

State Government Relations Updates

Regional Staff Committee

April 17, 2025

Updated
as of
4/16/2025



Puget Sound Regional Council



We are leaders in the region to realize equity for all. Diversity, racial equity and inclusion are integrated into how we carry out all our work.

psrc.org/equity

Federal Updates



- Budget Reconciliation
- BRIC grants – termination
- Surface Transportation Reauthorization
- [PSRC reporting form](#)



Surface Transportation Reauthorization



- Stakeholders encouraged to [submit proposals](#) for federal transportation programs (SS4A, BUILD, etc.), including specific project examples in need of funding
- Submittals should include a letter highlighting all proposals
- Proposals due April 30 at 3:00pm PT
- Learn more [here](#)



Safe Streets and Roads for All NOFO Open

- [NOFO released](#)
- Applications due June 26, 2025
- \$1 billion available
- Upcoming Webinars:
 - 4/15 SS4A Implementation Grants
 - 4/17 SS4A Action Plans
 - 4/23 SS4A Supplemental Planning



2025 State Legislative Session

- Over 2,300 bills introduced
- Chambers considering budget related bills and reconciling differences
- ✓ April 16 Opposite House Cut-off
- Budget Negotiations



Operating Budget Proposals



	Senate	House
Total Budget 2 years	\$78.5b budget \$17b in new taxes	\$77.8b budget 2 yrs \$15b in new taxes
Education	\$2.2b special education \$422m MSOC	\$1b less in new money for special education and public schools
State Workers	Reduces state worker salary by 5%	Does not rely on state worker furlough
Uses Rainy Day Fund	Yes	No
Public Safety	No	Invests \$50m for new police officers and \$50m for crime prevention
Early Learning and Childcare	Delay	Delay



New Revenue Proposals

- Revenue Growth Limit & School Funding [SB 5812](#) / [HB 2049](#)
- Capital Gains and Estate Taxes [HB 2082](#) / [SB 5813](#)
- B&O tax surcharge [HB 2081](#) / [SB 5815](#)
- Taxes on Services & Nicotine Products & Prepayment of Sales Tax [HB 2083](#) / [SB 5814](#)
- Tax on surplus generated by Zero Emission Fuel Program [HB 2077](#) / [SB 5811](#)



Governor Ferguson

April 4, Letter from OFM to Legislature

- Restrain new spending
- Identify efficiencies and savings
- Maintain reserves
- Concerns about federal funding

As Ferguson details budget concerns, Washington legislators see mixed signals (WA State Standard)



MRSC Funding

- House cuts budget to \$6.1m
- Senate level funds at \$6.8m with no allowance for inflation

House Operating Budget
Would Cut MRSC Funding
Effective July 1 (MRSC)



Transportation Budget

Senate

- Current Law and New law budget, revenue bill
- Furloughs workers
- \$500m reserve
- Move Ahead Completion Funding

House

- \$1b in reserves
- No reduction in preservation projects
- Delays \$1.3b in transportation projects but none currently under contract

**Both
invest
in:**

- Electric vehicles
- Hydrogen infrastructure

- Drayage trucks
- Sustainable aviation

Transportation Budget: Revenue

- Both rely on increase in gas tax
 - House 9 cents
 - Senate 6 cents
- House – Highway Use Fee
- [SSB 5802](#) – Transfers .1 % sales tax to transportation budget

[Comparison of Transportation Proposals](#)



Washington State Ferries

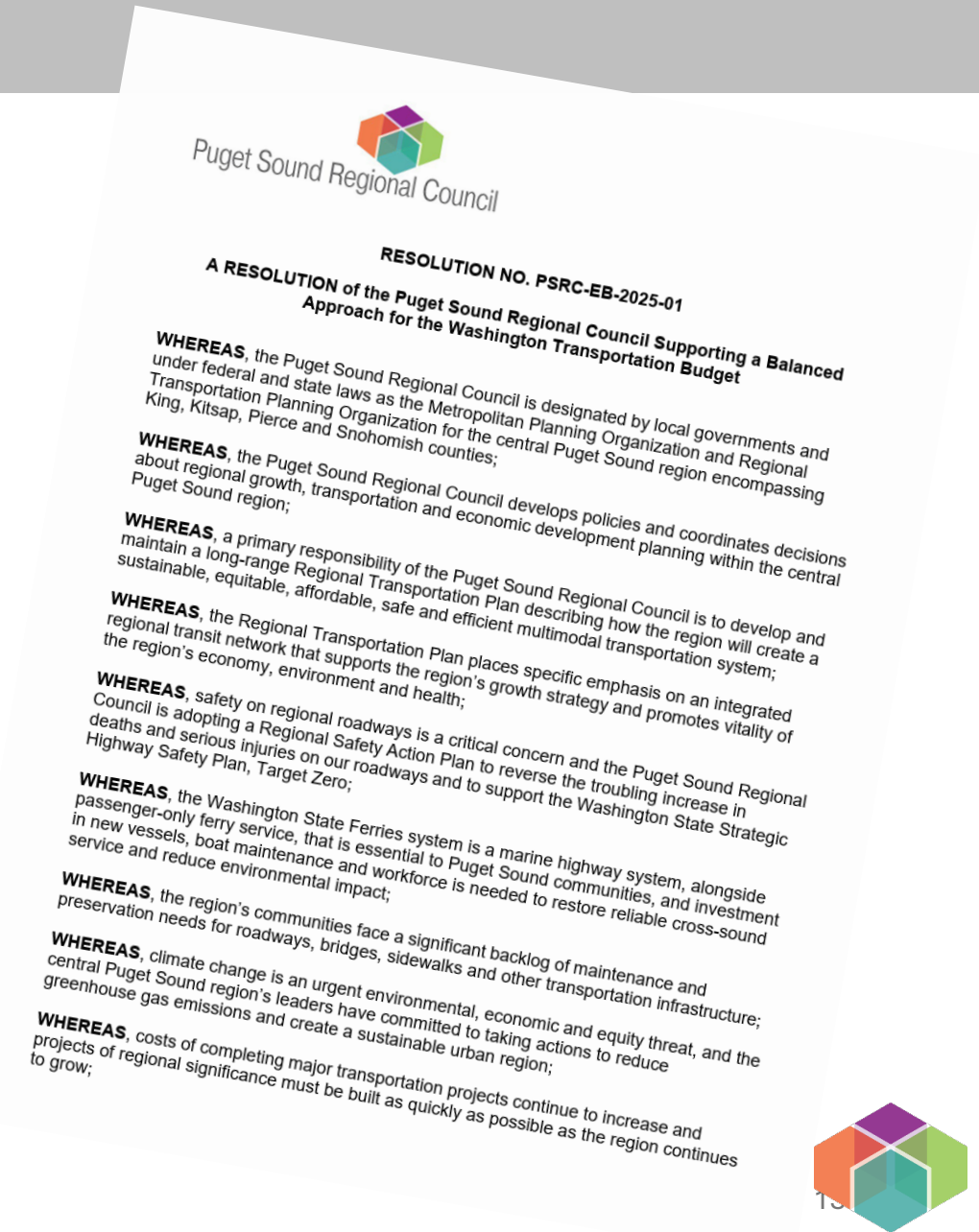
- Preserve resources for new vessels
- Delay hybrid electric ferry conversions, House delays terminal electrification
- House increases preservation by \$100m and \$40m for capital vessel investments
- Senate directs to WSF to develop a renewable diesel demonstration project
- Kitsap & King County POF \$847m in Senate and \$2.76m in House



Executive Board Resolution

- Supporting sustainable revenue to ensure continued critical investment in the state transportation system
- Board members recognized need for resources for maintenance and preservation, addressing safety on our roadways, restoring full ferry service & completing projects of regional significance

Resolution EB-2025-01



Transportation Bills



- [HB 1902](#) passed Streamlining Permitting for Transportation Projects
- [SB 5773](#) Procurement & Delivery Models
- [HB 1837](#) passed both houses Intercity Passenger Rail



Housing Stability

Rent Stabilization

[HB 1217](#) (Alvarado) passed both
houses – likely conference
[SB 5222](#) **dead** (Trudeau)

Senate Amended:

- Limit rent increase to 10% plus consumer price index
- Exempts single family homes not owned by corporation



Housing Supply: Transit-Oriented Development

Promoting Transit Oriented Housing Development

passed both houses

HB 1491 (Reed)

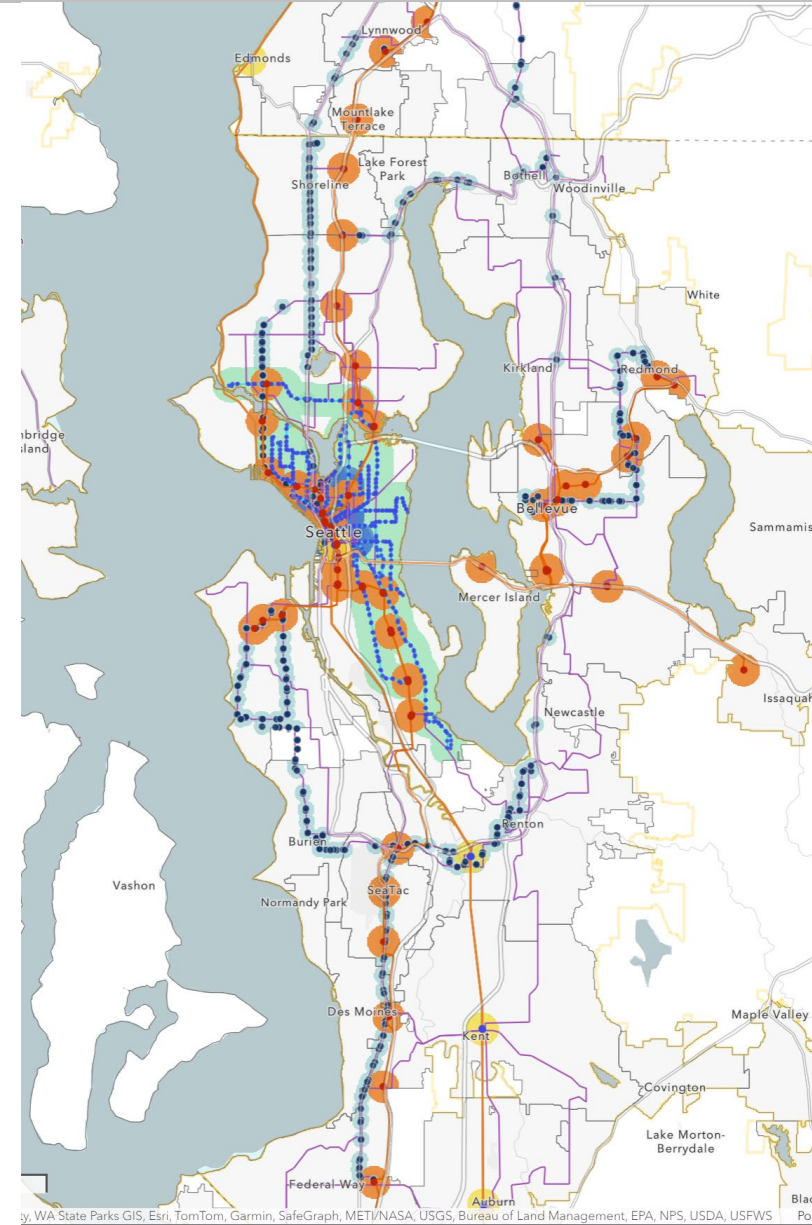
Creates density requirement in station areas

- 3.5 FAR w/in .5m of rail (.25m in cites <15,000 people)
- 2.5 FAR w/in .25m of BRT

Affordability

- 10% of units if rents are 60% AMI & below
- 20% of units if rents are 80% AMI & below

Requires adoption of 20yr MFTE program in station areas



Housing Supply: Parking Requirements



Minimum Parking Requirements
[HB 1299](#) (Peterson) **dead** / [HB 5184](#)
(Bateman) **passed both houses**

Prohibits cities and counties from requiring:

- More than 0.5 parking space per multifamily residential unit and 1 per single family home
- More than 2 parking space per 1000 feet of commercial space



Housing Bills



- [HB 1096](#) Lot Splitting passed both houses
- [SB 5559](#) Streamlining Subdivision Process passed both houses
- [HB 1494](#) MFTE Adjustments passed
- [HB 1183](#) Modifying Building Code Delivered to Gov
- [HB 1403](#) Simplifying Condo Construction passed both houses



GMA Bills



[SB 5148](#) GMA Housing Element
Compliance **passed both
houses**

[HB 1135](#) GMA Compliance
Governor signed





Thank You!

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Puget Sound Regional Council