

2025 Legislative Session Debrief

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Overview



- 2025 Legislative Session Themes
- City Priorities and Legislative Outcomes
- Issue Area Highlights
- Next steps

2025 Legislative Session Themes

- First year of the biennium, 105-day session
- Democrat majority, new dynamics
- Session Tasks
 - Consider policy proposals
 - Develop biennial budgets amid shortfalls
 - Operating Budget
 - Capital Budget
 - Transportation Budget



2025 Budget and Revenue Summary

- **Operating Budget**

- All state operations
- Must balance over 4 years
- Revenue growth slowed from 5.2% to 3.5%
- \$12-16 billion shortfall
- Adopted \$77.8 billion budget, \$2.3 billion in reserves
 - \$4.3 billion in new revenue; approx. \$6 billion in cuts
 - Capital Gains/Estate Tax - \$321 million
 - B&O/Advanced Computing tax increase - \$2 billion
 - Sales tax on Services, Tax on nicotine products - \$1.46 billion



2025 Budget and Revenue Summary (cont.)

- **Capital Budget**

- Public and nonprofit construction
- Stable budget, no shortfall
- Adopted \$7.5 billion budget, funded largely through bonds

- **Transportation Budget**

- Multi-billion shortfall over 6 years
- Adopted \$15.5 billion budget
 - Delayed planned projects
 - \$3.2 billion over next 6 years
 - 6-cent gas tax increase
 - License and fee increases





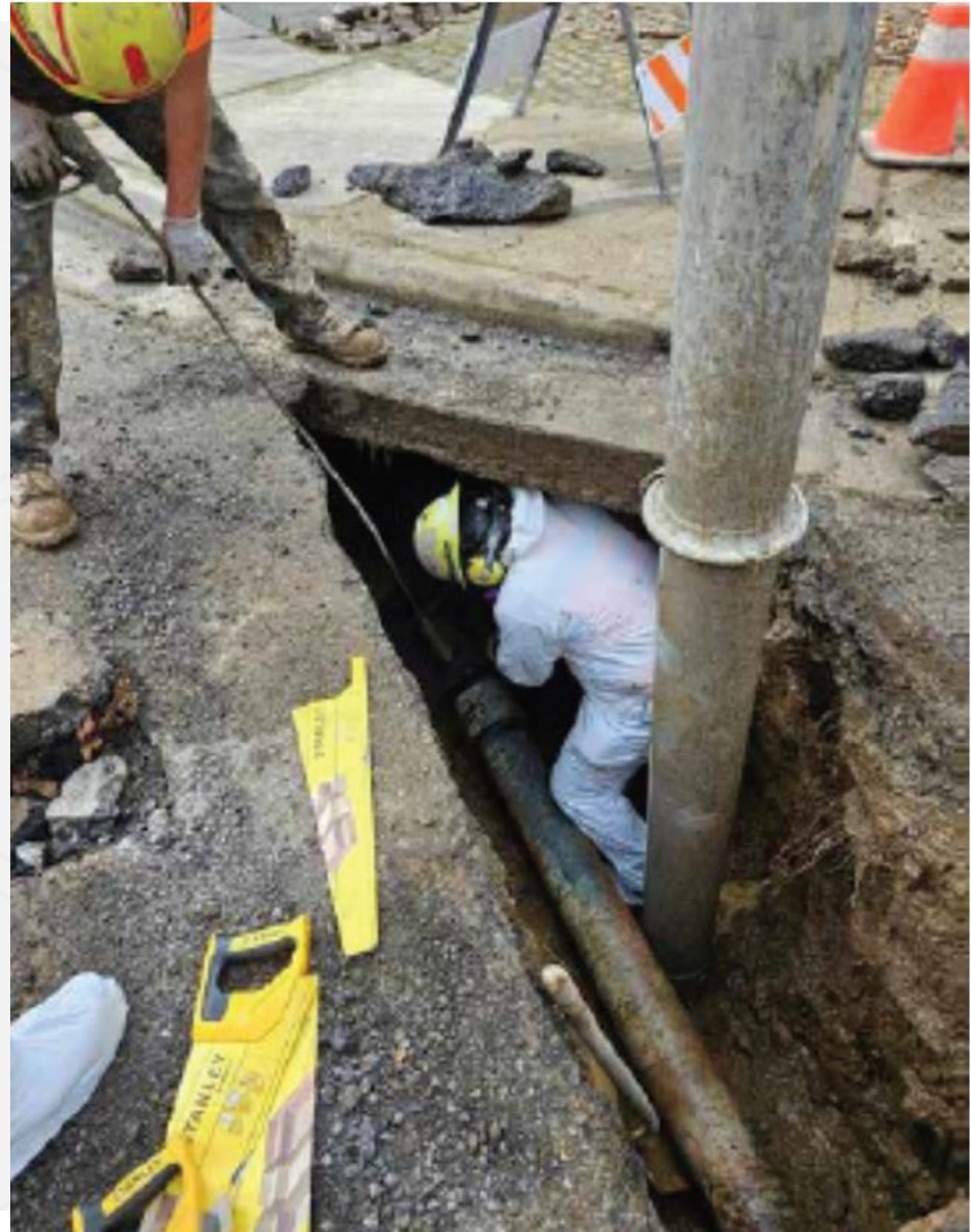


City of Redmond Priorities and Outcomes

1. Asbestos Cement Water Main Replacement
2. Intercultural City Services Center
3. 148th Ave NE/SR 520 Bicycle and Pedestrian Overpass
Rescoped to Multimodal Overlake Village Access
4. Support for State Grant Applications

Asbestos Cement Water Main Replacement

- \$1,024,475 requested
- **\$1,000,000 appropriated**
- Replaces asbestos cement pipes on Avondale Road.
- Reduces pipe failure, improves water quality, supports aquatic habitats



Intercultural City Services Center

- \$618,000 requested
- **\$618,000 appropriated**
- Builds city services space in the Bellwether Prisma affordable housing project located in Overlake.



Photo credit: Perkins Eastman

148th Ave NE Bicycle and Pedestrian Overpass Rescope to Multimodal Overlake Village Access (MOVA)

- \$8 million appropriated in 16-year Move Ahead Washington transportation package in 2022
- Request to rescope the project to be more cost-effective.
- **Legislature granted rescope and allocated funding:**
 - 23-25: \$250,000
 - 25-27: \$4.75 million
 - 27-29: \$3 million



Support for State Grant Applications

- Request:
 - \$975,000 WSDOT Regional Mobility Grant for On-Demand Microtransit Service
 - \$500,000 Washington Wildlife and Recreation Program (WWRP) Grant for SE Redmond Park
- **Both grant awards fully funded**



Regional Priorities

- **Washington Recycling & Packaging**

- Extended Producer Responsibility (SB 5284) - **Passed**

- **Affordable Housing/Fostering Housing Stability**

- Rent Regulation (HB 1217) - **Passed**
- REET Revenues for Housing (HB 1791) - **Passed**
- Over \$600M allocated to the Housing Trust Fund (HTF)

- **Transportation Funding**

- Locals receive 2.5% of the 6-cent gas tax increase for transportation

- **World Cup 2026 Economic Development**

- \$2.75M to support FIFA World Cup 2026 public safety and security services; \$9M multimodal transit agency grants

- **Asylum Seekers**

- \$25M to Office of Refugee and Immigrant Assistance for newly arrived, \$18M for indigent legal services related to status

Additional Support Issues

- **Housing**

- Condominium Liability Reform (HB 1403)
- Expansion of Covenant Homeownership (HB 1696)

- **Environment Sustainability**

- Clean Buildings Compliance (HB 1543)
- Climate Commitment Act Adjustments (HB 1975)

- **Planning & Infrastructure**

- Statewide Parking Requirements (SB 5184)
- Transit-Oriented Development (HB 1491)
- Housing Accountability (SB 5184)
- Lot Splitting/Subdivisions (SB 5559/HB 1096)

Support Issues (cont.)

- **General Government**

- State-shared revenues funded
- Effort to address 1% property tax cap failed
- Paid Family Medical Leave Expansion (HB 1213)

- **Community Vitality**

- Nonprofit Property Tax Exemption requested by Together Center (HB 1094)
- Co-response teams and training (HB 1811)

- **Public Safety**

- \$100 million in law enforcement grants and new sales tax authority (HB 2015)
- Firearm training permit requirement (HB 1163)

Next Steps:

Elections for appointed legislators

Risk of special session

2026 State Legislative Agenda

Preparations

- Sept. 9 FAC first hearing
- Oct. 14 Study session second hearing



Thank you

Any Questions?

