



## **House and Senate 2025-2027 Budget Proposals**

*Revised: 4/19/25*

Over the past few weeks, the House and Senate have introduced and held public hearings on their respective budget bills. Behind the scenes, budget leaders are negotiating the differences between the budgets prior to adjourning on April 27<sup>th</sup>.

As a reminder, the three biennial budgets are:

- The Operating Budget is a two-year plan that pays for the day-to-day operations of state government.
- The Transportation Budget pays for both day-to-day operations of state transportation agencies, the construction and preservation of state highways and roads, and public transportation. Most of the revenue that supports the transportation budget comes from the state gas tax.
- 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, prisons, etc.

[All proposed budgets and summaries can be found here](#)

There are significant differences between the House and Senate Operating and Transportation budget proposals. Including vastly different revenue proposals to fund these budgets and close the projected \$16 billion budget shortfall. The charts on the following pages highlight a few key items in the House and Senate Operating, Transportation, and Capital budgets that impact ports.

Projects marked with an “\*” show significantly lower reappropriation amounts than expected. WPPA recommends you confirm the correct reappropriation amount with your granting agency or reach out to WPPA for help confirming the correct amount is captured in the budget.

<b><u>Operating Budget</u></b>	<b><u>House (Passed)</u></b>	<b><u>Senate (Passed)</u></b>
<b><u>SB 5167</u></b> (House Striking Amendment)/ <b><u>SB 5167</u></b>	\$77.7 billion	\$78.4 billion
MTCA Capital Account Transfer to the General Fund	X	\$60 million
MTCA Operating Account Transfer to the General Fund	X	\$10 million
MTCA Stormwater Account Transfer to the General Fund	X	\$30 million
Core Plus-Maritime Workforce Training	X	\$550,000
Maritime Blue-Quiet Sound	\$700,000	\$700,000
Columbia River Pinniped Management	\$1.1 million	\$1.6 million
European Green Crab Eradication	\$12.1 million	\$12.2 million
Quagga Mussel Monitoring and Response	\$7.2 million	\$7.2 million
Crab Fishery Gear-Whale Entanglement Monitoring	\$570,000	\$570,000
Fish & Wildlife pinniped management on the lower Columbia River	\$1.1 million (reduction)	\$1.6 million (increased funding)
Commerce local government climate planning	\$22.5 million	\$15 million
Commerce West Coast wide-floating offshore wind supply chain study	\$500,000	X
Commerce small business export assistance program – program proposed for elimination	\$2.1 million (CUT)	\$2.6 million (CUT)
Commerce sector lead program (cuts staff leads by 50%)	\$2.4 million (CUT from \$4.2 million)	\$2.5 million (CUT)
L&I grants for workforce development in aerospace	\$4 million	\$3.4 million
Governor Strategic Reserve Fund	Fund reduced by \$17 million	Fund reduced by \$17 million
Commerce program and incentives for alternative fuel vehicles.	X	\$40 million
Commerce noise abatement for qualifying port districts	X	\$134,000
Commerce grants for predevelopment of clean energy projects – ports eligible.	\$6 million	\$5 million
Commerce grant program for public building energy audits	\$20.5 million (maintains funding)	\$5 million (reduction in funding)
Implement SB 5466, regarding electric transmission systems.	X	\$2.2 million (Commerce) + \$68,000 (UTC) + \$268,000 (Archaeology)

Commerce program to assist accessing federal tax incentives and grants – ports eligible.	\$10 million	X
Commerce maritime fuels and deployment strategic framework	\$250,000	X
Commerce develops battery energy storage systems guidance	\$456,000	X
Implement HB 1514, low carbon thermal energy	\$334,000 (AG) + \$202,000 (UTC)	X
Ecology marine management plan and WA coastal marine advisory council	\$150,000	\$150,000
Ecology addressing air quality in overburdened communities.	\$2.4 million	\$2.4 million
Ecology coastal hazards	\$1.9 million – 25% used to benefit of tribes	\$2.5 million – 25% used to benefit of tribes
Ecology report on siting and permitting of floating offshore wind energy	\$816,000	\$550,000
Ecology tribal-state science advisory council study on ecological impacts of floating offshore wind	\$731,000	\$500,000
Ecology 6PPD mitigation	\$8.5 million, 16FTEs	\$8.5 million
Ecology assistance to local governments for shoreline master program integration	\$1.3 million	\$659,000
Ecology PFAS investigation and monitoring	\$3.9 million	\$3.9 million
HB 1914 agriculture fuel/CCA exemption implementation	\$500,000	X
HB 1819 transmission capacity implementation	\$271,000	X
Implementation of SB 5360 Environmental Crimes	X	\$16,000 – Dept of Corrections
Fish and Wildlife analysis of salmon contaminants of emerging concern (6ppd, PFAS, PCB)	\$6 million (increase of almost \$2 million)	X – no new funding
Increase in funding for emergency response and fire suppression at DNR.	\$85.3 million each year + \$16 million (increase of \$1.6 million)	\$85.3 million each year + \$16 million (increase of \$1.6 million)
Dept of Agriculture, HB 1309 implementation, burrowing shrimp.	\$300,000	X
DNR creosote pilings and debris removal from marine environment	\$4.2 million	\$4.2 million
DNR Derelict vessel removal account	\$10.599 million	\$10.604 million
Commerce FY26 energy offset study for Snake River dam removal scenario	\$500,00	\$500,000
DNR Derelict Structures Removal	\$2.6 million	\$2.6 million

Commerce, Associate Development Organizations	\$8.3 million	\$8.3 million
EFSEC agency support for clean energy siting and compliance positions	\$1.06 million	\$1.06 million
EFSEC clean energy application review and services for green hydrogen	\$1.03 million	\$1.03 million
International Market Representation - eliminated	X	\$1 million (CUT)
Microenterprise Development	\$4 million (CUT)	\$2 million (CUT)
Manufacturing Site Readiness Grants	\$2.5 million (CUT) - eliminated	1.25 million (CUT)
Small Business Development Center	\$1 million (CUT)	\$1 million (CUT)
Municipal Research Services Center (MRSC)	\$6.1 million (CUT)	\$6.8 million
Small Business Assistance/Training	\$2.97 million (CUT)	X
Northwest Ag Business Center	\$600,000 (CUT)	X

<b><i>Transportation Budget</i></b>	<b><i>House (Passed)</i></b>	<b><i>Senate (Passed)</i></b>
<a href="#"><u>SB 5161</u></a> (House Striking Amendment)/ <a href="#"><u>SB 5161</u></a>	\$15.1 billion	\$14.5 billion
Port Electrification Grant Program	\$26.5 million	\$53.7 million
Supply Chain Infrastructure Grant Program	X	\$20 million
NWSA Drayage Truck Demonstration Project	\$6.3 million	\$1 million
NWSA Shore Demonstration Power Project	\$28 million	\$1.023 million*
Port of Bremerton Electrification Project	\$2 million	\$1 million*
Port of Anacortes Electrification Project	\$2 million	\$781,000*
Puyallup Tribe Port Electrification Project	\$20 million	\$500,000*
Port of Quincy Rail Project	\$2 million	\$1.307 million*
Port of Moses Lake Rail Project	\$23.9 million	\$23.9 million
Port of Longview Rail Expansion Loan	\$5 million	\$5 million
JTC Study-Ocean-Going Vessels	\$274,000	\$203,000
Alternative Fuel Vehicle Charging and Refueling Infrastructure	\$25 million	\$15 million
MHD Vehicle Electric Charging/Hydrogen Refueling Stations	\$3.1 million	\$24.99 million

Stormwater Retrofits and Improvements Project	\$15 million	\$4.44 million
JTC Snake River Transportation Alternatives Study	\$325,000	\$175,000
Bremerton National Commercial Aviation Study - Ph2	\$300,000	\$350,000
Sustainable Aviation Technology Grants	\$2.1 million	\$2.1 million
Commercial Aviation Work Group	\$1.774 million	X
MHD ZEV Point-of-sale Voucher Program	\$130.85 million	\$65.85 million
MHD Hydrogen Fueling Grants	\$10 million	\$25 million
WSDOT/PNWER Passenger Rail Study	\$200,000	X
FMSIB Capital Program	\$44.287 million	\$44.287 million
Alternative Jet Fuels Comp Grant Program (at comm)	X	\$15 million
Zero Emission Dray Truck Demonstration Program	X	\$6.5 million
WSDOT Snake River Transportation Alt Study	X	\$1.9 million
Freight Rail Assistance Program	\$7.04 million	\$7.04 million
Diesel School Bus Grants	\$11.715 million MTCA Capital	\$11.715 million MTCA Capital

<b><i>Capital Budget</i></b>	<b><i>House</i></b>	<b><i>Senate</i></b>
<a href="#"><u>HB 1216/SB 5195</u></a>	\$7.6 billion	\$7.3 billion
Port of Edmonds Mid-Marina Breakwater Repair	\$515,000	\$515,000
Port of Skagit Agricultural Innovation Center	\$515,000	X
Port Of Walla Walla - Intermodal Site Grading	\$773,000	\$773,000
Port of Port Townsend Travel Lift Electrification	X	\$1.33 million
Port of Port Townsend Boatyard Expansion	\$500,000	X
Port of Grays Harbor Terminal 4 Expansion & Redevelopment Project	\$3.5 million	X

Derelict Structure Removal Program - MTCA Capital	\$4.39 million	\$1.7 million - Ballard pier and Bowman Bay
Derelict Vessel Removal Program - MTCA Capital	\$6 million	X
Carbon Sequestration Forests	\$40 million	X
Commerce Green Jobs and Infrastructure Grants	\$25 million	Funding is removed for Clean Technology Manufacturing Workforce Grants.
MTCA - Remedial Action Grant (RAG) Program	\$82 million, first 11 projects	\$85.6 million, first 11 projects additional funds for Port of Olympia Budd Inlet and Port of Tacoma Arkema.
Commerce Hard-to-Decarbonize Sector & Economic Development Grants - Reappropriation	\$49.8 million	\$19 million reduction in supplemental
Rural Port Infrastructure Grant Program	X	\$8.1 million
Industrial Symbiosis	X	\$ 6 million
Port of Chehalis Hydrogen Facility	X	\$2 million
Port of Hoodspoint Dock	X	\$71,000
Port of Mattawa Youth Athletic Field	X	\$1 million
Port of Port Townsend Point Hudson Energy Efficiency	X	\$309,000
CERB Grants & Loans	\$75 million	\$75 million
Port of Chinook Dredge Project	X	\$515,000
MTCA Capital Account Transfer to the General Fund	X	\$50 million
MTCA Stormwater Account Transfer to the General Fund	X	\$40 million
Foss Waterway Commercial Pump Out	X	\$130,000
Maritime 253 Puget Sound Skills Center	\$5 million	\$5 million
Broadband funding - BEAD appropriation	\$1.227 billion	\$1.227 billion
Broadband - BEAD matching funds	\$135 million	\$135 million

On April 15<sup>th</sup>, budget leaders released a negotiated compromise package of revenue bills that they indicate will be used to fund their final operating budget. We have summarized the key provisions of those bills below. It is unclear how these will progress with recent messaging from the Governor's Office indicating the revenue proposals are still too high. Much of the new revenue is dedicated to public education, childcare, early learning, higher education, healthcare, or social services programs.

<b>TAX</b>	<b>Bill # and Sponsor</b>	<b>Impact ports?</b>	<b>Summary</b>	<b>Revenue generated</b>
Capital Gains and Estate Tax	<a href="#">SB 5813</a> , C Wilson <a href="#">HB 2082</a> , Street	NO  DOR has <a href="#">reported</a> that capital gains tax has declined by 46% from 2022 to 2023.	Tiered structure with additional 2.9% surcharge on sale of stocks, bonds, and assets above \$1 million per year. Increases estate exclusion amount to \$3 million and adjustment for inflation.	\$351 million for 2025-27, \$329 million over four years
B&O Surcharges and Big Businesses	<a href="#">SB 5815</a> , Saldana <a href="#">HB 2081</a> , Fitzgibbon	Not directly – raises base rate for wholesaling and manufacturing from 0.484% to 0.5% and for retailing from 0.471% to 0.5%. Increases tax rate for service businesses with annual taxable revenue exceeding \$1 million from 1.75% to 2.1%.  Same exemptions in <a href="#">HB 2045</a> (stevedoring...etc)	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.  Increases the tax rate for several existing B&O surcharges. Increases the annual cap for the Advanced Computing Surcharge. (Boeing exempt)	400 corporations with \$250 million+ annual revenue.  \$2.44 billion in 2025-27 and \$3.94 billion in 2027-29
Property Tax Adjustment	<a href="#">SB 5812</a> , Wellman <a href="#">HB 2049</a> , Berquist	YES – Property Taxes  <b>SUPPORT</b>	Maintains the 1% cap on property tax growth but allows for increases based on inflation and population changes, not to exceed 3%. Adjusts levy equalization methods.	\$200 million in 2025-27 and \$618 million in 2027-29.
Excise Tax and large business sales tax prepayment	<a href="#">SB 5814</a> , Frame	NO	Retail sales and use tax to certain specified services. Some nicotine products subject to tobacco tax. One-time prepayment of state sales tax collections for businesses with \$3 million or more in taxable retail sales during calendar year 2026.	\$1.75 billion in 2025-27 and \$2.3 billion in 2027-29
EV pooling credits/Tesla Tax	<a href="#">SB 5811</a> , Lovelett <a href="#">HB 2077</a> , Fitz	NO	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	NOT IN CURRENT FORM– Repealing Tax Preferences.  <b>NEUTRAL</b> with amend.  Initial bill eliminated tax exemptions for intrastate	Repeals 20 tax exemptions where the public policy objective was not or unclear if it was met, or the exemption is legally obsolete, according to JLARC.	\$1B over the full four-year budget cycle.

		transportation of goods, commodities, and agricultural products. Stevedoring, movement of cargo impacted.	<u>Amend</u> : reinstates PUT tax preference for in-state portion of transportation, stevedoring and alt fuel. Includes tax preference performance statement.	
Property Tax Reform	<a href="#">SB 5798</a> , Pedersen	YES – Property Taxes. <b>SUPPORT</b> Expected to be amended and narrowed to be a tax reduction focused on expanding the “Property Tax Exemption for Senior Citizens and People with Disabilities”	Raising the property tax growth limit to combined rate of population growth plus inflation. Exempts “Property Tax Exemption for Senior Citizens and People with Disabilities”  Estimate impact: 5 cents per \$1000 assessed value.	\$779 million over the full four-year budget cycle.
Wealth Tax	<a href="#">SB 5797</a> , Frame	NO Amended based on Ferguson pushback.	<del>\$10</del> 34 cents on every \$1,000 of assessed value of certain financial assets stocks/bonds over \$50M. Exempts first \$50M of taxable wealth.	4,300 individuals impacted.
Tax Preferences	<a href="#">HB 2084</a> , Ramel	NO – B&O tax retailing, self-storage, gold bullion, prescription drugs	3500 taxpayers impacted, increasing warehousing/storage fee. B&O Taxes to the General Fund.	\$253.8M over four years.

Below, we have included a short summary and links to the various revenue proposals that the House and Senate budget leaders have put forward to fund the investments made in their transportation packages. The transportation budget and revenue bills were submitted as bipartisan proposals sent forward by their respective Transportation Committee.

**House 2025-27 Transportation Budget Revenue Proposals: ([House Summary Doc](#))**

[ESSB 5161](#), Rep. Fey and Barkis. The plan includes new fees and taxes but also postpones \$1.3 billion in projects that haven’t yet started. Includes things like a 9-cent gas tax, increase in various fees and registration, highway user fee, motor vehicle sales and use tax, and more.

[PSHB 2043](#), Revenue Bill

Revenue Items (6-year revenue totals): Total Revenue Generated: **\$4.436 billion**

**Senate 2025-27 Transportation Budget Revenue Proposals: ([Senate Summary Doc](#))**

[PSSB 5161](#) – Biennial and Supplemental Budget Bill.



[SB 5800](#) – Sen. King and Liias, Bonding Bill

\$16.2 billion proposal for the 2025-27 biennium. Capital budget – will include funding culverts

[SB 5801](#) – Transportation Resources Bill. The plan includes things like a 6-cent gas tax, increase in EV fees, increase in certain fees and registration, luxury vehicles tax, traffic infraction increases and large event assessments.

Revenue Items (6-year revenue totals): Total Revenue Generated: **\$3.040 billion**

[SB 5802](#) – Revenue shifts including .1% shift in vehicle sales tax from the state’s general fund to the multimodal transportation account and the termination of the \$50 million per biennium transfer from MTCA to the transportation account.

<u>Transportation Revenue</u>	<u>House</u>	<u>Senate</u>
HB 2043/SB 5801	\$4.4 billion (over 6 yr)	\$3.04 billion (over 6 yr)
Gas Tax	\$.09/per gal. - \$1.8 billion raised <i>(inflation adjustment begins in 2026)</i>	\$.06/per gal. - \$1.5 billion raised <i>(inflation adjustment begins in 2026)</i>
Diesel Tax	\$.03/gal increase in 2026 and an additional \$.03/gal increase in 2029 – raises \$155 million <i>(inflation adjustment begins in 2029)</i>	
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
Truck Weight Fees	\$30 per ton – raises \$453 million <i>(inflation adjustment begins in 2027)</i>	-
Passenger Vehicle Weight Fees	Increase fees on vehicles over 4,001 lbs – raises \$228 million <i>(inflation adjustment begins in 2029)</i>	
Electric Vehicle Fees		Increases EV fees from \$25-\$50 – raises \$452 million <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>	
Tire Tax	\$4/tire - raises \$121 million	\$4/tire - raises \$117 million
Driver's Licenses		\$10/year - raises \$76 million <i>(inflation adjustment begins in 2027)</i>
Title/Registration Fees	Various fee increases – raises \$45 million	Various fee increases – raises \$41 million
Luxury Tax on Vehicles/Vessels/Aircraft		-
Rental Car Tax		One-time adjustment for 2026 – raises \$214 million
Large Event Transportation Assessment		\$1/attendee - raises 34 million