



2025 Legislative Session Recap

Committee of the Whole • May 27, 2025

Session overview

- 105 Day Legislative Session
- January 13 – April 27
- 1,904 bills introduced
- 423 bills passed
- New 2-year Operating, Transportation, and Capital Budgets adopted

Operating Budget overview

- Started session with estimated \$10-\$12B revenue shortfall over four-year outlook, grew to \$15-\$16B following spring revenue forecast.
- 25-27 biennial budget spends \$77.1B, reflects mix of transfers from other accounts, new revenue, and spending reductions.
- New state revenue: \$4.3B in 25-27 biennium (\$9B over four-year outlook)
 - \$2B new revenue from B&O taxes (HB 2081)
 - \$148.5M new revenue repeals of tax preferences (SB 5794)
 - \$321.6M new revenue from changes to capital gains tax and estate taxes (SB 5813)
 - \$1.15B new revenue from expansion of retail sales tax base and changes to products subject to tobacco products tax (SB 5814)

Capital Budget overview

- 25-27 capital budget appropriates \$4.5B in new debt limit bond spending and \$7.5B in total funds.
- Key investment areas:
- Education: \$975M
- Natural Resources: \$827M
- Housing & Homelessness: \$772M
- Behavioral Health: \$436M
- Human Services: \$171M
- Environment & Energy: \$375M

Transportation Budget overview

- 25-27 transportation budget provides \$15.5B in spending authority
 - \$3B in new resources over next 6 years from increases in state fuel tax, truck/passenger weight fees, rental car tax, and motor vehicle sales tax (including new luxury tax on certain higher priced vehicles)
 - Includes permanent dedication of 0.1% of state sales tax to transportation budget (approx. \$300M annually, starting FY 2028)

King County 2025 Legislative Priorities



King County

King County 2025 Legislative Priorities

Secure Local Government Funding for Essential Services

King County faces a severe revenue deficit because the cost of county provided essential services and programs continues to grow, and the Legislature capped revenue growth from property taxes at 1 percent and limits other revenue options for counties. To make progress on these issues, we ask the Legislature to:

- Provide counties with sustainable revenue sources, ensuring they can perform the services that the State mandates and residents desire;
- Address inadequate funding support for County roads and bridges;
- Increase state funding for state mandated public defense costs.

Dedicated support for Public Health Clinics

A dedicated revenue stream for King County's public health clinics is required to support the health care services delivered to 80,000 residents across King County annually. Public Health clinics provide crucial services to meet the healthcare needs of people historically underserved by the medical system, including Black, indigenous, and people of color, those who speak a primary language other than English, those experiencing homelessness, and those who are uninsured.

Public Health has been significantly underfunded since the Legislature enacted \$30 car tabs in 2001 as the MVET supported public health. While some replacement funds were allocated, those were cut in the 2008 Great Recession. Further, the Legislature's 2007 one percent limit on the growth of property tax further limits funding available for general government, including public health. FPHS funding in the last decade does not fund public health clinics.

Behavioral Health: Strengthen Access to Care

Adequate state support is critical to provide for people in crisis, complementing direct local investments in crisis care and stronger care delivery. Too many people are going without the mental health and substance use/recovery care they need, which can lead to a cycle of hospitalization, homelessness, and interaction with the criminal-legal system. To reverse this inequitable and costly cycle, the State must take these key actions in 2025 to support behavioral health services:

- Fund minimum behavioral health Medicaid payments based on the state's own rate study;
- Provide funding for initial operations of new behavioral health facilities that provide crisis care, including investing in the success of the first-of-its-kind crisis facility in King County;
- Fully fund state-mandated services such as evaluation and treatment, the ITA court, and designated crisis responders;
- Expand access to medications for substance use disorder, addiction and overdose recovery care, and invest in behavioral health supports for people living in affordable and supportive housing.

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King County

King County 2025 Legislative Priorities

Bolster Public Safety and the Legal System

The public safety and legal systems are overburdened and under-resourced. The Legislature can help offset these problems by:

- Preventing gun violence, by requiring a permit to purchase firearms, allowing Medicaid funds to be used for violence intervention programs, and removing the preemption of local firearm policies;
- Funding diversion programs and alternatives to incarceration;
- Maintaining increased correction officer academy training classes;
- Providing additional fiscal and policy resources for the King County legal system to help address the increased unlawful detainer caseload;
- Increasing funding for programs that seek to end gender based violence and support survivors of crime.

Housing and Homelessness

Housing and homelessness continue to be critical issues. We ask the Legislature to:

- Provide robust state operating and capital investments for affordable housing, permanent supportive housing, and emergency housing and shelters;
- Build on state investments and provide stronger and ongoing state support to stabilize migrants and asylum seekers;
- Adopt policies and invest in programs that encourage and preserve homeownership, and help address current and future housing needs;
- Build on investments in state and local government programs that move people out of encampments and into housing.

Protect Our Climate and Environment

We must mitigate and prepare for the climate crisis and address the ongoing environmental decline. The Legislature can take two immediate steps to counteract these crises:

- Enact the Re-WRAP Act, enhancing and growing product stewardship programs to make products safer for people and the planet, from design to disposal;
- Reduce, mitigate, and eliminate PFAS and other forever chemical pollution;
- Recognize municipal solid waste as a source of renewable energy.

Responsible Government

- Maintain investments in WSDOT infrastructure projects, complete the Triangle project, fund the roundabout on SR 203/Tolt Hill Road, and increase funding for public transit connected to water taxis and ferries;
- Provide funding for a public awareness campaign and increase funding for respite centers for human trafficking related to major tourism generating events;
- Increase the number of available enrollment slots for Apple Health;
- Increase reestablishment expense limit for entities displaced by public works projects;
- Allow lodging tax revenue to be used to maintain and grow the tourism related workforce.

Priority Outcomes

- 2025 King County legislative agenda: **32 priorities** (includes specific asks and more generalized items)
 - Outright successes: **12 positive outcomes** (bills passed or items included in budget)
 - Mixed successes: **10 mixed outcomes** (mostly budget items, mixed outcome due to mixed funding results—programs were funded, but at reduced levels; programs were funded on one-time basis)
 - No success: **10 priorities saw no success** (no bill, no money in budgets)

Local Revenue

Lift 1% property tax revenue growth cap

✘ SB 5798, HB 2049, HB 1334

Local Revenue source or tool

✓ **HB 2015**: New councilmanic 1/10th percent sales tax for public safety purposes; \$100M state law enforcement grant program

✘ **SB 5775** (councilmanic 3/10% public safety sales tax), **HB 1702** (utility tax), **HB 1805** (1/10% sales tax for children and families), **HB 2027** (graduated REET)

Local Revenue (cont.)

Roads and bridges funding

↔ No new tools for local government, but Transportation Budget includes \$49.7M in 25-27 and \$101.9M in 27-29 to assist local governments with preservation and maintenance needs (distributions from fuel tax, new local road program, Complete Streets grants, and other distributions)

Public Defense costs

↔ \$27.2M statewide grant for public defense, but well below need for public defense funding

Public Health Clinics

Behavioral Health

Dedicated support for Public Health Clinics

✘ **HB 1870**: Public health clinic 5 cent property tax levy did not make it out of House Rules committee

BH Medicaid payments based on state's own rate study

✔ **HB 1813**: Requires HCA to adjust Medicaid rates to reflect increases and decreases in service facilities and capacity

Initial operating funding for new crisis care facilities

✔ **Resolved**: Issue appears to be resolved by conversations/agreement with HCA

Behavioral Health (cont.)

Fully fund evaluation and treatment, including ITA court

⇔ Operating and Capital Budgets:

- HCA must allow BHASO flexibility in utilizing reserve funding received pursuant to legislative provisos
- \$15.4M grant program for crisis relief/23-hour facilities for three crisis relief centers—startup costs, operational subsidies, rates for non-Medicaid enrollees
- Trueblood diversion programs reduced by 10% (-\$1.6M)
- \$10M Trueblood capital dollars to KC (capital budget)
- \$130M BH community capacity grants

⇔ **SB 5745**: Addresses requirements and procedures for appointment of defense counsel under the ITA. Allows county to elect to have HCA contract with OPD for appointed counsel services on the county's behalf for individuals detained in state facility located in the county and county BHASO funding is reduced accordingly

Behavioral Health (cont.)

Expand access to medications for substance use disorder, addiction and overdose recovery care, BH supports

↔ Operating Budget:

- High intensity opioid use disorder treatment services funding cut (\$-1.5M)
 - Funding for public health dispensing machines cut (-\$600K)
 - \$3.5M for opioid treatment medication for incarcerated individuals
 - \$758K from opioid settlement account to expand access to medication for opioid use disorder in ERs
 - \$346K for perinatal opioid use disorder information and services
- ✓ **HB 1432:** Defines “medically necessary” for purposes of certain requirements related to health plan’s coverage of mental health services and substance use disorder services
- ✓ **HB 1811:** Adds individuals engaged in co-response to list of first responders who may not be compelled to testify about communications with recipients of peer support services; directs UW to establish program to administer crisis responder training academy for co-responders

Public Safety & Legal System

Gun violence prevention

- Permit to Purchase
 - ✓ **HB 1163**: Requires permit to purchase firearm
- Medicaid for violence intervention programs
 - ✗ **HB 5273**: Directs HCA to administer funding for community violence prevention and intervention programs
- Local preemption
 - ✗ **no bill**
- Budget
 - ↔ -\$1.9M funding reduction (10%) to Office of Firearm Safety and Violence Prevention, which administers grants for violence prevention and intervention programs

Public Safety & Legal System (cont.)

Fund diversion programs and alternatives to incarceration

↔ Operating Budget:

- Funding for grants to LEAD programs reduced by 10% (-\$1.5M)
- Funding for Recovery Navigator Program reduced by 20% (-\$9.8M)

Corrections officer academy classes

- ✓ **Operating budget:** Additional academy classes, four in FY 26 and four in FY 27

Eviction court resources

- ✓ **HB 1621:** Superior courts can appoint housing commissioners for unlawful detainer actions

Funding for programs that end gender-based violence and support survivors of crime

- ✓ **Operating Budget:** \$20M crime victims services (one time funding)

Housing & Homelessness

Operating/capital investments for affordable housing, permanent supportive housing, and emergency and shelter housing

↔ Operating and Capital budget

- \$605M housing trust fund
 - \$215M targeted for competitive funding
- \$117M document recording fee backfill for local housing programs
- - \$17.745M adjusted expenditure authority for Affordable Housing for All account (reflects anticipated revenues from document recording fee)
- - \$43.4M adjusted expenditure authority for Home Security Fund (amount reflects anticipated document recording fee revenues)

✘ **HB 1867:** Countywide REET 4, voter approved for affordable housing

✘ **HB 1763/SB 5576:** Short term lodging tax for affordable housing programs

Housing & Homelessness (cont.)

Funding for refugee and immigrant populations, including recently arrived migrants and asylum seekers

✓ **Operating budget:**

Office of Refugee and Immigrant Assistance:

- \$25M for support services for newly arrived individuals (FY 26 only)
- \$18M legal representation services to indigent persons in need of services related to status

Encampment resolution

⇔ **Operating Budget:**

- \$45M/year for the biennium, down from \$75M/year

Housing & Homelessness (cont.)

Policies and programs that encourage and preserve homeownership, address current and future housing needs

⇔ Operating and Capital budget

Within Housing Trust Fund:

- \$50M for preservation
- \$95M for Apple Health and Homes
- \$10M for rapid acquisition
- \$72.5M for homeownership
- \$14.2M to expand Foreclosure Mediation Program

✘ **HB 1195:** STEP housing—prohibit local comprehensive plans or development regulations from denying or precluding permit application for STEP housing in any residential or commercial zone within most urban growth areas

✓ **HB 1491:** Transit oriented development, Multifamily Tax Exemption within station area

Climate & Environment

RE-WRAP (Recycling Reform Act)

- ✓ **HB 5284:** Establishes extended producer responsibility program for covered packaging and paper products.

PFAS/forever chemical pollution

- ✓ **Operating budget:** \$8.5M for 6PPD (identify effective treatments, monitor, study); \$4M for PFAS response (testing and monitoring)
- ✓ **SB 5033:** WA Ecology to publish guidance and clarify PFAS sampling requirements and convene advisory committee

Municipal solid waste as source of renewable energy

- ✗ **SB 5703:** Spokane only, exemption from CCA for MSW to Energy
- ✗ **HB 1712:** Biomass as renewal energy

Responsible Government

Maintain WSDOT infrastructure projects generally

✓ Transportation budget

- \$15.5 B in spending authority for 25-27 biennium (\$9.2B for capital expenditures)
- New revenue from variety of transportation taxes and fees, including 6 cent per gallon increase in state fuel tax
- Permanent dedication of 0.1% of state sales tax to transportation budget

Triangle project

✗ Transportation budget

No change—transportation budget continues to provide “Future” Connecting Washington funds to I-5 Federal Way Triangle Vicinity improvements

SR 203/Tolt Hill Road

✗ Transportation budget

Not specifically funded

Responsible Government (cont.)

Public transit connected to water taxis and ferries

↔ Transportation budget

- \$9M of multimodal funds for transit agency grants for enhanced World Cup services, with 40% going to KC Metro
- \$4M for supplemental passenger only ferry service for Kitsap Transit and KC Water Taxi
- \$10M federal funds exchange between WS Ferries and KC Metro

Funding for human trafficking related to major tourism generating events

- ✘ **Operating Budget:** no funding

Increase Apple Health enrollment slots

- ✘ **Operating Budget:** Carry forward budget level for Apple Health Expansion program (~\$150M for biennium)

Responsible Government (cont.)

Reestablishment expense limit increase for entities displaced by public works projects

✓ **HB 1733:** Cap increased from \$50,000 to \$200,000

Lodging tax revenue to be used to maintain and grow tourism related workforce

✗ **no bill**

Other bills of interest

Local land use

✓ **HB 1135:** Provides that a local government that has been found by the Growth Management Hearings Board to be out of compliance with the requirements of the Growth Management Act (GMA) may not be found to be in compliance unless it has amended the noncompliant plan or regulations, and the amendments are compliant with the requirements of the GMA

Housing element of GMA

✓ **SB 5148:** Allows GMA cities/counties to submit housing element and development regulations to WA Commerce for determination of compliance; requires Commerce to conduct targeted reviews of housing element and regulations of selected cities or counties

Middle housing in UGAs, LAMIRDs

✓ **SB 5471:** Allows planning counties to authorize at least one middle housing unit on each parcel that permits single-family residences in UGAs and LAMIRDs (limited areas of more intense rural development)

Other bills of interest (cont.)

Childcare center siting

- ✓ **SB 5509:** Requires childcare centers to be permitted as outright permitted uses in all zones except industrial and open space zones

Limit on rent increases

- ✓ **HB 1217:** Limits rent increases during any 12-month period of a tenancy to 7% plus CPI or 10%, whichever is less, and with certain exemptions

Covenant Homeownership Program modifications

- ✓ **HB 1696:** Modifies the Covenant Homeownership Program by raising the area median income threshold for eligibility to 120 percent, authorizing full loan forgiveness under certain circumstances, and modifying one of the membership positions on the oversight committee

Expansion of sales tax base

- ✓ **SB 5814:** State revenue piece with local benefit. Extends retail sales and use tax to certain specified services, and makes certain products containing nicotine subject to other tobacco products tax

Other bills of interest (cont.)

Board of Health—tribal membership

✓ **HB 1946:** Modifies how tribal representatives are selected for local health boards and health districts. Boards must include tribal representative from each federally recognized tribe with reservation or trust lands within the county and as it pertains to KCBOH, the Seattle Indian Health Board

Local government deferred compensation programs

✓ **HB 1270:** Authorizes local governments operating deferred compensation programs to automatically enroll new employees in accordance with plan rules, unless employees affirmatively choose not to participate

Cannabis advertising

✓ **SB 5206:** Modifies restrictions and requirements for advertising signs for licensed cannabis retailers. Trade name signs are allowed if they comply with local regulations related to sizes of signs

Waste material management systems

✓ **HB 1497:** Establishes and amends requirements and programs related to food waste and wasted food, organic materials management, and solid waste collection and disposal

Other bills of interest (cont.)

Digital electronics/ right to repair

- ✓ **HB 1483:** Supporting the servicing and right to repair of certain products with digital electronics in a secure and reliable manner

Public facility district revenues

- ✓ **SB 5138:** Adds community-initiated development to the allowable uses for certain revenues received by counties from the convention center lodging tax on short-term rentals.

Local law enforcement helicopter reimbursement program

- ✗ **HB 1969:** Creates a grant program for local law enforcement rotary wing aviation support units

Firearms—sensitive places

- ✗ **SB 5098:** Prohibits weapons at certain park facilities where children are likely to be present, certain state/local public buildings, and certain county fairs

Questions?