme Court. The measure also establishes the Federal Moneys Holding Account for an executive agency to transfer payments when it is directed to withhold payments to the federal government. It establishes procedures for the account and requires the state to indemnify its officers, employees, or agents for civil claims arising from compliance with the measure's provisions. It repeals the authorization and account provisions on January 2, 2037, and moves any remaining funds to the General Fund. The measure takes effect on the 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Concerns that the federal government might withhold funds owed to Oregon, as determined by a court
- Desire for congressionally authorized tax dollars to reach Oregon
- Concerns about conflicting court orders

**EFFECT OF AMENDMENT:**

The amendment modifies the definition of "unlawfully withheld federal monies."

**BACKGROUND:**

The 2025–2027 legislatively adopted budget totals \$138.9 billion across all fund sources and includes \$43.7 billion in federal funds. The [Legislative Fiscal Office 2025–2027 Budget Highlights](#) publication reports that "the majority of federal revenues are received in the Human Services program area, which makes up 86.4% of statewide Federal Funds." This includes \$23.5 billion for the Oregon Health Authority and \$14.2 billion for the Department of Human Services. The report also states: "Federal Funds expenditures are supported with revenue from the federal government that is sent to state agencies to pay for specific programs and activities. Examples include competitive grants, matching funds, block grants, pass-through funds, or special payments. The state budget's largest source of federal revenue supports health care coverage provided through Medicaid, which also requires a state match. Federal Funds Nonlimited examples include payments that are made directly to beneficiaries of federally funded unemployment insurance benefits, rental assistance payments, and supplemental nutrition assistance."