



City of Bellevue

City Manager's Office

DATE: March 11, 2025

SUBJECT: State Legislative Update, February 2025

OVERVIEW

The Washington State Legislature is considering nearly 2,000 legislative proposals during the 2025 legislative session. The number of bills under consideration has narrowed since the policy committee and fiscal committee cutoff, February 21 and February 28, respectively. Bills not approved prior to the cutoff deadlines are no longer under consideration unless deemed "necessary to implement the budget," which provides an exemption from cutoff deadlines. Bills need to be approved by their chamber of origin by March 12 to remain under consideration for the second half of the legislative session.

Budget writers are currently working to evaluate elements of former Governor Inslee's and Governor Ferguson's budget proposals for integration into their own plans. The House and Senate will release their respective budget proposals in mid-March, with the Senate going first. All three budgets face constrained funding. Governor Ferguson's proposed budget aims to save around \$4 billion while fully funding K-12 education and public safety, and maintaining investments in housing, homelessness, cash benefits, and Medicaid. His savings plan focuses on government efficiencies, pausing new spending, scaling back recent spending decisions, and limiting one-time federal funding replacements. This proposal, combined with Governor Inslee's budget, reduces the shortfall by \$7 billion.

On February 27, both the House and Senate Transportation committees were briefed on the transportation budget, which faces a projected shortfall of \$1 billion in 2025-27, \$2.7 billion in 2027-29, and \$3.9 billion in 2029-31. Three scenarios were presented to address the shortfall: reducing or delaying major projects, increasing revenue through measures like higher gas taxes and vehicle registration fees, and a combination of both. The most likely approach is a mix of spending cuts and new revenue sources. Additionally, unfunded costs like the culvert replacement program, maintenance, and ferry fleet replacements add pressure to the budget.

Click [here](#) to view slides from the House presentation and [here](#) to view slides from the Senate presentation.

CITY HIGHLIGHTS

Visit to Olympia

On February 7, Mayor Lynne Robinson, Deputy Mayor Mo Malakoutian, and Assistant Director of Intergovernmental Relations Katie Kuciemba Halse meet with City's legislators in the 41st and 48th Legislative Districts. The purpose of the meetings was to share the City of Bellevue's 2025 State Legislative Agenda. During the meetings, Mayor and Deputy Mayor shared information about:

- The Grand Connection project, a pedestrian and bike crossing over I-405 to connect Meydenbauer Bay to the Downtown and Wilburton areas. The Downtown Integration project and reconfiguration of City Hall Plaza will serve 40,000 daily users; the City is requesting \$900,000 through the capital budget for this project. The second request seeks \$50 million for the Grand Connection I-405 crossing; the City is hoping to complete the project by 2029, depending on the availability of funding through a transportation package.
- Funding shortfalls for the Washington State Department of Transportation's I-405 projects, including the Coal Creek Parkway roundabouts that are currently delayed for 10 years. Also discussed was the importance of completing the SR 520/124th Avenue interchange project.
- A request for \$2.7 million for eCityGov for a regional digital permitting system. Creating consistency and a transparent process provide predictability that benefits the city, developers and residents to help address our affordable housing crisis in Washington.

POLICY HIGHLIGHTS

There are many city-related bills no longer under consideration as the bills did not make it past the two cutoffs deadlines. Some bills of note are:

- [Senate Bill 5333/House Bill 1378](#) – Concerning penalties related to eluding police vehicles and resisting arrest.
- [House Bill 1818/ Senate Bill 5633](#) - Subdivision Code Revisions.
- [House Bill 1512/Senate Bill 5521](#) – Limiting traffic stops.
- [House Bill 1138](#) - Improving public safety by implementing evidence-based interview practices that increase the reliability of statements collected during criminal investigations.
- [House Bill 1438](#) - Ensuring efficient approval of certain housing permit applications.
- [House Bill 1765/Senate Bill 5707](#) AND [House Bill 1964](#) – Public Records Act exemptions for subscribers of public agency newsletters.
- [Senate Bill 5107](#) - Concerning underinsured motorist coverage for local government employees.
- [Senate Bill 5555](#) - Concerning zoning regulations in commercial, retail, and mixed-use areas in cities and code cities.
- [Senate Bill 5615](#) - Concerning project permit applications for residential housing units.
- [Senate Bill 5066/House Bill 1056](#) - Concerning law enforcement misconduct.
- [House Bill 1095](#) - Incentivizing cities and counties to attract and retain commissioned law enforcement officers.
- [House Bill 1428](#) - Law enforcement direct distribution through the county criminal justice assistance account and municipal criminal justice assistance account.
- [Senate Bill 5757](#) - Concerning traffic safety camera revenue.
- [House Bill 1717](#) - Creating a sales and use tax remittance program for affordable housing.
- [Senate Bill 5043/House Bill 1070](#) - Concerning industrial insurance coverage for posttraumatic stress disorders affecting correctional facility workers.

- [Senate Bill 5176](#) – Prompt Payment on Public Works Contracts.

Below are bills that advanced out of committees this month and will remain under consideration.

Homelessness and Human Services

Rent Stabilization: [House Bill 1217](#), sponsored by Rep. Emily Alvarado (D-34th LD), cap annual rent and fee increases at seven percent. It requires landlords to provide 180 days' notice for increases of three percent or more, allow tenants to terminate leases without penalty if rent increases exceed legal limits, and declare violations as unfair or deceptive acts under the Consumer Protection Act. A substitute bill was approved by the House Appropriations Committee on February 10. Click [here](#) to view the list of changes made to the bill.

Supportive Housing Permitting: [House Bill 1195](#), sponsored by Rep. Strom Peterson (D-21st LD) requires cities to approve permit applications for shelters located in residential zones through an administrative process. It empowers the Department of Commerce (Commerce) to resolve disputes, enforce compliance, and impose penalties on local governments that fail to comply with corrective actions. It passed the House Appropriations Committee on February 20 with an amendment that makes the dispute resolution services provided by Commerce subject to appropriations and adds a null and void clause unless funded in the budget.

Homelessness Regulation Framework: [House Bill 1380](#), sponsored by Rep. Mia Gregerson (D-33rd LD), establishes a regulatory framework for the use of public property concerning individuals experiencing homelessness in Washington. It requires local laws regulating activities like sitting, lying, or sleeping outdoors to be “objectively reasonable” in terms of time, place, and manner, with special consideration given to the impact on homeless individuals. It allows individuals to challenge such laws in court and assert an affirmative defense if the regulations are not reasonable, while explicitly prohibiting claims for monetary damages. During the last public hearing in the House Appropriations Committee on [February 12](#), City of Bellevue Assistant City Attorney, Melissa Chin testified in opposition to the bill, emphasizing that the bill does not create solutions for those who are unhoused, and will result in costly litigation that could otherwise be dedicated to homelessness services. A substitute version of the bill was voted out of the House Appropriations Committee on February 27. Click [here](#) to view the changes made.

Safety

Public Safety Funding Proposals: There are three public safety funding proposals that remain under consideration at the time of this writing:

Expanded Weapon-Free Zones: [Senate Bill 5098](#), sponsored by Sen. Javier Valdez (D-46th LD), expands weapon-free zones to include parks, public buildings, and county fairs. The bill prohibits weapons in park facilities where children are likely to be present, public buildings owned or leased by governmental entities, and county fairgrounds during public hours, with exceptions for gun shows. It requires municipalities to post signage at common access points to notify the public of these restrictions. Violations are classified as gross misdemeanors, and

exemptions are provided for law enforcement, military personnel, and certain ceremonial activities. A public hearing was held in the Senate Transportation Committee on [February 24](#). The bill passed out of committee on February 27 with one amendment that exempts firearms that are part of a museum collection that may be in the possession of museum staff, volunteers, or contractors.

Planning/Land Use/Housing

Lot Splitting: [House Bill 1096](#), sponsored by Rep. Andrew Barkis (R-2nd LD), mandates that cities integrate administrative approval of lot splits into short plat regulations in a manner that allows an applicant to get approval of a lot split and a residential building permit simultaneously. The bill was previously approved by the House Housing Committee and was then heard in the House Appropriations Committee on [February 12](#). A substitute version of the bill passed out of committee with two amendments: removal of the requirement for Commerce to provide grants to cities for the full cost of implementation, and compliance with lot splitting requirements no later than 12 months after Commerce distributes implementation guidance for cities in King, Kitsap, Pierce, and Snohomish counties. The bill also modifies the compliance deadline for cities with a comprehensive plan update due in 2027 to incorporate lot splitting provisions and requires compliance from all other cities within two years. A null and void clause was also added unless funding is provided in the state's budget.

Transit-Oriented Development (TOD): One TOD bill remains under consideration. [House Bill 1491](#), sponsored by Rep. Julia Reed (D-36th LD), requires cities to adopt density regulations facilitating TOD in designated "station areas," including minimum floor area ratios, affordable housing requirements, limited parking requirements, and development incentives. A public hearing occurred on [February 25](#) in the House Capital Budget Committee. The bill passed out of committee with two amendments. The first reduces the size of a rail station area for a commuter rail stop from one-half mile walking distance to one-quarter mile walking distance in a city with a population no greater than 15,000. The second amendment clarifies the categorical exemption from the State Environmental Policy Act for residential or mixed-use development within a station area. The bill had a public hearing in the House Appropriations Committee on [February 27](#) in which the bill passed out of committee with two amendments. The first removes the requirement for Commerce to convert different measurements of residential density to the transit-oriented development density and floor area ratio requirements. The second adds a null and void clause unless funded in the state budget.

Short-Term Rental Tax: [Senate Bill 5576](#), sponsored by Sen. Liz Lovelett (D-40th LD), imposes a six percent excise tax on short-term rental lodging, effective January 1, 2026, to fund affordable housing and infrastructure projects. Revenue from the tax will be deposited into the "essential affordable housing local assistance account" and distributed monthly to counties, cities, and towns based on the location of the rental. Funds may be used for affordable housing programs, including homeless housing assistance, temporary shelters, and related services, or for housing infrastructure projects that meet specific density, impact fee, and annexation requirements. The Senate Ways & Means Committee held a public hearing on [February 25](#).

The bill was voted out of committee with an amendment that replaces the statewide short-term rental tax with a local-option tax, allowing counties and cities to impose an excise tax of up to 4 percent on short-term rental lodging sales. Revenue must be used for affordable housing initiatives, rental assistance, and related services, with the Department of Revenue collecting the tax at no cost to local governments and requiring annual reporting on expenditures.

Transportation

Transit Lane Access: [House Bill 1980](#), sponsored by Rep. Janice Zahn (D-41st LD), allows private employer transportation services to apply for access to transit-only lanes in counties with populations exceeding 2,000,000. The bill amends RCW 47.52.025 and RCW 46.61.165 to permit such access, contingent on local authorities establishing a permit process. Private employer transportation services are defined as regularly scheduled, fixed-route transportation provided by employers for their employees, marked with the employer's name or logo, and meeting annual certification requirements. While the bill encourages local authorities to create a permitting process for transit-only lane access, it does not mandate that access be granted. A public hearing was held in the House Transportation Committee on [February 24](#) where Bellevue Mayor Lynne testified in support. A substitute version of the bill passed out of committee on February 27. Click [here](#) to view the list of changes to the bill.

CLIMATE AND THE ENVIRONMENT

Recycling Reform Act: [House Bill 1150](#), sponsored by Rep. Liz Berry (D-36th LD), and [Senate Bill 5284](#), sponsored by Sen. Liz Lovelett (D-40th LD), establish extended producer responsibility (EPR) programs for packaging and paper products to improve solid waste management in Washington. Both bills require producers to join or form Producer Responsibility Organizations (PROs) by 2026 to manage the lifecycle of their products, including recycling, composting, and waste reduction efforts. House Bill 1150 had a public hearing in the House Appropriations Committee on [February 22](#). House Bill 1150 was voted out of committee on February 26 with an amendment that exempts bulk construction material packaging from Producer Responsibility Organization (PRO) regulations and allows producers to petition for alternative collection methods for certain packaging types. It also revises the Department of Ecology's needs assessment, incorporating some of the content from [House Bill 1071](#) needs assessment. Additionally, the amendment enhances PRO education and outreach requirements and ensures engagement with local communities in waste management efforts. House Bill 1071 and its companion did not meet the cutoff deadline. Senate Bill 5284 had a public hearing in the Senate Ways & Means Committee on [February 24](#). Senate Bill 5284 was voted out of committee with an amendment substantially similar to the House bill.

MARCH LOOK AHEAD

- House of Origin Cutoff on March 12
- Initial budgets release in mid-March
- Bellevue Mid-Session Council Presentation March 18