PSRC Legislative Update

Jennifer Ziegler

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2026 Legislative Changes

- Senate Retirements: Conway, Shewmake, Warnick
- House Retirements: Ormsby, Volz, Graham, Valdez, Tharinger, Eslick, Rude, Wylie, Schmidt, Springer
- House Members Running for Senate: Dufault, Mena, Street, Ryu and Ybarra.
- Legislators Who Ran or are Running for Congress: Boehnke & Braun
- Legislators Running for Other Offices: Saldana
- Half of the Senate, all of the House are up for election.
- General Election is November 3

General Fund Operating Budget Outlook

- September Revenue Forecast Results
  - Compared to the June Revenue Forecast, revenues are estimated to be $22 million higher in 2025-27, $430 million higher in 2027-29 and $2.38 billion higher in 2029-31.
  - The Economic and Revenue Forecast Council estimates that income tax revenues will be $3.5 billion in 2027-29 and $9.4 billion in 2029-31.
- Budget Uncertainties and Pressures
  - Results of Initiative 645—Repealing the State Individual Income Tax
  - Financial Feasibilityof the Collective Bargaining Agreements
  - State Tort Liability Claims
  - State Budget Impacts of H.R. 1

Transportation Budget Outlook

- September Revenue Forecast Results
  - Compared to the February Revenue Forecast, revenues are down by $36.6 million in 2025-27.
  - The 2026 Supplemental Transportation Budget balanced over three biennia. Over this same period, revenues are now expected to be $600.3 million lower than forecasted in February of 2026.
- Budget Pressures
  - Paving and Bridge Preservation Backlog
  - Ferry System Operating and Capital Needs
  - Declining Climate Commitment Act Revenues

Highway User Fee Discussion

- Modeled on Virginia Highway Use Fee
- Annual fee based on vehicle fuel economy rating, more efficient vehicles pay higher fee
- More fuel-efficient vehicles pay less in gas tax, but have same impact on roadways
- Stakeholder outreach underway

Interim Activities of Interest

- Governor Ferguson's Economic Development Council
- Joint Legislative-Executive Committee on Budget Transparency and Fiscal Sustainability
- Joint Transportation Committee review of the long-term financial sustainability of the transportation budget
- Joint Transportation Committee Workgroup on the Washington State Ferry System
- Washington State Department of Transportation Legislative Report regarding maintenance and preservation

Questions