

Federal & State Policy Updates

Growth Management Policy Board

May 1, 2025

Updated
5/1/2025



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
- Executive Orders
- President's Budget Release
- (BRIC) grants termination
Building Resilient Infrastructure & Communities
- Surface Transportation
Reauthorization
- [PSRC reporting form](#)
- [Executive Order Tracking](#)



2025 State Legislative Session

- Over 2,300 bills introduced
- Legislators faced **\$12-16b** budget deficit over 4 years
- Sine Die April 27
- Passed Operating, Capital and Transportation Budgets



Operating Budget



- \$77.8b 2025–2027 biennial budget
- Cuts to early learning & childcare
- Education funding for special education and materials, supplies and operating cost increased
- \$100m for grant program to hire new police officers
- No state employee furloughs



Rejected Revenue Proposals

- Financial Intangibles Tax (aka wealth tax) on financial intangibles
[With symbolic vote, WA Democrats say wealth-tax fight is not over](#) (Seattle Times)
- Property tax growth flexibility
[Plan to raise cap on property tax growth collapses in WA Legislature](#) (WA State Standard)



Revenue Bills

Raise \$9.4b over 4 years



<u>HB 2081</u>	B&O tax surcharge
<u>SB 5814</u>	Taxes on Services & Nicotine Products & Prepayment of Sales Tax
<u>SB 5813</u>	Capital Gains and Estate Taxes
<u>SB 5794</u>	Eliminating Tax Preferences
<u>HB 2077</u>	Tax on surplus generated by Zero Emission Fuel Program

[Five tax bills lawmakers passed to underpin Washington's next state budget](#) (WA State Standard)



Capital Budget

\$605m Housing Trust Fund

[Set asides \(link to full list\):](#)

- **\$215m** Multifamily
- **\$95.75m** Apple Health and Home Permanent Supportive Housing
- **\$72.5m** Homeownership
- **\$50m** Intellectual & Developmental Disabilities Community
- **\$27.5m** Mobile/Manufactured Home Infrastructure & Repairs
- **\$50m** Preservation
- **\$10m** Rapid Capital Acquisition

Other housing related investments:

- **\$100m** for Connecting Housing to Infrastructure
- **\$8.2m** for 3 TOD projects
- **\$11m** affordable housing cleanup program

\$23m for EV charging
(\$20m competitive grants)



Transportation Budget

\$15.5b for the 25–27 biennium

- **\$125m** increase for fish passage barrier removal for total of **\$1b** for biennium
- Preservation level funded for biennium, but adds **\$200m** for 27–29
- **\$49.7m** additional funding for local governments in 25–27 and increase of **\$101m** in the 27–29 biennium
- **\$30 million** to support driver safety
- **\$7.6m** for traffic operations & **\$14m** for enhanced transit activities during the 2026 World Cup



Transportation Budget: Revenue

- 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
- Sales and Used Taxes
- Other fees
- [SSB 5802](#) Transfers .1 % sales tax to transpo budget

[Revenue Summary SB 5801](#)



Washington State Ferries Transportation Budget



- **\$894m** for capital projects – new vessel construction, preservation of vessels and docks
- Delays Jumbo Mark II vessel conversions (decision on conversion will be made after World Cup)
- Requires WSF to contract for 5 or more new vessels (was up to 5)
- **\$38.5m** workforce development, overtime incurred by engine, deck and terminal staff, increase deck & engine positions across system
- Raises vessel replacement surcharge and requires recover credit card fees



Housing Stability



Rent Stabilization

[HB 1217](#) (Alvarado)

Delivered to Governor

- Limits rent increases to 7% plus consumer price index not to exceed 10%
- Limits rent increases to 5% for manufactured/mobile homes
- Limits security deposits, move-in fees and late fees



Housing Supply: Transit-Oriented Development

Promoting Transit Oriented Housing Development **Delivered to Governor** **HB 1491** (Reed)

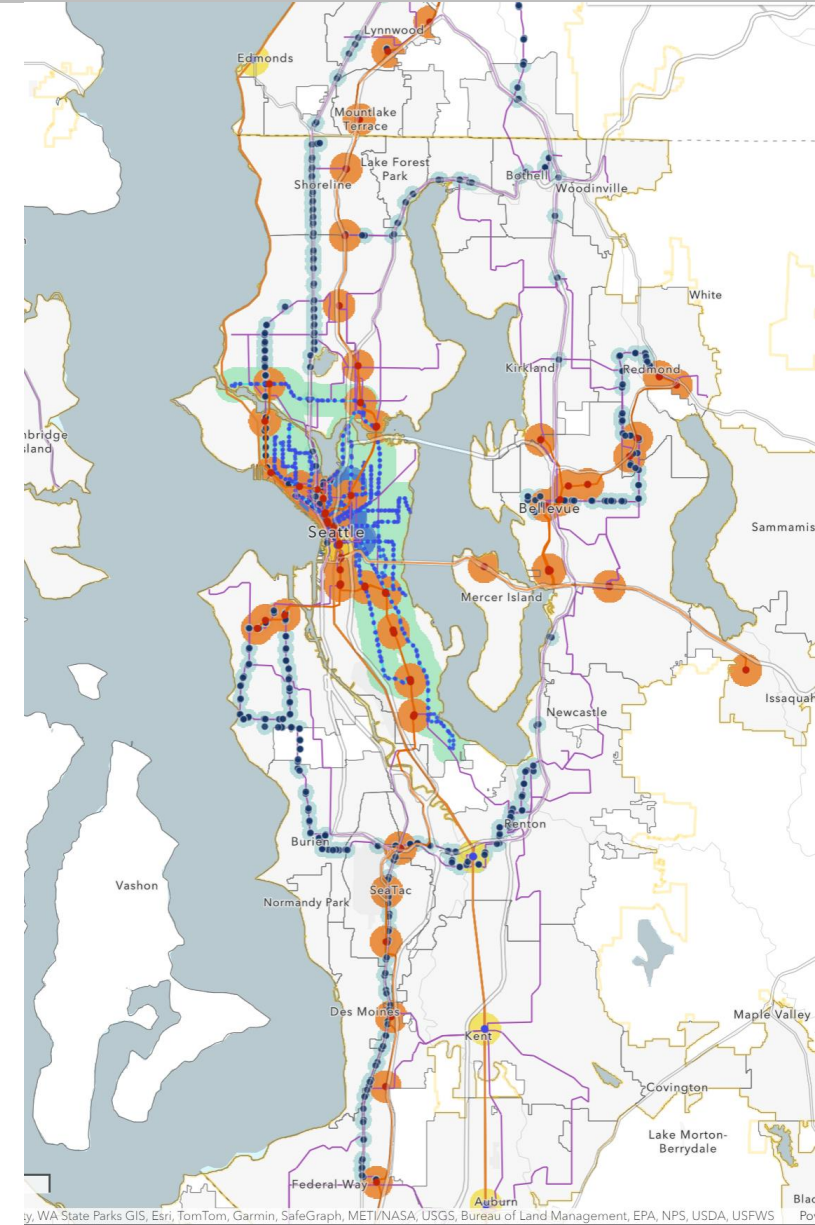
Creates density requirement in station areas

- 3.5 FAR w/in .5m of rail (.25m in cities <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



[HB 5184](#) (Bateman)

Minimum Parking Requirements Delivered to Governor

Prohibits cities and counties from requiring:

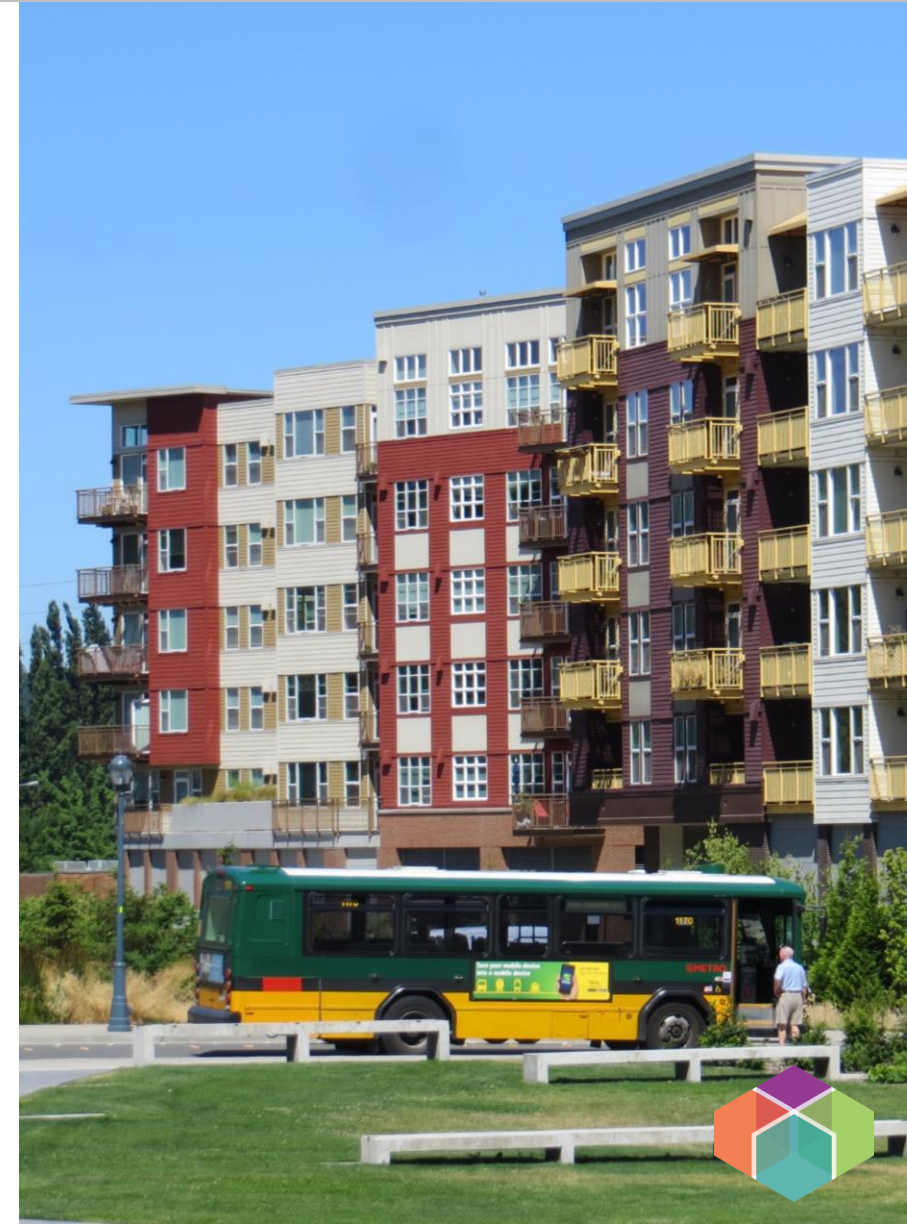
- More than 0.5 parking space per multifamily residential unit and 1 per single family home
- More than 2 parking space per 1000 feet of commercial space

Does not apply to cities < than 30,000 people



Housing Bills

- [HB 1096](#) Lot Splitting Delivered to Gov
- [SB 5559](#) Streamlining Subdivision Process Delivered to Gov
- [HB 1494](#) MFTE Adjustments Delivered to Gov
- [HB 1183](#) Modifying Building Code Signed by 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





Thank You!

Robin Koskey

Director, Government Relations and Communications

Rkoskey@psrc.org



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