



## Washington State 2025 Legislative Session

The 2025 Legislative Session was a long, 105-day session that began Monday, January 13, 2025, and concluded on time on Sunday, April 27<sup>th</sup>. It was an action-packed session that saw large Democratic majorities in both chambers take on some enduring issues – like housing supply and affordability; K-12 school funding; and public safety – while at the same time tackling a budget gap that was estimated at between \$12 and \$15 billion dollars going into session. All through session, the negotiation of the three budgets and the push-pull between deep cuts to existing programs and the prospect of raising new revenue was a theme that colored most interactions on the Capitol Campus, from the Governor’s inaugural address to day-to-day committee activity.

Democrats continued to control the agenda in Olympia with majorities of 60 percent in both the House (59-39) and Senate (30-19) in 2025. These large majorities enabled the Democrats to pass bills without needing the votes of every single member of their caucus, a dynamic which played out frequently on votes related to revenue and policy bills that had strong opposition.

1,949 bills were introduced, and 431 bills passed the legislature and have now been sent to the Governor to be signed into law. As a reminder, during the two-year biennium, all bills that do not pass during the 105-day session, are technically *alive* again for the 60-day session. While not all will receive further consideration, more than 1,000 bills from 2025 will still be eligible to be advanced next year.

Between now and May 20<sup>th</sup>, the Governor will review bills passed by the legislature and choose one of four options: 1) sign the bill into law 2) veto the entire bill 3) partially veto the bill by removing entire sections - the Governor does not have line-item veto authority which means removing sentences or words is not allowed. 4) take no action – the bill will become law without signature. The Governor released [this statement](#) as to how he will proceed in reviewing the budgets passed by the Legislature.

2025	Bills Introduced	Passed the Legislature
House	1107	238
Senate	842	193
Total for 2025	1949	431

## Adopted 2025-2027 Operating Budget

The Operating Budget is a two-year plan that pays for the day-to-day operations of state government, including K-12 schools, human services, higher education, prison system, public safety, and more. The final biennial budget appropriates \$77.8 billion, an increase of \$5.9 billion from the 2024 supplemental budget enacted last spring.

Approximately \$5.2 billion in total reserves remain in the two-year budget, or about 6.8%.

Operating budget investments relevant to ports include:

<i><u>Operating Budget</u></i>	<i><u>House (Passed)</u></i>	<i><u>Senate (Passed)</u></i>	<i><u>Conference Negotiated</u></i>
<a href="#"><u>ESSB 5176</u></a>	\$77.7 billion	\$78.4 billion	\$77.8 billion
MTCA Capital Account Transfer to the General Fund	X	\$60 million	\$60 million
MTCA Operating Account Transfer to the General Fund	X	\$10 million	\$10 million
MTCA Stormwater Account Transfer to the General Fund	X	\$30 million	\$30 million (to MTCA capital account)
OSPI Core Plus-Maritime Workforce Training	X	\$550, 000	X
Puget Sound Partnership Maritime Blue-Quiet Sound	\$700,000	\$700,000	\$700,000
Fish and Wildlife Columbia River Pinniped Management	\$1.1 million	\$1.6 million	\$1.1 million
Fish and Wildlife European Green Crab Eradication	\$12.1 million	\$12.2 million	\$12.1 million
Fish and Wildlife Quagga Mussel Monitoring and Response	\$7.2 million	\$7.2 million	\$7.2 million
Fish and Wildlife Crab Fishery Gear-Whale Entanglement Monitoring	\$570,000	\$570,000	\$570,000
Commerce local government climate planning	\$22.5 million	\$15 million	\$22.5 million 7
Commerce, local government clean energy planning guidebook.	\$719,000	X	\$719,000
Commerce West Coast wide-floating offshore wind supply chain study	\$500,000	X	\$500,000
Commerce small business export assistance program	\$2.1 million	\$2.6 million	\$2.67 million
Commerce sector lead program (cuts staff leads by 50%)	\$2.4 million	\$2.5 million	\$2.44 million

L&I grants for workforce development in aerospace	\$4 million	\$3.4 million	\$3.4 million
Governor Strategic Reserve Fund	Fund reduced by \$17 million	Fund reduced by \$17 million	\$2.2 million
Commerce, program and incentives for alternative fuel vehicles.	X	\$40 million	X
Commerce noise abatement for qualifying port districts	X	\$134,000	\$134,000
Commerce grants for predevelopment of clean energy projects – ports eligible.	\$6 million	\$5 million	\$5 million
Commerce grant program for public building energy audits	\$20.5 million	\$5 million	\$13.088 million
Implement SB 5466, regarding electric transmission systems.	X	\$2.2 million (Commerce) + \$68,000 (UTC) + \$268,000 (Archaeology)	X
Commerce program to assist accessing federal tax incentives and grants – ports eligible.	\$10 million	X	\$10 million
Commerce maritime fuels and deployment strategic framework	\$250,000	X	\$250,000
Commerce develops battery energy storage systems guidance – work group	\$456,000	X	\$456,000
Implement HB 1514, low carbon thermal energy	\$334,000 (AG) + \$202,000 (UTC)	X	\$334,000 (AG) + \$202,000 (UTC)
Ecology marine management plan and WA coastal marine advisory council	\$150,000	\$150,000	\$150,000
Ecology addressing air quality in overburdened communities.	\$2.4 million	\$2.4 million	\$2.5 million
Ecology coastal hazards, 25% used to benefit of tribes	\$1.9 million	\$2.5 million	\$1.9 million
Ecology report on siting and permitting of floating offshore wind energy	\$816,000	\$550,000	\$816,000
Ecology tribal-state science advisory council study on ecological impacts of floating offshore wind	\$731,000	\$500,000	\$731,000
Ecology 6PPD mitigation	\$8.5 million	\$8.5 million	\$8.5 million
Ecology assistance to local governments for shoreline master program integration	\$1.3 million	\$659,000	\$1.3 million

Ecology PFAS investigation and monitoring	\$4 million	\$4 million	\$4 million
HB 1914 agriculture fuel/CCA exemption implementation	\$500,000	X	\$275,000
Commerce, assistance for increasing transmission capacity	\$271,000	X	\$300,000
Implementation of SB 5360 Environmental Crimes	X	\$16,000 – Dept of Corrections	X
Fish and Wildlife analysis of salmon contaminants of emerging concern (6ppd, PFAS, PCB)	\$6 million	X – no new funding	\$6 million
Increase in funding for emergency response and fire suppression at DNR.	\$85.3 million each year + \$16 million	\$85.3 million each year + \$16 million	\$85.3 million each year + \$16 million
Dept of Agriculture, HB 1309 implementation, burrowing shrimp.	\$300,000	X	\$300,000
DNR creosote pilings and debris removal from marine environment	\$4.2 million	\$4.2 million	\$4.2 million
DNR Derelict vessel removal account	\$10.5 million	\$10.6 million	\$10.6 million
Commerce FY26 energy offset study for LSRD removal scenario	\$500,00	\$500,000	\$500,000
DNR Derelict Structures Removal	\$2.6 million	\$2.6 million	\$4.39 million
Commerce, Associate Development Organizations	\$8.3 million	\$10 million	\$8.304 million
EFSEC agency support for clean energy siting and compliance positions	\$1.06 million	\$1.06 million	\$1.06 million
EFSEC clean energy application review and services for green hydrogen	\$1.03 million	\$1.03 million	\$1.03 million
International Market Representation – <i>eliminated</i>	X	\$1 million	X
Microenterprise Development	\$4 million	\$2 million	\$2 million
Manufacturing Site Readiness Grants - <i>eliminated</i>	\$2.5 million	1.25 million	X
Small Business Development Center - <i>eliminated</i>	\$1 million	\$1 million	X
Municipal Research Services Center (MRSC)	\$6.1 million	\$6.8 million	\$6.8 million
Small Business Assistance/Training - <i>Eliminated</i>	\$2.97 million	X	X

Northwest Ag Business Center	\$600,000	X	\$300,000
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Links to the 2025-2027 Operating Budget: [Text of the Budget](#) & [Summary Documents](#)

### Summary of Final Revenue Package:

After initially proposing revenue legislation that would have raised nearly \$21 billion in new revenue, the final package that House and Senate Democrats could agree on instead raised an estimated \$9.4 billion over four years. Much of that funding - \$5.6 billion – comes from an increase to the business and occupation tax and a temporary surcharge on the state’s largest businesses.

Ports and our partners in the shipping, agriculture, and manufacturing sectors called out concerns on proposed taxes on cargo movement and freight transportation, and those proposals were *not included* in the final revenue package.

See a full rundown of the final adopted revenue bills below:

<b><i>TAX</i></b>	<b><i>Bill # and Sponsor</i></b>	<b><i>Summary</i></b>	<b><i>Revenue generated</i></b>
Capital Gains and Estate Tax	<a href="#">SB 5813</a> , C Wilson	A 2.9% surcharge on sale of stocks, bonds, and assets above \$1 million per year. Graduated estate exclusion amount to \$3 million and adjustment for inflation	\$341 million for 2025-27
B&O Surcharges; temporary increase for largest businesses	<a href="#">HB 2081</a> , Fitzgibbon	Increases B&O tax rates for certain existing activities. Creates an additional 0.5% B&O surcharge on taxpayers with WA taxable income over \$250 million (400 companies in WA)  Increases the annual cap for the Advanced Computing Surcharge.	\$2.06 billion in 25-27 and \$3.56 billion in 27-29
Modifying the application and administration of certain excise taxes.	<a href="#">SB 5814</a> , Frame	Retail sales and use tax to certain specified services, including temporary staffing, custom web development, information technology services; Additional cigarette and nicotine products tax; One-time prepayment of state sales tax collections for businesses with \$3 million or more in taxable retail sales during calendar year 2026	\$2.8 billion in 2025-27 and \$1.8 billion in 2027-29
EV pooling credits/Tesla Tax	<a href="#">HB 2077</a> , Fitzgibbon	Adds a new tax on automakers, business activities that make a certain percentage of zero-emission vehicles. New excise tax on the pooling, banking, and sale of surplus ZEV credits	\$77.9 million FY27 and \$202.9 million by FY29.

Repealing Ineffective & Obsolete Tax Preferences	<a href="#">SB 5794</a> , Salomon and Lovelett	Repeals 14 tax exemptions or preferences where, according to the Joint Legislative Audit and Review Committee (JLARC), the public policy objective was not met.  (NOTE: Original proposal quintupled B&O rate on stevedoring, removed Public Utility Tax preference for transportation of goods. Both those provisions were eliminated in the final version)	Just under \$800 million over the four-year budget cycle; more than \$1.2 billion total into 29-31
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### Adopted 2025-2027 Transportation Budget

The state's transportation budget pays for the daily operation of state transportation agencies and the construction and preservation of state highways and roads. The traditional revenue that supports the transportation budget comes from the state gas tax, permits, licenses, and other fees.

The final budget appropriates \$15.6 billion with \$9.2 in capital expenditures and \$6.2 billion for operating expenditures. It includes investments in fish passage barrier removal (\$1.12 billion), Ferry system preservation (\$359 million), and appropriates \$1.36 billion from the climate commitment act account. \$26.2 million of that funding will go towards the port electrification grant program.

Relevant transportation budget investments include:

<u>Transportation Budget</u>	<u>House (Passed)</u>	<u>Senate (Passed)</u>	<u>Conference Negotiated</u>
<a href="#">ESSB 5161</a>	\$15.68 billion	\$16.41 billion	\$15.6 billion
Port Electrification Grant Program	\$26.2 million	\$53.7 million	\$26.2 million
Supply Chain Infrastructure Grant Program	X	\$20 million	X
NWSA Drayage Truck Demonstration Project	\$6.3 million	\$1 million	\$5.27 million
NWSA Shore Demonstration Power Project	\$27.5 million	\$1.023 million	\$24.8 million
Port of Bremerton Electrification Project	\$2 million	\$1 million	\$1 million
Port of Anacortes Electrification Project	\$2 million	\$781,000	\$1.86 million
Puyallup Tribe Port Electrification Project	\$20 million	\$500,000	\$19.5 million
Port of Quincy Rail Project	\$2 million	\$1.307 million	\$693 million
Port of Moses Lake Rail Project	\$23.9 million	\$23.9 million	\$8.56 million

Port of Longview Rail Expansion FRIB Loan	\$5 million	\$5 million	\$5 million
JTC Study-Ocean-Going Vessels	\$274,000	\$203,000	\$274,000
Alternative Fuel Vehicle Charging and Refueling Infrastructure	\$25 million	\$15 million	\$25 million
MHD Vehicle Electric Charging/Hydrogen Refueling Stations	\$3.1 million	\$24.99 million	\$14.98 million
Stormwater Retrofits and Improvements Project	\$15 million	\$4.44 million	X
JTC Snake River Transportation Alternatives Study	\$325,000	\$175,000	\$250,000
Bremerton National Commercial Aviation Study – Ph2	\$300,000	\$350,000	\$300,000
Sustainable Aviation Technology Grants	\$2.1 million	\$2.1 million	\$1.3 million
Commercial Aviation Work Group	\$1.774 million	X	\$1.774 million
MHD ZEV Point-of-sale Voucher Program	\$130.85 million	\$65.85 million	\$125.85 million
MHD Hydrogen Fueling Grants	\$10 million	\$25 million	\$14.99 million
WSDOT/PNWER Passenger Rail Study	\$200,000	X	X
FMSIB Capital Program	\$44.287 million	\$44.287 million	\$44.287 million
FMSIB – Dallesport Ind Rail Spur	\$221,000	\$221,000	\$221,000
FMSIB – I-5 Port of Tacoma Rd Interchange 2B	\$5 million	\$5 million	\$5 million
FMSIB – Inland Intermodal Study	\$300,000	\$300,000	\$300,000
Alternative Jet Fuels Comp Grant Program (at comm)	X	\$15 million	X
Zero Emission Dray Truck Demonstration Program	\$60,000	\$6.5 million	X
WSDOT Snake River Transportation Alt Study	X	\$1.9 million	\$1.9 million
Freight Rail Assistance Program	\$7.04 million	\$12.24 million	\$7.04 million
Port of Moses Lake Rail Expansion	\$8.56 million	\$8.56 million	\$8.56 million
Port of Quincy Rail Expansion	\$693,000	\$693,000	\$693,000
Diesel School Bus Grants	\$11.715 million MTCA Capital	\$11.715 million MTCA Capital	\$15.715 million MTCA Capital
Tax-Increment Financing Work Group	Not included	Not included	Included

SAF Production/Infrastructure – non-project EIS pathway	X	X	\$1.5 million
JTC Review of CCA-funded projects and program	X	X	\$250,000
WSDOT – Create a Sustainable Aviation Project List	included	included	included
Bridge Vessel Collision Risk Assessment	X	X	\$1.05 million
Develop Puget Sound Harbor Safety Plan	X	X	\$70,000
State Fish Barrier Removal Project Funding	\$1.19 billion	\$1.09 billion	\$1.09 billion
Brian Abbott Fish Board – Local Barrier Removal	\$45 million	\$45 million	\$45 million
Truck Parking Notification System	X	\$6.872 million	\$6.872 million
Dedicated Funding for System Preservation	\$509 million	\$300 million	\$80 million
Railroad Crossing Grant Program	X	\$20 million	\$20 million
<b>Legacy Transportation Projects</b>			
Puget Sound Gateway Program	\$902.2 million	\$902.3 million	\$902.2 million
Interstate Bridge Replacement	\$581 million	\$275 million	\$580.2 million
SR 3 Freight Corridor	\$37.32 million	\$37.32 million	\$37.32 million
US 12 Walla Walla Corridor Improvements – Phase 8	X	\$16.78 million	\$39.387 million
SR 18 Widening	X	\$48.5 million	\$15 million
Confluence Parkway	\$25 million	\$11.2 million	\$45 million
Hood River Bridge Replacement	\$75 million	\$115 million	\$115 million
US 12 Aberdeen Highway/Rail Separation	X	\$38.19 million	\$38.19 million
Contingency Reserve Funds	X	\$95 million	X

Links to the 2025-2027 Transportation Budget: [Text of the Budget & Summary Documents](#)

### Transportation Revenue:

Two revenue bills were passed which raise just under \$4.4 billion for transportation over the 6-year transportation timeline.

#### [SB 5801](#) – Transportation Resources Bill

The bill includes nearly twenty discreet tax and fee increases including a 6-cent gas tax, increase in vehicle weight fees, increase in licensing and registration, luxury taxes on vehicles and aircraft, and a new charge for WSDOT work zone violations captured using speed safety cameras.

Revenue Items (6-year revenue totals): Total Revenue Generated: [\\$3.2 billion](#)

#### [SB 5802](#) – Revenue Transfers Dedicated to Transportation



Revenue shifts include .1% shift in vehicle sales tax from the state's general fund to the multimodal transportation account and adjusts other fund shifts. In a previous version, the bill removed the \$50 million transfer from the MTCA account to transportation for stormwater purposes. This provision was removed in the final bill retaining that transfer.

Revenue Items (6-year revenue totals): Total Revenue Generated: [\\$1.19 billion](#)

<i><b>Transportation Revenue</b></i>	<i><b>House</b></i>	<i><b>Senate</b></i>	<i><b>Compromise</b></i>
HB 2043/SB 5801	\$4.4 billion (over 6 yr)	\$3.04 billion (over 6 yr)	SB 5801/SB 5802
Gas Tax	\$.09/per gal. - \$1.8 billion raised (inflation adjustment begins in 2026)	\$.06/per gal. - \$1.5 billion raised (inflation adjustment begins in 2026)	\$.06/per gal. - \$1.44 billion raised (inflation adjustment begins in 2027)
Diesel Tax	\$.03/gal increase in 2026 and an additional \$.03/gal increase in 2029 – raises \$155 million (inflation adjustment begins in 2029)		\$.03/gal increase in 2026 and an additional \$.03/gal increase in 2029 – raises \$155 million (inflation adjustment begins in 2029)
Motor Vehicles Sales & Use Tax	Graduated increase on vehicles above \$50,000 with an additional 1% on vehicles above \$100,000 - \$1.1 billion raised	Shift .1% of existing tax from the general fund to transportation – raises \$270 million	Both raises (.2%) and shifts (.1%) revenue from the existing vehicle sales tax to transportation
Truck Weight Fees	\$30 per ton – raises \$453 million (inflation adjustment begins in 2027)	X	\$30 per ton with escalation throughout weight classes – raises \$317 million (inflation adjustment begins in 2027)
Passenger Vehicle Weight Fees	Increase fees on vehicles over 4,001 lbs – raises \$228 million (inflation adjustment begins in 2029)	X	Increase fees on vehicles over 4,001 lbs – raises \$131 million (inflation adjustment begins in 2029)
Electric Vehicle Fees	X	Increases EV fees from \$25-\$50 – raises \$452 million	X

		<i>(inflation adjustment begins in 2027)</i>	
Highway Use Fee	Adjusts certain EV fees and establishes fees on motor vehicles with a fuel economy of 25 MPG or greater – raises \$384 million <i>(inflation adjustment begins in 2027)</i>	X	X
Tire Disposal	\$4/tire - raises \$121 million	\$4/tire - raises \$117 million	\$4/tire - raises \$117 million
Driver's Licenses	X	\$1/year increase- raises \$76 million <i>(inflation adjustment begins in 2027)</i>	\$1/year increase- raises \$74 million <i>(inflation adjustment begins in 2027)</i>
Title/Registration Fees	Various fee increases – raises \$45 million	Various fee increases – raises \$41 million	Various fee increases – raises \$40 million
Luxury Tax on Vehicles/Vessels/Aircraft	X	An 8% assessment on the value of vehicles over \$100,000 and a 10% assessment on the value of vessels and aircraft over \$500,000	An 8% assessment on the value of vehicles over \$100,000 and a 10% assessment on the value of aircraft over \$500,000 – raises \$223 million
Rental Car Tax	X	One-time 6% adjustment for 2026 with a permanent 3% increase– raises \$214 million	One-time 6% adjustment for 2026 with a permanent 3% increase beginning in 2027– raises \$205 million
Large Event Transportation Assessment	X	\$1/attendee - raises 34 million	X

### Adopted 2025-2027 Capital Budget

The Capital Budget is the state's construction budget and typically includes investments to state and local agencies for building and infrastructure projects, such as public schools and universities, parks, and prisons, but does not include transportation construction. It operates over the same two-year period as the Operating Budget. The final budget appropriates \$7.5 billion in total funds, of which \$4.5 billion is from debt limit bonds and \$3 billion is from other state and federal

accounts, including \$375 million from the Climate Commitment Account. For context, the 2023-25 approved budget authorized \$10.3 billion in spending.

Relevant capital budget investments include:

<u><i>Capital Budget</i></u>	<u><i>House</i></u>	<u><i>Senate</i></u>	<u><i>Conference Negotiated</i></u>
<a href="#"><u>SSB 5195</u></a>	\$7.6 billion	\$7.3 billion	\$7.57 billion
<b><u>Commerce Local and Community Projects/Local Infrastructure</u></b>			
Port of Edmonds Mid-Marina Breakwater Repair	\$515,000	\$515,000	\$412,000
Port of Skagit Agricultural Innovation Center	\$515,000	X	\$515,000
Port Of Walla Walla - Intermodal Site Grading	\$773,000	\$773,000	\$773,000
Port of Port Townsend Travel Lift Electrification	X	\$1.33 million	\$1.33 million
Port of Port Townsend Boatyard Expansion	\$500,000	X	\$500,000
Port of Port Townsend Point Hudson Energy Efficiency	X	\$309,000	\$309,000
Port of Grays Harbor Terminal 4 Expansion & Redevelopment Project	\$3.5 million	X	\$3.5 million
Port of Woodland – Rose Way Ext.	X	X	\$752,000
Port of Chehalis Hydrogen Facility	X	\$2 million	\$2 million
Port of Hoodspoint Dock	X	\$71,000	\$71,000
Port of Mattawa Youth Athletic Field	X	\$1 million	\$1 million
Port of Chinook Dredge Project	X	\$515,000	\$515,000
Port of Vancouver Energy Study	X	X	\$155,000
Foss Waterway Commercial Pump Out	X	\$130,000	\$103,000
<b><u>Ecology/MTCA</u></b>			
MTCA – Remedial Action Grant (RAG) Program	\$82 million, first 11 RAG projects	\$85.6 million, first 11 RAG projects additional funds for Port of Olympia Budd Inlet and Port of Tacoma Arkema.	\$84.4 million, first 11 RAG projects additional funds for Port of Tacoma Arkema.

MTCA Capital Account Transfer to the General Fund	X	\$50 million	\$60 million
MTCA Stormwater Account Transfer to the General Fund	X	\$40 million	\$30 million to MTCA Capital
Derelict Structure Removal Program - MTCA Capital	\$4.39 million	\$1.7 million – Ballard pier and Bowman Bay	\$4.39 million
Derelict Vessel Removal Program – MTCA Capital	\$6 million	X	\$6 million
Carbon Sequestration Forests – CCA funded	\$40 million	X	\$23 million
Budd Inlet Sediment Clean Up Project	X	X	\$3 million, MTCA capital
<b>Commerce</b>			
Commerce Green Jobs and Infrastructure Grants	\$24 million – reappropriation	Funding is removed for Clean Technology Manufacturing Workforce Grants.	\$24 million – reappropriation
Clean Energy Fund – grants for clean energy projects	\$36 million	X – reappropriation for unspent funds	\$26 million
Clean Energy Community Grants	\$13.7 million	\$10 million	\$10 million
Commerce Hard-to-Decarbonize Sector & Economic Development Grants - Reappropriation	\$47.3 million	\$19 million reduction in supplemental	\$47.3 million – reappropriation
Commerce Industrial Symbiosis	X	\$6 million	\$5 million
CERB Grants & Loans	\$75 million	\$75 million	\$75 million
CERB Rural Port Infrastructure Grant Program	X	\$8.1 million	\$5 million
<b>Other</b>			
Broadband funding – BEAD appropriation	\$1.2 billion	\$1.2 billion	\$1.2 billion
Broadband – BEAD matching funds	\$135 million	\$135 million	\$114 million
OSPI Maritime 253 Puget Sound Skills Center	\$5 million	\$5 million	\$5 million
Capital Budget Cost Study, contract	\$150,000	X	\$150,000

Links to the 2024 Supplemental Capital Budget: [Text of the Budget & Summary Documents](#)

## Other Legislation Related to the 2025 WPPA Legislative Priorities

As noted above, bill action from the Governor will conclude on May 20<sup>th</sup>. We have created a full report on bills related to our 2025 Legislative that were considered by the legislature. This report is an update to our mid-session report that was presented to our Legislative Committee on March 14<sup>th</sup>.

[Click here to view our updated report](#)

## Conclusion:

With the 2025 session now behind us, it is important to acknowledge the fiscal environment in which lawmakers were operating. Faced with a significant budget deficit, the Legislature was forced to make tough choices between cutting essential services and raising new revenue. Ultimately, the biennial budget passed includes substantial tax increases on both businesses and individuals.

Looking towards next year, the 2026 Legislature will again have new members joining its ranks, and will confront some of the same budget headwinds. Several appointed legislators are facing serious challenges in special elections to remain in their seats and fulfill the remainder of the terms of their predecessors. And the Governor will have one more year under his belt, and will have to write his own budget proposal this fall.

These changes come amid broader economic headwinds, including ongoing trade disruptions and tariffs that continue to impact Washington's trade-dependent economy. Additionally, uncertainty at the federal level regarding future funding for programs such as Medicaid, FEMA grant programs, environmental programs, and more adds to the overall unpredictability.

Through it all, WPPA will continue to engage you to ensure our advocacy reflects your values, and that together we can strengthen our state's economic foundation and ensure long-term prosperity for the communities we serve.

The Washington State Legislature will convene on January 12, 2026, for a 60-day session.

See you over the interim!