

State Government Relations Updates

Executive Board

April 24, 2025

Updated
as of
4/23/2025



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
- Building Resilient Infrastructure & Communities grants – termination
- [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 released](#)
- Applications due June 26, 2025
- \$1 billion available
- Webinars



2025 State Legislative Session

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



Budget Proposals



"We have made all the decisions, but there's still a lot of pieces that have to fall into place."

–Sen. June Robinson, D–Everett,
chair of the Senate Ways and
Means Committee



[Democrats in Washington
Legislature wrap up budget
negotiations](#) (WA State Standard)



Revenue Proposals Off Table

- **Financial Intangibles Tax (aka wealth tax)** on financial intangibles
- **Property tax growth flexibility**

Plan to raise cap on property tax growth collapses in WA Legislature (WA State Standard)



Revenue Proposals

Adopted in House/Moving in Senate

- School Funding [SB 5812](#) / [HB 2049](#)
- B&O tax surcharge [SB 5815](#) / [HB 2081](#)
- Tax on surplus generated by Zero Emission Fuel Program [SB 5811](#) / [HB 2077](#)

Adopted in Senate & House

- Capital Gains and Estate Taxes [SB 5813](#) / [HB 2082](#)
- Taxes on Services & Nicotine Products & Prepayment of Sales Tax [SB 5814](#) / [HB 2083](#)



Transportation Budget: Revenue SB 5801

- **Fuel Tax** 6 cent increase in FY 26 and 2% increase each year
- **Special Fuel (Diesel)** 3 cent increase in special fuel tax
- **Vehicle Registration fees** Truck weight, Passenger vehicle weight, filing, title & registration, abandoned recreational vehicle



Transportation Budget: Revenue SB 5801

Sales and Use Taxes

- Motor vehicle sales and use tax from .3 to .5%,
- Rental car tax 5.9 to 11.9%
- Per to peer car sharing
- Recreational Vessels, Luxury Vehicle, Luxury Aircraft

Other Fees

- Tire disposal
- Large Event Facility
- WSDOT Work Zone Violations
- Driver's License and Identicards
- Remove toll exemption for transit and ride share vehicles

[Comparison of Transportation Proposals](#)



Washington State Ferries – SB 5801

- Requires WSF to contract for 5 or more new vessels (was up to 5)
- Changes design size of Olympic vessels from 144 to 160 vehicles
- Raises vessel replacement surcharge:
 - From 25 cents to 75 cents in 2025
 - 85 cents as of 10/2027
 - 95 cents 10/2029
- Requires WSF to recover at least 3% of credit card fees through fare increases



Transportation Revenue

SSB 5802

Transfers .1 % sales
tax to transportation
budget



Transportation Bills



- **HB 1902 passed both houses**
Streamlining Permitting for Transportation Projects
- **HB 1837 passed both houses, concurrence**
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, concurrence**

HB 1491 (Reed)

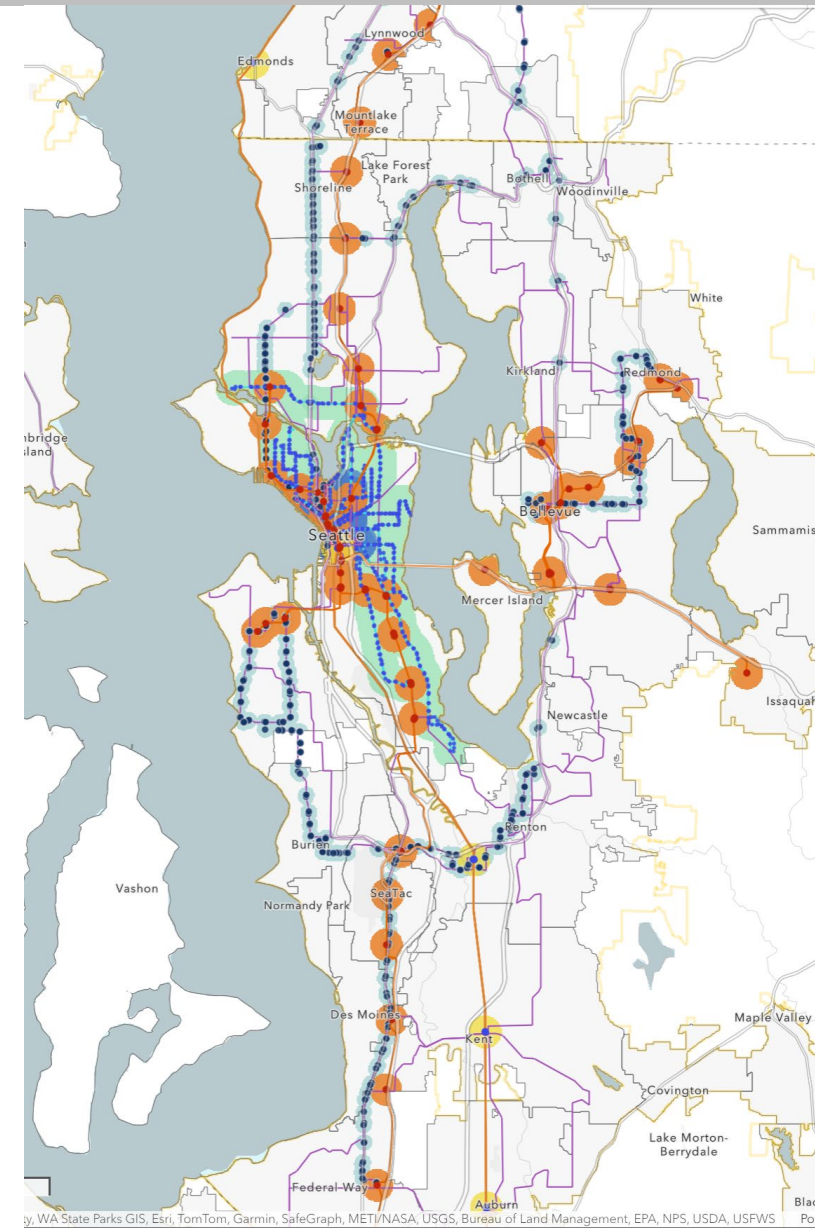
Creates density requirement in station areas

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

Affordability for 50 yrs

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

Requires adoption of 20 yr MFTE program in station areas



Housing Supply: Parking Requirements



Minimum Parking Requirements

[HB 1299](#) (Peterson) **dead** / [HB 5184](#)
(Bateman) **passed – delivered to Gov**

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

Does not apply to cities < than 30,000 people



Housing Bills



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



GMA Bills



SB 5148 GMA Housing Element
Compliance **Delivered to
Governor**

HB 1135 GMA Compliance
Governor signed



PSRC General Assembly



Thursday, May 22
10am-1pm
Seattle Convention
Center | Summit

[Register](#)





Thank You!

Robin Koskey

Director, Government Relations and Communications
Rkoskey@psrc.org



Puget Sound Regional Council