

Washington Recreation & Park Association End of Session Report

Washington State – 2026 Legislative Session

The 2026 Legislative Session was scheduled as a short, 60-day session that began Monday, January 12 and concluded on-time, Thursday, March 12. It was an action-packed session that saw the passage of a major revenue proposal, significant policy changes, and the adoption of three supplemental 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 second legislative session and first legislative biennium as Governor.

1,523 bills were introduced over the course of the 60-day session. 279 bills passed the legislature and were sent to the Governor to be acted on. Between the end of session and April 1, the Governor reviewed bills passed by the legislature and acted on them 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 June 11, 2026, unless provisions of the bill note otherwise.

	Bills Introduced	Passed the Legislature
House	799	162
Senate	724	117
Total for 2026	1,523	279

WRPA Wins in the 2026 Session

- The legislature repealed nearly all of SB 5814 (sales tax on services expansion) from 2025 as part of passage of SB 6346 establishing a tax on millionaires (more below).
- Helped secure clarifying language around “live presentations” in [Senate Bill 6113](#).
- Passage of positive legislation on electric bikes and electric motorcycles in [Senate Bill 6110](#).

Revenue Proposal on Income Tax

The legislature entered Olympia facing significant fiscal challenges for the second year in a row, most notably the \$2.3 billion shortfall they were facing in the operating budget. On the heels of the 2025 session where historic revenue was raised – to the tune of \$9.4 billion over the four-year outlook – legislators were again tasked with crafting an operating budget with a significant deficit. Majority legislators explored various cuts, but also additional revenue that could change the state’s tax structure moving forward. In an effort to curb continuous budget shortfalls, the legislature introduced [Senate Bill 6346](#) titled “establishing a tax on millionaires” which is a 9.9% income tax on households with incomes over \$1 million in a single year. After much debate throughout the session – including a 24 hour continual debate on the House floor – the legislation passed and was signed by the Governor on March 30. In addition to establishing an income tax on high earners, this legislation also rolls back most of [Senate Bill 5814](#) passed in the 2025 session that expanded

sales and excise taxes on various services. This legislation accounted for roughly \$2.7 billion of the 2025 revenue package. The millionaires tax also includes business and occupation (B&O) tax relief for small businesses, expands eligibility for the Working Families Tax Credit, and includes sales tax exemptions for certain goods like diapers, and hygiene products, among other provisions. The bill takes effect January 1, 2028.

While the legislature passed the tax, most agree that this is just the first step of many before the tax is fully implemented. Just hours after the Governor signed the bill, announcements were made of official plans for a lawsuit against the bill, with former Washington State Attorney General Rob McKenna as the lead counsel on the case. In addition to legal challenges, efforts are also underway to challenge the tax via the initiative process, where voters will get their say in the matter also. For historical context, [voters have ruled on an income tax](#) on the ballot 11 times. The first time – in 1932 – voters approved the income tax. That measure was subsequently thrown out by the State Supreme Court on a 5-4 decision in 1933. On the following 10 occasions, voters have rejected the income tax, most recently in 2010.

Biennial Budgets

After each chamber released their respective biennial budgets in mid-February (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 with just a few days to spare, with the operating, capital, and transportation budgets released to the public on March 10 and 11, with just over twenty-four hours remaining in the session. Below are highlights of each budget.

Adopted 2026 Supplemental 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 supplemental budget appropriates \$80.2 billion. This adds \$2.3 billion more in spending compared to the 2025 budget that passed, which appropriated \$77.9 billion. The new budget includes an \$880 million transfer from the budget stabilization account to the general fund, and leaves \$1.3 billion in total reserves, including \$1 billion in the budget stabilization account. Some high-level investments compared to the 2026 budget include:

- **K-12 Education and Higher Education:**
 - \$7 million in reductions for Running Start
 - \$25 million in reductions for Local Effort Assistance
 - \$13.7 million in other K-12 increases
 - \$15 million for collective bargaining agreements and other compensation
 - \$4.9 million in higher education administrative reductions
 - \$5.2 million for other higher education increases
- **Natural Resources:**
 - \$250.75 million for wildfire response, suppression, and recovery
 - \$30 million for low-income energy assistance
 - \$6.8 million for invasive species
- **Behavioral Health, Health Care, Public Health:**
 - \$25.3 million for UW Behavioral Health
 - \$14.9 million for state hospital staffing
 - \$11.6 million for certified community behavioral health clinics
 - \$16 million for WA Cares program

- \$50 million for Cascade Care
- \$230 million to restore program integrity savings
- **Corrections and Criminal Justice:**
 - \$19.1 million for close custody beds
 - \$4 million for 30-day violator sanction policy
 - \$19.3 million for Corrections and Criminal Justice increases

Links to the 2026 Supplemental Operating Budget: [Text of the Budget](#) & [Summary Documents](#).

Adopted 2026 Supplemental 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 supplemental budget authorizes \$890 million in total funds, compared to the larger 2025 budget that spent \$7.6 billion in appropriations. Of the \$890 million, \$435 million was spent with new bond expenditures. The proposal also transfers resources to the operating budget by redirecting \$1 billion in cash resources typically dedicated to capital purposes. These resources include capital gains, public works, and the higher education building accounts. Notable investments in the capital budget include:

- \$200 million for housing and homelessness
- \$154 million for local and other community grants
- \$136 million for water conservation, climate resilience, and clean energy
- \$71 million for small school district modernization grants
- \$41 million for flood preparation and response

Links to the 2026 Supplemental Capital Budget: [Text of the Budget](#) & [Summary Documents](#).

Adopted 2026 Supplemental 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 supplemental budget appropriates \$16.6 billion for the biennium, an increase of \$1.2 billion from the 2025 budget that passed. The increase is due to reappropriations of spending on capital projects, as well as significant new investments in preservation and maintenance. Notable investments include:

- \$300 million increase in WSDOT highway and bridge system preservation in the 25-27 biennium, and a \$1.3 billion increase over six years
 - The budget also requires WSDOT to submit a six-year prioritized list for bridge preservation and bridge replacement projects to the legislature by January 1, 2027
- \$40 million for the WSDOT Highway Maintenance program
- \$180 million in savings for underrun assumptions to local program capital projects to optimize budget stability and to provide resources where they’re needed, without impacting project completion
- \$30 million for the County Road Administration Board (Crab) for a temporary loan program to counties for transportation infrastructure damage resulting from December 2025 significant weather events
- \$7.6 million for support to replace and upgrade the Land Mobile Radio network and the statewide Wide Area Network for the Washington State Patrol

- \$2 million for a dedicated casualty response team to handle emergency ferry issues
- \$1.9 million for the Abandoned Recreational Vehicle program for removal of abandoned RVs from public property

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

Links to the 2026 Supplemental Transportation Budget: [Text of the Budget](#) & [Summary Documents](#).

2026 Policy Bills

As noted above, bill action from the Governor concluded on April 1. The Governor acted on all bills that the legislature passed and signed every bill without any full vetoes. The Governor did, however, partially veto seven of the 279 bills that reached his desk. Given that this concludes the biennium, any bill that did not pass is now dead, and will have to be introduced as brand new legislation in 2027, if desired. Please see below for a list of bills that were tracked for you during the 2026 legislative session.

Washington Recreation & Park Association Detail Report

<u>Bill Details</u>	<u>Status</u>	<u>Sponsor</u>	<u>Priority</u>	<u>Position</u>
HB 1526 Snack bar liquor licenses Modifying the snack bar liquor license.	C 192 L 26	Schmick		
ESHB 2095 Public way vulnerable users (Inactive) Protecting vulnerable users of public ways.	H Rules 3C	Reed		
HB 2100 Payroll expense tax (Inactive) (SB 6093) Enacting an excise tax on large operating companies on the amount of payroll expenses above the minimum wage threshold of the additional medicare tax to fund services to benefit Washingtonians and establishing the Well Washington fund account.	H Finance	Scott		
HB 2101 Live presentations/sales tax (Inactive) Exempting live presentations from retail sales and use tax.	H Finance	Dufault		
HB 2121 Nonprofits, schools/taxes (Inactive) Exempting nonprofits and schools from certain sales and use taxes on services.	H Finance	Walsh		
HB 2128 Alcohol service/recreational (Inactive) Concerning alcohol service at facilities with sports, amusement, or recreational activities engaged in by patrons.	H ConsPro&Bus	Steele		
New 2025 taxes repeal	H Finance	Orcutt		

[HB 2130](#) Repealing new taxes imposed by Engrossed Substitute Senate Bill No. 5814 during the 2025 regular legislative session.
(Inactive)

[SHB 2224](#) **Fire protection districts** H Rules R Stuebe
(Inactive)
(2SSB
6037) Concerning fire protection districts.

[SHB 2257](#) **Tax administration** H Rules R Berg Support
(Inactive)
(ESSB
6113) Concerning taxes administered by the department of revenue.

[HB 2258](#) **Animal control excise tax** H Finance Parshley
(Inactive) Authorizing cities and counties the ability to levy a household excise tax for the operation, maintenance, and capital needs of animal control and shelter systems.

[HB 2272](#) **Ski areas and winter sports** C 23 L 26 Hall
(SB 6013) Updating terminology related to ski areas and winter sports activities.

[HB 2278](#) **Tourism promotion areas** H Rules R Barnard
(Inactive) Concerning tourism promotion areas.

[SHB 2289](#) **Operating budget, supp.** H Rules R Ormsby
(Inactive)
(ESSB
5998) Making 2025-2027 fiscal biennium supplemental operating appropriations.

[SHB 2295](#) **Capital budget, supplemental** H Rules R Tharinger
(SSB
6003) Concerning the capital budget.

[SHB 2306](#) **Transportation budget, supp.** H Rules R Fey
(ESSB
6005) Making supplemental transportation appropriations for the 2025-2027 fiscal biennium.

[SHB 2374](#) **Electric motorcycle, bicycle** H Rules 3C Zahn Support
(Inactive) Concerning electric-assisted bicycle and electric motorcycle regulation.

[ESHB 2442](#) **Local government fund use** C 221 L 26 Berg Monitoring Support
(SB
6294) Providing local governments tax resources and fund flexibility.

Local tax increment fin. C 141 L 26 Duerr

[E2SHB
2451](#)

Concerning local tax increment financing.

[HB 2480](#)
(Inactive)
(E2SSB
6026)

Residential dev./zones H Local Govt Street
Concerning residential development in commercial and mixed-use zones.

[SHB 2489](#)
(Inactive)

Public space/local use laws H Rules R Gregerson
Establishing statewide standards for when local governments may enforce laws regulating the use of public space for life-sustaining activities.

[HB 2502](#)
(Inactive)

Local gov./sales & use tax H Finance Wylie
Improving local government funding by removing certain sales and use tax exemptions.

[SHB 2530](#)
(Inactive)
(SSB
6189)

Aquatics/sports PFD deadline H Rules R Doglio
Changing the deadline for forming a public facilities district for regional aquatics and sports facilities.

[ESHB
2711](#)
(Inactive)

Transportation resources C 255 L 26 Fey
Concerning transportation resources.

[HB 2724](#)
(Inactive)
(ESSB
6346)

Tax on millionaires H Finance Fitzgibbon
Establishing a tax on millionaires.

[E2SSB
5098](#)
(Inactive)

Weapons in certain areas S Rules 3 Valdez
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.

[SSB 5379](#)
(Inactive)

Parks & rec./interest arb. S Ways & Means Stanford
Granting interest arbitration to certain parks and recreation commission employees.

[SB 5980](#)
(Inactive)

Live presentations/sales tax S Ways & Means Torres
Exempting live presentations from retail sales and use tax.

[ESSB 5998](#)
(SHB
2289)

Operating budget, supp. C 268 L 26 Robinson
Making 2025-2027 fiscal biennium supplemental operating appropriations.

<u>SSB 6001</u> (Inactive) (SHB 2228)	Scissor stairs Concerning scissor stair regulations in the state building code.	S Rules X	Bateman	
<u>SSB 6003</u> (SHB 2295)	Capital budget, supplemental Concerning the capital budget.	C 259 L 26	Trudeau	
<u>ESSB 6005</u> (SHB 2306)	Transportation budget, supp. Making supplemental transportation appropriations for the 2025-2027 fiscal biennium.	C 257 L 26	Lias	
<u>SB 6013</u> (HB 2272)	Ski areas and winter sports Updating terminology related to ski areas and winter sports activities.	S Rules 3	Torres	
<u>E2SSB 6026</u> (HB 2480)	Residential dev./zones Concerning residential development in commercial and mixed-use zones.	C 236 L 26	Alvarado	
<u>2SSB 6037</u> (Inactive) (SHB 2224)	Fire protection districts Concerning fire protection districts.	S Rules X	Cortes	
<u>SB 6093</u> (Inactive) (HB 2100)	Payroll expense tax Enacting an excise tax on large operating companies on the amount of payroll expenses above the minimum wage threshold of the additional medicare tax to fund services to benefit Washingtonians and establishing the Well Washington fund account.	S Ways & Means	Saldana	
<u>ESSB 6110</u>	Electric bicycle, motorcycle Addressing electric-assisted bicycles and electric motorcycles.	C 159 L 26	Shewmake	Support
<u>ESSB 6113</u> (SHB 2257)	Tax administration Concerning taxes administered by the department of revenue.	C 250 L 26	Frame	Support
<u>SB 6123</u> (Inactive)	Local gov. employees/PRA Concerning the protection of voluntarily supplied personal information of local government employees.	S State Gov/Trib	Conway	
<u>ESSB 6162</u> (HB 2621)	Property tax Concerning property tax reform.	C 163 L 26	Krishnadasan	

<u>SSB 6189</u> (SHB 2530)	Aquatics/sports PFD deadline	C 78 L 26	Bateman	Changing the deadline for forming a public facilities district for regional aquatics and sports facilities.
<u>ESSB 6311</u>	Pedestrian passage	S Rules 3	Lias	Providing for continuous, safe, and accessible pedestrian passage during certain construction projects.
<u>ESSB 6346</u> (HB 2724)	Tax on millionaires	C 238 L 26	Pedersen	Monitoring
<u>SSB 6351</u> (Inactive)	School sales tax exemptions	S Rules 3	Cortes	Increasing fiscal resources for students and children by providing targeted sales tax exemptions for schools and certain before-and-after school care programs and arts and cultural classes.
<u>SB 6352</u> (Inactive)	Transportation resources	S Transportation	Lias	Concerning transportation resources.