

# Washington Recreation & Park Association

## End of Session Report

### 2025 Legislative Session

The 2025 Legislative Session was scheduled as a long, 105-day session that began Monday, January 13 and concluded on-time, Sunday, April 27. It was an action-packed session that saw the passage of significant revenue proposals, major policy changes, and the adoption of the state's three biennial budgets: the operating, capital, and transportation budgets.

Democrats continued to control the agenda in Olympia with strong majorities in both the House (59-39) and Senate (30-19), as well as control of the executive branch. Governor Ferguson also completed his first legislative session as Governor, as he was sworn into office on January 15.

This year there were 32 legislators in new seats. This includes legislators who won election to new seats, and those who were appointed to fill new roles. Of the 32, there were 10 new senators (eight of which transitioned from the House over to the Senate), and 22 new representatives (two of the 22 served in the legislature previously). Nine legislators were appointed to their seats, and those nine will have to run to retain that seat in a special election this fall.

2,387 bills were introduced over the course of the 105-day session. 431 bills passed the legislature and have been sent to the Governor to be acted on. Between the end of session and May 20, the Governor will review bills passed by the legislature and can act on bills by choosing one of three options: 1) sign the bill into law, 2) veto the entire bill, or 3) partially veto the bill by removing entire sections. The Governor does not have line-item veto authority which means removing sentences or words. Once signed, bills become effective on July 27, 2025, unless provisions of the bill note otherwise.

	Bills Introduced	Passed the Legislature
House	1305	238
Senate	1082	193
Total for 2025	2387	431

#### Revenue Proposals

The legislature entered Olympia facing significant challenges, most notably the \$12 – 16 billion shortfall they were facing over the four-year outlook in the operating budget. This prompted legislators to seriously scrutinize the budget, as they explored various cuts while they also considered a variety of new tax and revenue proposals. Up until the final days of the session, it was unclear how much support new tax proposals had from legislators – or what amount of new revenue the legislature would raise – after they explored significant cuts to balance the budget. In the end, majority legislators passed \$9.4 billion in new revenue over the four-year outlook. Revenue will be raised from various new sources, with the significant proposals being:

- **Business & Occupation Tax Increases ([HB 2081](#))**. This bill will raise the business and occupation (B&O) tax rate for many different business types (rates at 0.471% and 0.484% will move to 0.5%),

including wholesaling, manufacturing, retailing, insurance, childcare, gambling, and more. The B&O tax will also be increased for service businesses with gross income over \$5m (from 1.75% to 2.1%), and will raise other surcharges on financial institutions of incomes of \$1 billion or more (1.2% to 1.5%). Corporations with over \$250 million in annual revenue will also see an additional surcharge, and the advanced computing surcharge will also be increased. These tax increases are estimated to bring in \$2.1 billion for the biennial budget, and \$5.6 billion over four years.

- **Sales & Excise Tax Increases ([SB 5814](#))**. This bill will apply retail sales and use taxes to more services, like advertising, security, web design, temporary staffing, and more. Excise taxes in this bill were also expanded to apply to certain nicotine products. This bill is estimated to bring in \$1.1 billion for the next budget, and \$2.7 billion over four years.
- **Capital Gains & Estate Tax Increases ([SB 5813](#))**. This legislation will add an additional 2.9% tax on capital gains that exceed \$1m, bringing the rate to 9.9%. The existing 7% rate will apply to capital gains between \$270k and \$1m. The bill also makes changes to the estate tax by increasing the value of property excluded from the tax from \$2.1m up to \$3m, but then would increase the tax rate over \$3m. Estates over \$9m will be taxed at 35%, up from 20%. These changes are estimated to raise \$321 million for the next biennium and \$634m over four years.
- **Tax Preference Changes ([SB 5794](#))**. This bill brings in additional revenue by eliminating tax exemptions. Among them are the elimination of the sales exemption of metal bullion (like gold and silver), and the elimination of the B&O tax exemption on the rent or lease of storage spaces. These changes are estimated to bring in \$148m this biennium and \$385m over four years.
- **Zero-Emission Vehicle Program Surplus Tax ([HB 2077](#))**. This legislation would begin taxing the sale of electric vehicle credits between automakers. The only automaker with credits to sell in Washington is Tesla. This is expected to bring in \$54.5m for the upcoming biennium.

### Transportation Revenue Package

On top of the operating revenue the legislature passed, the legislature also passed considerable new revenue for the transportation budget. [Senate Bill 5801](#) was passed by legislators, that raises a series of taxes and fees that will bring in an additional \$3.2 billion over the next six years for the transportation budget. Notable tax and fee increases in the bill include a gas tax increase of 6 cents, a 12 cent diesel fuel increase over the next four years, motor vehicle sales and use tax increases, a luxury vehicle and luxury aircraft tax, a 0.5% recreational vessel tax, and various title and registration, passenger weight, truck weight, and other fee increases. To see a summary of all the transportation taxes and fees contained in the bill that passed, please [visit this link here](#).

### Biennial Budgets

After each chamber released their respective biennial budgets in mid-March (operating, capital, and transportation), budget leaders retreated behind closed doors to negotiate the differences between the House and Senate versions of the budgets. This year, negotiations concluded in the final hours of session with the operating, capital, and transportation budgets released to the public on Saturday, April 26 – with just over twenty-four hours remaining in the session. Below are highlights of each budget.

### Adopted 2025-2027 Operating Budget

The operating budget is a two-year plan that pays for the day-to-day operations of state government, including K-12 schools, human services, higher education, the prison system, public safety, and more. The final budget appropriates \$77.9 billion. This adds \$6 billion more in spending compared to the 2024 supplemental budget, which appropriated \$71.9 billion. The new budget made \$3.1 billion in cuts for the

25-27 biennium, contributing to \$7 billion in reductions over the four-year outlook, and leaves approximately \$2.3 billion in reserves. The budget also relies on new revenue, totaling \$9.4 billion over the four-year outlook (as indicated above). Some high-level new investments include:

- **K-12 Education and Higher Education:**
  - \$351 million for special education
  - \$137 million for local effort assistance
  - \$79 million for materials, supplies, and operating costs (MSOC)
  - \$384 million for School Employee Benefit Board (SEBB) rates
  - \$18 million for school food support
  - \$113 million for higher education collective-bargaining agreements
  - \$305 million for employee salaries and wages (non-rep.)
- **Natural Resources:**
  - \$25 million for environmental toxins, air quality, and water quality
  - \$17 million for invasive species
  - \$96 million in federal funding adjustments
  - \$73 million in other increases
- **Behavioral Health, Health Care, Public Health:**
  - \$33 million for Blake related and other substance use disorder investments
  - \$32 million for the 988 system and call centers
  - \$143 million for community behavioral health services
  - \$85 million for Cascade Care
  - \$476 million for Medicaid transportation projects
  - \$42 million for health homes
- **Corrections and Criminal Justice:**
  - \$200 million for law enforcement grants
  - \$38 million for crime victims support
  - \$51 million in other increases
- **Other Human Services:**
  - \$132 million for food security and assistance
  - \$158 million for housing and homelessness increases

Links to the 2025-2027 Operating Budget: [Text of the Budget](#) & [Summary Documents](#).

### **Adopted 2025-2027 Capital Budget**

The Capital Budget is the state's construction budget and typically includes investments to state and local agencies for buildings and infrastructure projects, such as public schools and universities, parks, prisons, but does not include transportation construction. This budget operates over the same two year period as the operating budget. The final budget authorizes \$7.6 billion in new appropriations, of which \$4.5 billion is financed with general obligation bonds for the 2025-27 biennium. The remaining \$3.1 billion consists of \$655 million in Water Pollution Control Accounts, \$376 million in Climate Commitment Accounts, \$283 million in Model Toxic Control Accounts, \$288 million in other federal funds, \$265 million in the Public Works Assistance Account, and \$1.2 billion in a variety of other funds. Approximately \$349 million in bond capacity is reserved for the 2026 supplemental capital budget. Notable investments include:

- **Education: \$975 million**
  - \$430 million for school construction assistance program
  - \$202 million for small district and tribal compact school modernization

- \$151 million for school seismic safety grant program
- \$115 million for other grant programs for schools
- **Housing & Homelessness: \$761 million**
  - \$605 million for the Housing Trust Fund
  - \$156 million for other housing programs
- **Natural Resources: \$2.56 billion**
  - \$758 million for water quality
  - \$250 million for Trust Land Management
  - \$246 million for water supply
  - \$206 million for outdoor recreation and conservation
  - \$199 million for salmon recovery
  - \$172 million for toxics cleanup and prevention
  - \$152 million for habitat restoration and conservation
- **Recreation and Conservation Office**
  - \$120 million for the Washington Wildlife Recreation Program
  - \$20 million for Youth Athletic Facilities
- **Behavioral Health: \$466 million**
  - \$319 million for state mental health facilities
  - \$130 million for community-based behavioral health facilities
- **Higher Education: \$1.27 billion**
  - \$582 million for the University of Washington
  - \$434 million for the State Board of Community and Technical Colleges
  - \$98 million for Washington State University
  - \$68 million for Western Washington University
  - \$48 million for Central Washington University
  - \$29 million for Eastern Washington University
- **Commerce: \$1.2 billion**
  - \$477 million for local infrastructure
  - \$231 million for clean energy and decarbonization
  - \$201 million for Local & Community projects
  - \$158 million for other community grants
  - \$99 million for early learning facility grants

Links to the 2025-2027 Capital Budget: [Text of the Budget](#) & [Summary Documents](#).

### **Adopted 2025-2027 Transportation Budget**

The state's transportation budget pays for both the day-to-day operations of state transportation agencies and the construction and preservation of state highways and roads. Most of the revenue that supports the transportation budget comes from the state gas tax and permits, licenses, and other fees. The final budget appropriates \$15.5 billion for the biennium and assumes a combination of new funding sources (mentioned above) and bonding of \$3.2 billion. Notable investments include:

- **Department of Transportation: \$11.9 billion**
  - \$5.4 billion in transportation improvements
  - \$903 million in preservation
  - \$1.7 billion for state ferries (operating and capital)
  - \$656 million for highway maintenance

- \$415 million for public transportation
- \$963 million for local programs
- **Washington State Patrol: \$759 million**
- **Department of Licensing: \$447 million**
- **County Road Administration Board: \$105 million**
- **Transportation Improvement Board: \$316 million**

#### Notable Capital Investments Include:

- \$139 million for the I-90 Snoqualmie Pass widening (bringing the total to \$832m in funding)
- \$902 million for the Puget Sound Gateway Project (bringing the total to \$2.8b in funding)
- \$372 million for the North Spokane Corridor (bringing the total to \$1.3b in funding)
- \$586 million for the west end of the SR 520 project (bringing the total to \$2.6b in funding)
- \$580 million for the Interstate Bridge Replacement project (\$1b in total committed funds).

To see the entire list of transportation projects and their funding schedule, visit [this link here](#).

Links to the 2025-2027 Transportation Budget: [Text of the Budget](#) & [Summary Documents](#).

#### 2025 Policy Bills

As noted above, bill action from the Governor will conclude on May 20. Bills that passed the legislature are likely to be signed into law, however Governor Ferguson may also exercise his veto authority on legislation to be determined. Additionally, any bill that did not advance in 2025 will be *alive* and eligible for consideration again in 2026. Please see below for a list of bills that were tracked for you during the 2025 legislative session.

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Bill #	Abbrev. Title	Short Description	Status	Sponsor	Priority	Position
<a href="#">2SHB 1024</a> (SSB 5300)	St. Edward state park	Concerning the leasing authority of the state parks and recreation commission at St. Edward State Park.	C 14 L 25	Kloba		
<a href="#">2SHB 1037</a> (Dead) (SSB 5053)	PFD formation	Concerning public facilities district formation.	H Rules C	Dent		
<a href="#">HB 1042</a> (Dead)	County treasurer costs	Authorizing cost recovery for county treasurers.	H Finance	Wylie		
<a href="#">SHB 1057</a> (Dead)	Access to federal funds	Promoting economic development by increasing support for local communities to access federal funds.	H Approps	Barnard		
<a href="#">HB 1148</a> (Dead)	Youth athletics/sales tax	Exempting goods and services provided by	H Finance	Schmidt		

		youth athletic facilities from sales and use tax.				
<a href="#">SHB 1182</a> (Dead)	Parks & rec./interest arb.	Granting interest arbitration to certain parks and recreation commission employees.	H Approps	Paul		
<a href="#">HB 1197</a> (Dead) (SB 5166)	Operating budget, supp.	Making 2023-2025 fiscal biennium second supplemental operating appropriations.	H Approps	Ormsby		
<a href="#">SHB 1198</a> (ESSB 5167)	Operating budget	Making 2025-2027 fiscal biennium operating appropriations.	H Rules R	Ormsby		
<a href="#">SHB 1216</a> (SSB 5195)	Capital budget	Concerning the capital budget.	H Rules R	Tharinger		
<a href="#">SHB 1227</a> (ESSB 5161)	Transportation budget	Making transportation appropriations for the 2025-2027 fiscal biennium.	H Rules R	Fey		
<a href="#">SHB 1261</a> (SB 5479)	Open space incidental use	Providing tax relief for certain incidental uses on open space land.	C 138 L 25	Low		
<a href="#">HB 1288</a> (Dead)	Climate funding/outdoor rec.	Concerning environmental leadership through outdoor recreation and climate adaptation investments.	H Env & Energy	Dye		
<a href="#">HB 1334</a> (Dead)	Property tax revenue growth	Modifying the annual regular property tax revenue growth limit.	H Finance	Pollet		Support
<a href="#">SHB 1380</a> (Dead)	Public property regulations	Allowing objectively reasonable regulation of the utilization of public property.	H Rules R	Gregerson	Monitoring	
<a href="#">SHB 1437</a> (Dead) (SSB 5492)	Tourism promotion	Concerning sustainable state tourism promotion.	H Approps	Walen		
<a href="#">HB 1508</a> (Dead)	Ecosystem services	Expanding revenue generation and economic opportunities from natural climate solutions and ecosystem services.	H Ag&Nr	Reeves		
<a href="#">2SHB 1515</a>	Alcohol service in public	Modernizing the regulation of alcohol service in public spaces.	Del to Gov	Reed		

<a href="#">HB 1526</a> (Dead)	Snack bar liquor licenses	Modifying the snack bar liquor license.	H Rules C	Schmick		
<a href="#">SHB 1684</a> (Dead) (SB 5597)	Water recreation facilities	Concerning water recreation facilities.	H Rules R	Thai		Concerns
<a href="#">HB 1734</a> (Dead)	Outdoor learning grants	Concerning outdoor learning grants to expand and improve the delivery of outdoor learning opportunities.	H Cap Budget	Rule		
<a href="#">SHB 1774</a>	Lease of unused highway land	Modifying allowable terms for the lease of unused highway land.	Del to Gov	Fey		Support
<a href="#">EHB 1814</a> (Dead)	SEPA/trails and paths	Streamlining certain decisions pertaining to the development or extension of a trail or path from the state environmental policy act.	H Rules 3C	Fitzgibbon		
<a href="#">HB 1882</a> (Dead)	State tax on lodging	Imposing an additional temporary state tax on lodging.	H Finance	Cortes		
<a href="#">HB 1921</a> (Dead) (SB 5726)	Transportation revenue	Establishing new sources of transportation revenue based on motor vehicle use of public roadways.	H Transportation	Fey		
<a href="#">ESHB 1923</a> (Dead)	Passenger-only ferries	Increasing the availability of passenger-only ferries by establishing the mosquito fleet act.	H Rules 3C	Nance		
<a href="#">HB 1932</a> (Dead)	Cannabis consumption	Authorizing cannabis consumption in regulated environments.	H ConsPro&Bus	Morgan		
<a href="#">HB 1955</a> (Dead)	Fishing & shellfishing/youth	Encouraging youth participation in fishing and shellfishing.	H Ag&Nr	Rule		
<a href="#">HB 2043</a> (Dead)	Transportation resources	Concerning transportation resources.	H Transportation	Fey		
<a href="#">HB 2045</a> (Dead)	Business and occupation tax	Investing in Washington families by restructuring the business and occupation tax on high grossing businesses and financial institutions.	H Finance	Fitzgibbon		

<a href="#">HB 2046</a> (Dead)	Intangible assets tax	Creating fairness in Washington's tax by imposing a tax on select financial intangible assets.	H Finance	Berg		
<a href="#">ESHB 2049</a> (SB 5812)	K-12 education funding	Investing in the state's paramount duty to fund K-12 education and build strong and safe communities.	Del to Gov	Bergquist		Support
<a href="#">SHB 2077</a> (SB 5811)	Zero-emission vehicle prg.	Establishing a tax on certain business activities related to surpluses generated under the zero-emission vehicle program.	Del to Gov	Fitzgibbon		
<a href="#">ESHB 2081</a> (SB 5815)	Business and occupation tax	Modifying business and occupation tax surcharges, rates, and the advanced computing surcharge cap, clarifying the business and occupation tax deduction for certain investments, and creating a temporary business and occupation tax surcharge on large companies.	Del to Gov	Fitzgibbon		
<a href="#">HB 2082</a> (ESSB 5813)	Tax rates/cap. gains, estate	Increasing funding to the education legacy trust account by creating a more progressive rate structure for the capital gains tax and estate tax.	H Finance	Street		
<a href="#">HB 2083</a> (ESSB 5814)	Excise taxes	Modernizing the excise taxes on select services and nicotine products and requiring certain large businesses to make a one-time prepayment of state sales tax collection.	H Finance	Stonier		
<a href="#">SHB 2084</a>	Tax preferences	Increasing funding for K-12, health care, and public safety by repealing or modifying	H 2nd Reading	Ramel		

		tax preferences for certain industries and goods.				
<a href="#">SSB 5053</a> (Dead) (2SHB 1037)	PFD formation	Concerning public facilities district formation.	S Ways & Means	Warnick		
<a href="#">E2SSB 5098</a> (Dead)	Weapons in certain areas	Restricting the possession of weapons on the premises of state or local public buildings, parks or playground facilities where children are likely to be present, and county fairs and county fair facilities.	S Rules 3	Valdez	Monitoring	
<a href="#">ESSB 5161</a> (SHB 1227)	Transportation budget	Making transportation appropriations for the 2025-2027 fiscal biennium.	Del to Gov	Liias		
<a href="#">SB 5166</a> (Dead) (HB 1197)	Operating budget, supp.	Making 2023-2025 fiscal biennium second supplemental operating appropriations.	S Ways & Means	Robinson		
<a href="#">ESSB 5167</a> (SHB 1198)	Operating budget	Making 2025-2027 fiscal biennium operating appropriations.	Del to Gov	Robinson		
<a href="#">SSB 5195</a> (SHB 1216)	Capital budget	Concerning the capital budget.	Del to Gov	Trudeau		
<a href="#">SSB 5203</a> (Dead)	Wildlife safe passages	Ensuring connectivity for Washington wildlife through safe passages.	S Ways & Means	Salomon		
<a href="#">SSB 5300</a> (Dead) (2SHB 1024)	St. Edward state park	Concerning the leasing authority of the state parks and recreation commission at St. Edward State Park.	S Rules 3	Stanford		
<a href="#">ESSB 5390</a> (Dead) (HB 1914)	Access to recreation sites	Updating the cost of the discover pass and day-use permits.	Del to Gov	Stanford		
<a href="#">SB 5479</a> (Dead) (SHB 1261)	Open space incidental use	Providing tax relief for certain incidental uses on open space land.	S Ways & Means	Liias		
<a href="#">SSB 5492</a> (SHB 1437)	Tourism promotion	Concerning sustainable state tourism promotion.	C 189 L 25	Riccelli		

<a href="#">SB 5597</a> (Dead) (SHB 1684)	Water recreation facilities	Concerning water recreation facilities.	S Health & Long-T	Harris		
<a href="#">SB 5726</a> (Dead) (HB 1921)	Transportation revenue	Establishing new sources of transportation revenue based on motor vehicle use of public roadways.	S Transportation	Ramos		
<a href="#">ESSB 5794</a>	Tax preferences	Adopting recommendations from the tax preference performance review process, eliminating obsolete tax preferences, clarifying legislative intent, and addressing changes in constitutional law.	Del to Gov	Salomon		
<a href="#">SB 5795</a> (Dead)	Sales and use tax rate	Reducing the state sales and use tax rate.	S Ways & Means	Krishnadasan		
<a href="#">SB 5796</a> (Dead)	Payroll expense tax	Enacting an excise tax on large employers on the amount of payroll expenses above the social security wage threshold to fund programs and services to benefit Washingtonians.	S Ways & Means	Saldana		
<a href="#">ESB 5797</a>	Intangible assets tax	Enacting a tax on stocks, bonds, and other financial intangible assets for the benefit of public schools.	S Rules 3	Frame		
<a href="#">SSB 5798</a>	Property tax	Concerning property tax reform.	S Rules	Pedersen		Support
<a href="#">ESSB 5801</a>	Transportation resources	Concerning transportation resources.	Del to Gov	Liias		
<a href="#">2SSB 5802</a>	Transportation funds	Rebalancing statutory fund transfers and revenue dedications for transportation.	Del to Gov	Liias		
<a href="#">SB 5811</a> (SHB 2077)	Zero-emission vehicle prg.	Establishing a tax on certain business activities related to surpluses generated under the zero-emission vehicle program.	S Ways & Means	Lovelett		

<a href="#">SB 5812</a> (ESHB 2049)	K-12 education funding	Investing in the state's paramount duty to fund K-12 education and build strong and safe communities.	S Ways & Means	Wellman		
<a href="#">ESSB 5813</a> (HB 2082)	Tax rates/cap. gains, estate	Increasing funding to the education legacy trust account by creating a more progressive rate structure for the capital gains tax and estate tax.	Del to Gov	Wilson		
<a href="#">ESSB 5814</a> (HB 2083)	Excise taxes	Modifying the application and administration of certain excise taxes.	Del to Gov	Frame		
<a href="#">SB 5815</a> (ESHB 2081)	Business and occupation tax	Modifying business and occupation tax surcharges, rates, and the advanced computing surcharge cap, clarifying the business and occupation tax deduction for certain investments, and creating a temporary business and occupation tax surcharge on large companies.	S Ways & Means	Saldana		