

CITY COUNCIL AGENDA TOPIC

Draft 2025 State Legislative Agenda

Genesee Adkins, Chief of External Affairs, 452-7849
Katie K. Halse, Assistant Director, Intergovernmental Relations, 452-2860
City Manager's Office

EXECUTIVE SUMMARY**DIRECTION**

Staff is asking the council to consider adopting the 2025 State Legislative Agenda at this meeting or a subsequent meeting, in advance of the next session of the Washington State Legislature in January 2025. Adoption of the agenda allows staff and other city officials to clearly articulate the City's 2025 state legislative priorities to state lawmakers, state agencies, peer jurisdictions, and community and other stakeholders.

RECOMMENDATION

Provide input on the draft 2025 State Legislative Agenda and provide direction for adoption.

BACKGROUND/ANALYSIS**Preview of the 2025 Legislative Session**

The 2025 legislative session will begin January 13, 2025. This is the first year of the two-year biennium and will last for 105 days (long session), ending April 27, 2025. All bills introduced during the previous biennium (2023-2024) are no longer viable; all proposed legislation must be drafted, sponsored and introduced in the House or Senate to be considered in 2025. One of the primary tasks of legislators during a long session is to pass the State's biennial budgets: Operating, Capital, and Transportation.

The Washington State Economic and Revenue Forecast Council released their September [revenue update](#) which showed revenue collected to be 2.7 percent higher than originally expected in June. While this increase reverses a shortfall from the August revenue update, it is roughly \$525 million below what is needed to pay for new spending in the current fiscal year. According to the Council, the changes are primarily the result of a reduced sales tax forecast due to a lower construction forecast, partially offset by stronger revenue from business and operations tax and the real estate excise tax.

Looking toward 2025, several significant issues face the Legislature:

- A request for significantly more public school (K-12) funding;
- New state employee labor contracts;
- Reduced revenue projections for the upcoming transportation and operating budgets; and,
- Court-mandated fish passage improvements.

Additionally, four initiatives will appear on the November ballot that could have a dramatic impact on the session and budget deliberations:

- [Initiative 2066](#), requiring Puget Sound Energy (PSE) to engage in a multi-year planning process to reduce its use of natural gas to serve customers and comply with the State’s Clean Energy Transformation Act, which mandates that PSE get to zero carbon emissions by 2045.
- [Initiative 2109](#), repealing the capital gains tax.
- [Initiative 2117](#), prohibiting carbon tax credit trading and repealing provisions of the 2021 Washington Climate Commitment Act.
- [Initiative 2124](#), allowing all employees to opt out of paying and receiving long-term care insurance.

State Legislative Make-up

The 2024 General Election will occur on Tuesday, November 5. In addition to the executive branch, all members of the House of Representatives and approximately half the members of the State Senate are up for re-election. Democrats currently hold the majority in the State Senate (29 - 20) and the State House of Representatives (58 - 40). Regardless of changes in the political climate, approximately one-third of the State Legislature will be new as there are 18 legislators who chose not to seek re-election for their current seat. There is a possibility that Democrats may be able to gain enough seats to garner a super majority (60 percent) in one of the chambers.

There remains significant uncertainty around leadership changes in the State Legislature and the governor’s office, the outcome of ballot initiatives that could have significant effect, and the presidential election. This uncertainty is leading to speculation about whether progressive policies or revenue packages have a greater chance of passage in 2025.

Draft 2025 State Legislative Agenda

The state legislative agenda is a critical tool in communicating Bellevue’s key legislative priorities and funding requests to the State Legislature, while providing policy guidance for City positions on bills and staffing resources. The 2025 legislative agenda highlights *Key Legislative Priorities* on the first page and significant policy issues in the *State Policy Statement*.

The agenda’s *Key Legislative Priorities* highlight the items of utmost importance to the City of Bellevue in the upcoming state legislative session. In general, these items are either exclusively or largely Bellevue-led and Bellevue-focused and highlight the areas of greatest value at this time.

In the 2025 session, key priorities include:

- Bellevue Grand Connection: Downtown Integration Project at City Hall Plaza
- Bellevue Grand Connection: I-405 Crossing – Downtown to Eastrail Project
- Digital permitting improvements to *MyBuildingPermit.com* in partnership with eCityGov Alliance
- SR 520/124th Avenue NE Interchange Project to improve safety and access
- I-405/SR 167 Corridor projects included in the I-405 Master Plan
- Partnership to address the affordable housing crisis, including flexible funding options

In addition to key priorities, the agenda’s *State Policy Statement* covers a broad set of issues and gives the City flexibility and charge to weigh in on a host of issues, funds, and bills that may arise

during the session. Many items captured in this section are led by other parties or coalitions. Bellevue intends to weigh in as necessary and strategically advocate for the City's interests, whether direct or indirect.

New for 2025, the *State Policy Statement* categories align with the Council's Strategic Target Areas:

- High Performance Government, including fiscal sustainability
- Vibrant Economy, including economic and workforce development
- Safe & Efficient Transportation, including revenue
- High Quality Built & Natural Environment, including utilities, land use, and environmental stewardship
- Community Safety & Health, including first responders, law enforcement, and justice
- Thriving People & Communities, including behavioral health and access to housing

Association of Washington Cities (AWC) Legislative Priorities Development

Since May, the AWC Legislative Priorities Committee has been developing the Association's 2025 legislative priorities. Councilmember Nieuwenhuis represents Bellevue on the committee. The AWC Board of Directors approved the final 2025 City Legislative Priorities on September 19 that includes:

- Fiscal Sustainability: revise the property tax cap and tie it to inflation and population growth factors
- Public Safety: fund and expand of officer training, fund public safety needs, increase programs to reduce juvenile crime, wellness and injury prevention program
- Behavioral Health Treatment Capacity: co-responder program funding, increases to behavioral health workforce and training, investment in community behavior health treatment, mental health support for students
- Infrastructure Investment: local infrastructure investment for expansion and operations/maintenance of aging systems, support sustainable transportation revenue with funding for local jurisdictions, develop new fiscal tools to support housing development, expand ability/flexibility to use real estate excise tax to support affordable housing
- Housing Supply: dedicate current and new funding options to address needs across the housing continuum

Timeline and Next Steps

After the council has considered and adopted a state legislative agenda, staff will take steps to help maximize its utility, some of which are already in the early stages. Next steps include:

- Schedule meetings with each of our 41st and 48th District lawmakers to brief them on the agenda.
- Further refine and flesh out the highest priority issues, including identifying supporters and opportunities.
- Develop a set of marketing materials for lawmakers and staff as compelling educational pieces.
- Attend or monitor pre-session committee meetings in December.
- Talk with other cities and partners about developing legislation and budget items.
- Develop opportunities to talk with key legislators before session begins January 13, 2025.
- Identify key dates in the upcoming session and when Bellevue will plan to be in Olympia.
- Attend AWC's City Action Days on February 19-20, 2025 in Lacey.

POLICY & FISCAL IMPACTS

Policy Impact

An adopted state legislative agenda is an important messaging document for the City, encapsulating the most important state-level policy positions for Bellevue in 2025. The work of the Washington State Legislature will have myriad impacts on the City, and it is important that the City weigh in appropriately on bills throughout the course of the session.

Fiscal Impact

The budget developed at the state level is of critical importance to the City, as many important programs are either directly within the City's scope or are of benefit to or impact upon our residents, employees, businesses, and visitors. The legislature's ability to impact or modify authorized city revenue tools and revenue streams is also of direct and essential interest to Bellevue.

OPTIONS

1. Consider adopting the State Legislative Agenda as written, or as amended during the meeting.
2. Do not adopt the State Legislative Agenda and provide alternative direction to staff.

ATTACHMENTS

- A. Bellevue Draft 2025 State Legislative Agenda
- B. Bellevue Adopted 2024 State Legislative Agenda
- C. Association of Washington Cities Adopted 2025 Legislative Agenda

AVAILABLE IN COUNCIL LIBRARY

N/A