

2026 Legislative Session Debrief

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Purpose



- 2026 Legislative Session Themes
- City Priorities and Legislative Outcomes
- Issue Area Highlights
- Next steps

Legislative Session Themes



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2026 Legislative Session Themes

- Second year of the biennium, 60-day session
- Democrat majorities
- Priorities: respond to federal actions, tax reform, and affordability
- Session Tasks
 - Consider legislation
 - Develop supplemental budgets amid shortfalls
 - Operating Budget
 - Capital Budget
 - Transportation Budget



2026 Tax Reform

• **Millionaire's Tax**

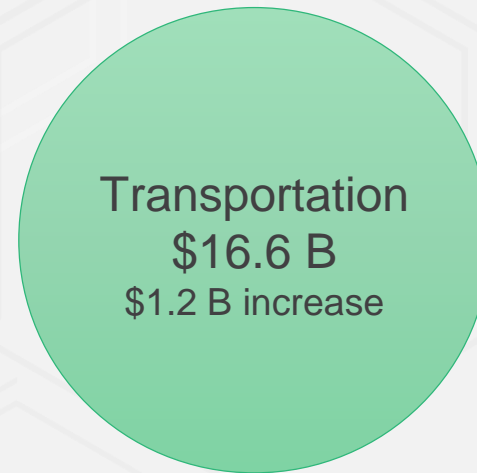
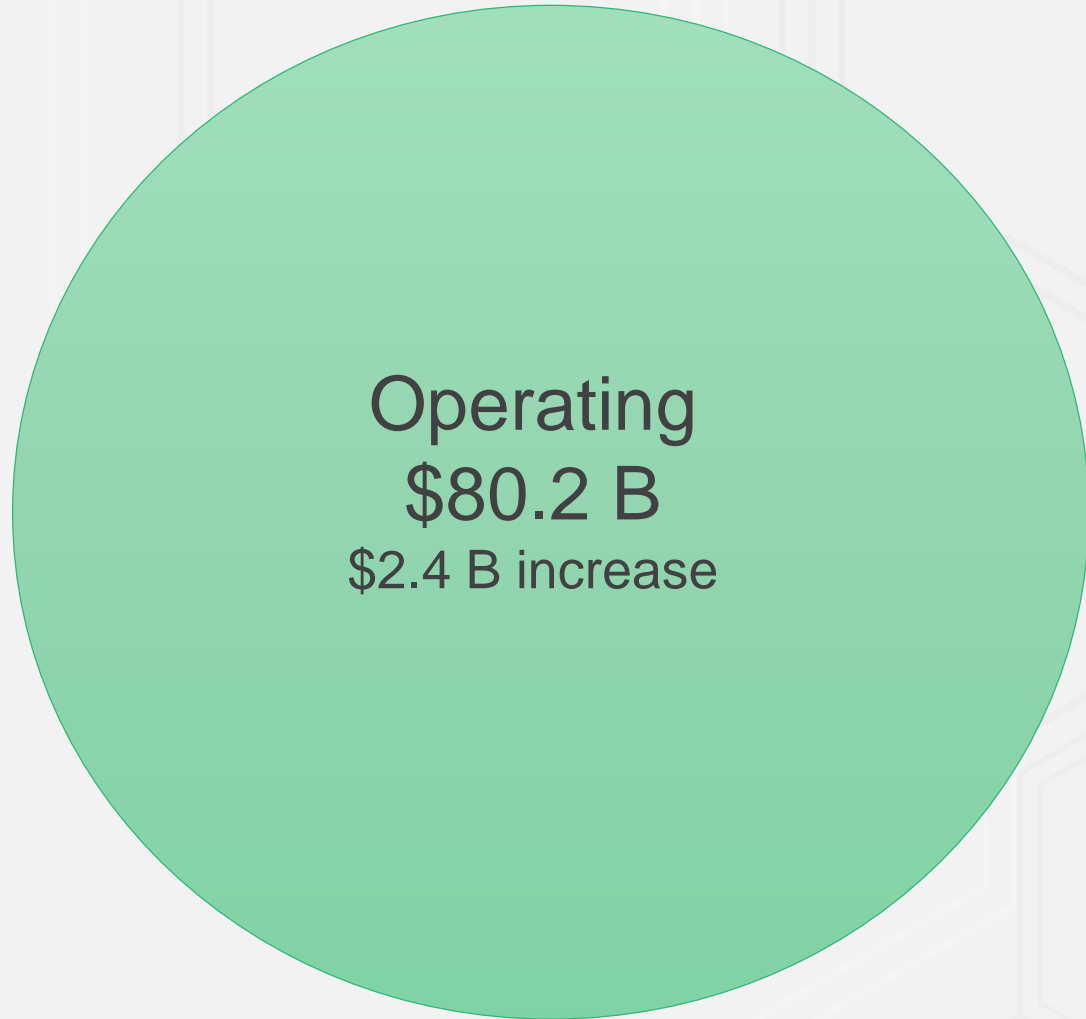
- 9.9% tax on income over \$1 million
- Sales tax exemptions on diapers, hygiene products, over-the-counter medications
- Repeal of SB 5814 (2025) sales tax on services
- Expansion of B&O tax credit, working families tax credit, and free lunch for all K-12 students
- \$200 million for city and county fiscal health scheduled in 2029
 - Details unknown

• **Estate Taxes**

- Repeal of 2025 legislation that increased estate taxes



2026 Supplemental Budget Summary



City Priorities & Legislative Outcomes





City of Redmond Priorities and Outcomes

1. State Support for Vulnerable Neighbors
2. Hartman Park Playground
3. Maintenance and Operations Center (long-term request)

As a reminder, in the first year of the biennium:

- *\$1 million for Asbestos Cement Water Main Replacement*
- *\$618,000 for Intercultural City Services*
- *Funding adjusted for Multimodal Overlake Village Access*
- *Rent Stability and WRAP Act passed*

State Support for Vulnerable Neighbors

- **Social Services:**
 - SNAP/Food Assistance
 - Medicaid
 - Refugee Assistance
- **Immigrants:**
 - HB 2105 - Immigrant Worker Protections
 - HB 2165 - Impersonation of an Officer
 - SB 5855 - Law Enforcement Face Coverings

Hartman Park

- \$500,000 requested
- **\$515,000 appropriated**
- Renovates regional park by replacing failing playground and improving accessibility



Regional Priorities

- **Affordable Housing/Fostering Housing Stability**
 - Density bonus for religious organizations (HB 1859)
 - Flexibility with existing revenues (HB 2442)
 - Another \$275M allocated to the Housing Trust Fund (HTF)
- **Transportation Funding**
 - Public Works Assistance Account impacts backfilled
- **Economic Development**
 - Tax Increment Financing (HB 2451)
 - Statewide economic development and competitiveness strategic plan
- **Autonomous Vehicles**
 - Statewide regulation of autonomous vehicles did not advance (SB 6243)

Support Issues – High Impact Legislation

General Government

- **City Budget Stability**

- Maintained most – but not all – state-shared revenues
- Flexibility with existing revenues
- Impacts from sales tax exemptions in the Millionaire's Tax
- City budgets become more regressive with more sales tax authority
- Unclear how cities fit into the state's budget reform

Support Issues – High Impact Legislation

Housing & Community Vitality

- **Limit Ground Floor Commercial Requirements (SB 6026)**
 - As introduced, residential authorized in all commercial zones and removed all ground-floor commercial requirements.
 - Final version:
 - Residential authorized in all commercial zones, with exceptions such as industrial zones
 - Mixed-use or ground-floor commercial requirements can only apply in station areas and 40% of the total acreage in areas zoned for commercial or mixed use, excluding station areas. Other exceptions apply.

Support Issues – High Impact Legislation

Public Safety

- **Automated License Plate Readers (SB 6002)**
 - Goal: Protect data and manage public records requests
 - ALPR Data:
 - Cannot be disclosed through the Public Records Act
 - Can only be retained for 21 days after collection, with exceptions
 - Can be used by law enforcement for comparison against:
 - Specific law enforcement-oriented databases
 - License plate numbers and vehicle descriptions associated with felonies and gross misdemeanors, stolen cars, and missing persons (notably not misdemeanors)
 - Can be used for parking enforcement, traffic management
 - Cannot be used for immigration investigations or enforcement, nor can it be collected near health care services, schools, food banks, courts, or places of worship

Support Issues – High Impact Legislation

Housing

- **Shelter, Transitional Housing, Emergency Housing, and Permanent Supportive Housing (STEP) Siting (HB 2266)**
 - Transitional and permanent supportive housing must be allowed in residential zones and zones where hotels are allowed. (No change from current law)
 - Shelter and emergency housing must be allowed in any zone hotels are allowed. The ability to allow in the majority of zones near transit is removed. If within 500 feet walking distance of a school or another shelter, additional requirements can apply.
 - Authority to require reasonable occupancy, spacing, and intensity use requirements for public health and safety purposes is removed.
 - Self-certification from the provider of public engagement and operations.
 - If the city donates money, property, or a long-term lease of at least 50 years, then it can establish additional operational requirements.
 - Cities can require income qualification, coordinated entry, and monitoring requirements.

Next Steps



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Next Steps:

- Elections for most legislators
- Maintenance and Operations Center Advocacy
- AWC and SCA priorities: City Budget Reform?
- 2027 State Legislative Agenda Preparations
 - Share ideas/feedback now
 - September 8 study session, first discussion
 - October 13 study session, second discussion

Thank you

Any Questions?



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