



City of Bellevue

City Manager's Office

DATE: March 10, 2026

SUBJECT: Federal Legislative Update, February 2026

BUDGET & APPROPRIATIONS

Congressional negotiations are ongoing over issues related to U.S. Immigration and Customs Enforcement (ICE) and immigration enforcement tactics. The issues are at the heart of a funding stand-off over the Fiscal Year 2026 (FY26) Department of Homeland Security (DHS) appropriations bill. Agencies covered under the FY26 DHS appropriations bill are effectively “shut down” until a solution is found. In addition to ICE, the bill also includes funding for the Federal Emergency Management Agency (FEMA), the Transportation Safety Administration (TSA), and the Cybersecurity and Infrastructure Security Agency (CISA). The strikes on Iran have increased the urgency of finding a solution.

Despite the ongoing negotiation over the FY26 DHS bill, House Republican appropriations leaders have begun consideration of FY27 member requests for congressional funding. Guidance on congressional funding requests for FY27 have been released and a mid-March deadline has been set for House members to submit appropriations funding requests. Each member of the House is allowed to submit up to 20 requests, five more per member than previously allowed.

For FY26, Bellevue successfully obtained funding for two congressional appropriations requests:

- \$2 million for the Grand Connection I-405 Crossing Project
- \$500,000 for the Lake Washington Lake Lines Program

Consideration of FY27 federal budget funding will officially begin when the President releases his budget proposal for FY27. Currently, this is expected sometime in mid-April.

STATE OF THE UNION

President Donald J. Trump delivered the State of the Union address on February 24. The speech, which set a current record for length, highlighted economic gains during his presidency, Iran, and tariffs. The President also shared several policy proposals, including barring driver's licenses for undocumented immigrants, stopping institutional investors from buying single-family homes, and codifying a drug-pricing regime (Trump RX). The President also highlighted a proposal to encourage technology companies to foot the cost of energy development and generation to cover their data center and AI development energy needs. A group of technology leaders is expected to meet at the White House in early-March to advance discussions.

CONGRESS

Housing Legislation

The House and Senate recently passed legislation designed to address the nation's housing shortage. HR 6644 and S. 2651, respectively, direct the Department of Housing and Urban Development (HUD) to draft recommended zoning best practices for state and local governments (i.e., recommendation to allow housing development near transit hubs); streamline and simplify the federal environmental review process for federally-funded housing

development; and offer new exemptions for some federally funded housing projects like ones built in urban areas that are already developed. The House bill expands housing aid by including several new programs aimed at borrowers, renters and families living in affordable housing, including a new pilot program that would allow some low-income families on federal rental assistance to direct a portion of their rental income into a savings account when their income rises. The Senate bill has similar housing aid provisions. Both bills must now be reconciled before a final version is sent to the President.

Aviation Safety

After last year's midair collision near Ronald Reagan Washington National Airport, House and Senate leaders have been working to improve aircraft safety technology requirements and coordination between commercial and military aircraft. The Senate passed S. 2503, the *Aircraft Safety Tech Requirements Bill (ROTOR Act)* last December. The bill requires use of Automatic Dependent Surveillance-Broadcast (ADS-B) In technology, which provides pilots with traffic and weather information from other aircraft directly. Its counterpart, ADS-B Out, sends their location, altitude, and ground speed to other aircraft and air traffic control. The bill also limits exemptions from ADS-B Out technology required for military flights and mandates a safety review of airports around the country, starting with Ronald Reagan Washington National Airport.

The House was expected to take up a floor vote on the bill, but the Defense Department raised last-minute concerns. Transportation Committee Chairman Sam Graves and Armed Services Committee Chair Mike Rogers also raised concerns and released their own bipartisan aviation safety measure last week. Families of those who died in the collision over Reagan National Airport last year continue to press for congressional action so it's expected that an aircraft safety bill will come out of the House.

Online Exploitation Protection

From privacy to safety, efforts to expand protections for minors online picked up again in recent weeks. The Senate Judiciary Committee advanced bipartisan legislation that aims to hold offenders accountable for exploiting minors online and strengthens protections for victims. The Senate Committee bill replaced language from a House-passed bill, the *Combating Online Predators Act* (HR 6719), with three bills: *Sentencing Accountability for Exploitation Act* (S.3394), *Ending Coercion of Children and Harm Online Act* (S.3397), and *Stop Sextortion Act* (S.3398).

FEMA Reform

HR 4669, the *FEMA Act of 2025*, would streamline FEMA's disaster relief and recovery process for survivors and restore FEMA to cabinet-level status. The bipartisan legislation was crafted by House Transportation and Infrastructure Chairman, Sam Graves (R-MO), and the committee's Ranking member, Rick Larsen (D-WA) and has 59 cosponsors. The bill is expected to receive a vote on the House floor soon.

House Energy Bills

Two bills rolling back energy programs enacted under the 2022 *Inflation Reduction Act* have passed the House along party-line votes. It's uncertain if they will advance in the Senate without additional support from Senate Democrats.

HR 4758, the *Homeowner Energy Freedom Act* passed the House by a vote of 210-199. The bill will repeal three sections of the Inflation Reduction Act that provided: formula grants to state and tribal governments to establish Home Electrification and Appliance Rebate programs; funding to help states and localities adopt specified building codes; and the State-Based Home Energy

Efficiency Contractor Training Grant program to help states establish or support programs that train and certify contractors to install home energy efficiency improvements.

HR 4626, *Home Appliance Protection and Affordability Act* passed the House by a vote of 217-190. The bill would repeal a requirement for the Department of Energy (DOE) to periodically update energy efficiency requirements for appliances. The measure would also modify the criteria to ensure DOE could only issue new energy efficiency standards if they wouldn't make appliances unavailable based on the type of fuel they consume and aren't likely to increase costs for consumers.

ADMINISTRATION AND THE COURTS

Public Health Funding Grants Lawsuit

Four states (Illinois, California, Colorado and Minnesota) have filed a lawsuit in federal district court to prevent the Department of Health and Human Services from cutting public health grant programs. The action is in response to directive by the Office of Management and Budget to cut the states' funding, including funds from the Public Health Infrastructure Grant. The states claim that the federal government is unfairly and illegally targeting them for political reasons. The case is *Illinois v. Vought*, N.D. Ill., No. 1:26-cv-01566, complaint filed 2/11/26.

Tariffs

In a 6-3 decision the U.S. Supreme Court overturned President Trump's broad global tariffs. The high court ruled that the President "exceeded his power" to invoke a federal emergency-powers law to impose reciprocal tariffs globally, as well as targeted import taxes to address fentanyl trafficking. In response, Trump plans to sign a directive raising his 10% global tariffs to 15% "where appropriate" and is seeking "continuity" with countries that struck trade deals. The White House has yet to outline specifics or timing for the 15% tariffs.

BELLEVUE FEDERAL RELATIONS

Mayor Mo Malakoutian meet with Rep. Suzan DelBene in February to strengthen the relationship between the City and Rep. DelBene. Mayor Malakoutian thanked Rep. DelBene for her support of Bellevue's congressional funding request for the Lake Washington Lake Lines project and provided an update on Bellevue's priorities.

March Look Ahead

In mid-March, councilmembers Nieuwenhuis and Briar will represent Bellevue at the National League of Cities (NLC) annual Congressional City Conference in Washington, D.C. In addition to attending NLC official meetings and events, Bellevue representatives plan to meet with federal delegation offices during the week of the conference.