



2025 General Government State Legislative Post Session Report

City of Tacoma | City Manager's Office
City Council Study Session
June 24, 2025



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2025 SESSION OVERVIEW



- Convened on January 13, 2025, for the 105-day session
- Democrats hold majority in both chambers
- 2,387 new bills and 433 were passed, including the Operating, Capital, and Transportation budgets.
- 24 new legislators
- New Governor



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2025 SESSION OVERVIEW



- Legislators faced significant budget challenges
 - State Operating Budget faced \$15 Billion deficit over 4 years
- Adopted Operating Budget relies on significant new revenue
 - Capital Gains & Estate Tax Increase
 - B & O Tax Increase and Surcharge
 - Modifying Certain Excise Taxes
 - Excise Taxes on Zero Emission Vehicle Credits
- Adopted Transportation Budget includes new revenue
 - 6-cent Gas Tax Increase
 - Several Fee Increases

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2025 STATE LEGISLATIVE AGENDA



- Council Adopted General Government State Legislative Agenda
 - Legislative Priorities
 - **Fiscal Sustainability**
 - **Operating Request: Emergency Shelter Operations**
 - **Transportation Request: Fishing Wars Memorial Bridge**
 - Additional Policy Issues of Importance
 - **Property Tax Exemption for ADUs Rented to Low-Income Households**
 - **Transfer of State Obligations**
 - **Sidewalk Utility**
 - Capital Requests
 - **New South Tacoma Fire Station**
 - **Puyallup Avenue Flood Reduction Project**

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LEGISLATIVE AGENDA PRIORITY OUTCOMES

- **Fiscal Sustainability**

- Supported legislation removing the 1% cap on property tax levy growth
- Participated in a large coalition of supportive stakeholders
- Councilmember Bushnell submitted a joint Op-Ed to Tacoma News Tribune
- HB 2049/SB 5812 introduced and discussed
- Legislature chose not to advance

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LEGISLATIVE PRIORITY OUTCOMES

- **Emergency Shelter Operations**

- Builds on a \$3 million appropriation in the 2024 Supplemental Operating Budget
- Requested \$12 million/biennium or \$6 million/fiscal year from the 2025-27 Operating Budget
- Early indications that direct appropriation would not be possible
- Funding provided to a grant program administered by Commerce

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LEGISLATIVE PRIORITY OUTCOMES

- **Fishing Wars Memorial Bridge**

- Requested \$45 million for design, engineering, and match for federal grant applications
- Limited Transportation funding available
- The final Transportation Budget did not include any new major project investments

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LEGISLATIVE PRIORITY OUTCOMES

Other Issues of Importance:

- **Property Tax Exemption for ADUs Rented to Low-Income Households**
 - Legislation expanding a King County program that provides a property tax exemption for ADUs rented to low-income households to Pierce County (SB 5529)
- **Route Jurisdiction Transfer**
 - Budget proviso language placing a moratorium on state routes being transferred to local jurisdictions.
- **Sidewalk Utility**
 - Statewide study through the Joint Transportation Committee to explore sidewalk funding mechanisms

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LEGISLATIVE PRIORITY OUTCOMES

- **Capital Budget Requests**
 - South Tacoma Fire Station - \$2 million
 - Puyallup Ave Flood Reduction Project - \$1.030 million
- **Additional Community Investments**
 - Eastside Skills Center - \$15 million
 - Willard Early Learning Center - \$5.05 million

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POLICY POSITION HIGHLIGHTS

- **Safety**
 - \$100 million grant program for law enforcement training
 - Councilmanic sales tax authority (HB 2105)
 - Alternative response (funding and HB 1811)
- **Equity & Empowerment**
 - Opportunity Scholarship Program (HB 1587)
 - Community Reinvestment Program
- **Transportation & Infrastructure**
 - Road Maintenance and Preservation
 - 2.5% of 6-cent gas tax increase shared with cities
 - Pugnetti Park (funding and HB 1774)

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POLICY POSITION HIGHLIGHTS

- **Housing**

- Stability: HB 1217 placing cap on rent increases of 7% + inflation or 10%
- Subsidy: \$600+ million allocated to Housing Trust Fund
- Supply:
 - SB 5184 – Parking Regulation
 - HB 1491 – Transit-Oriented Development
 - SB 5148 – Housing Accountability Act

- **Homelessness**

- Tacoma/WSDOT Partnership on Right-of-Way Encampment Cleanup
- Street Medicine Program

- **Immigration/Detention**

- Department of Health inspections of private detention facilities (HB 1232)

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2026 LEG AGENDA DEVELOPMENT

- First Draft 2026 State Legislative Priorities and Policy Positions **July – August**
- Refinements to the State Legislative Priorities **Sept. – Oct.**
- Presentation of Citywide State Priorities **Oct. – Nov.**
- City Council Adoption of Citywide Legislative Priorities **November**
- Meeting the Legislative Delegation **December**
- 2026 Legislative Session Begins **January 12, 2026**

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