

Outlook

Legislative Bulletin | Final budgets | Millionaires tax | ALPR bill

From AWC News <news@awcnet.org>

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To Jeff Swanson <JSwanson@medina-wa.gov>

[View on a mobile device or online.](#)**March 16, 2026****Challenging session comes to an end with alarm bells**

The legislative session is always a bit unpredictable, and 2026 was no different. The session came to an end on time with *sine die* at the reasonable hour of 8:30 pm—but not before a little excitement. The fire alarm in the Capitol went off around 6:30 pm in the middle of a debate on the capital budget, triggering an evacuation of the building. Action resumed after about 30 minutes, when fire officials gave the all-clear. Legislators managed to finish their work on all of the budgets—operating, capital, and transportation—on the final day.

Alarm bells may have been the theme of the session for cities in many ways, but through outreach and advocacy, city leaders were able to achieve some successes. We reached compromises on some of the housing proposals that reduced local decision-making and created more work for local planning departments. We helped pass a proposal to create additional local revenue flexibility. Cities also successfully advocated for changes to automated license plate reader regulations that address public records concerns while allowing the systems to continue to be used to solve serious crimes.

We had less success convincing legislators to help with key city funding needs while they were struggling to rebalance the state's budgets. The Legislature provided no additional funding support for indigent defense while making another huge sweep of the Public Works Assistance Account (with some questionable backfill of the account). There was also only modest help on transportation and little help on other local funding needs.

As we start the interim, we are looking ahead to the 105-day 2027 session, which will again focus on the state's budgets. We are already thinking about what our strategy needs to be to have a more successful session next year. The AWC Legislative Priorities Committee will convene on May 1 to begin discussing the 2027 agenda. We need your ideas now. If you have specific suggestions for legislative proposals, please share them with our team as soon as possible.

Finally, a huge thank you to everyone for your engagement and support throughout this challenging session. Your voices are the ones that make a difference and have the most impact. We need you to keep it up through the interim. Make a commitment to meet with your legislators and talk to them about what your city does to serve your residents—and what you need from the Legislature to support the work you do.

Thank you for everything!
AWC Government Relations team

Hot topics

Final supplemental budgets pass with bond-backfilled PWAA sweep and intent for new local government fiscal health funding

The Legislature went straight from a marathon debate on the millionaires tax to releasing and passing the supplemental operating, capital, and transportation budgets (**SB 5998**, **SB 6003**, **SB 6005**) in the last two days before adjourning on March 12. The final \$79.4 billion operating budget balances the funding gap from federal budget reductions, increased caseloads, and growing state liability with program reductions and account transfers, including a \$375 million sweep from the Public Works Assistance Account backfilled with new bond funding. [More](#)



Final supplemental transportation budgets increase safety funding for cities, temporarily divert local project legislative appropriations

The Legislature's final supplemental transportation budget bills (**SB 6005** and **HB 2711**) largely maintain the same funding for cities and towns as in the initial proposals. The final spending bill makes some significant and welcome increases to safety, multimodal, and electric vehicle programs and provides funding assistance for local governments recovering from the late-2025 weather events. Unfortunately, it also includes \$180 million in temporary diversions of legislative appropriations to local projects using a practice known as "budget smoothing." [More](#)



Legislature again sweeps PWAA in latest blow to its long-term reliability

The final supplemental state budgets transfer \$375 million from the Public Works Assistance Account (PWAA) to the general fund while providing an additional \$279.5 million in bond revenue to backfill the reduction. After a preliminary review, the Public Works Board said that it appears the backfill eliminates any threat of the need to rescind previous PWAA awards and that the board may still be able to open a funding round in FY 2027. Nevertheless, the full \$389.5 million backfill over the biennium covers less than half of the total \$829.4 million that state budgets collectively divert from the account in the same time frame. [More](#)



Millionaires tax bill passes, includes intent to mitigate sales tax losses for cities

SB 6346 passed in dramatic fashion last week after a grueling and record-breaking 24 consecutive hours of debate on the House floor. Unfortunately, the final bill removed all dedicated local public defense funding and includes several sales tax exemptions that negatively impact local sales tax revenues. However, due to city engagement, legislators included an intent statement within the bill to create a new account to help local governments mitigate these losses. [More](#)



Automated license plate reader bill passes, takes effect immediately

The Legislature has passed **SB 6002**, addressing many of cities' concerns, including exempting automated license plate reader (ALPR) data from disclosure under the Public Records Act. The bill is set to go into effect immediately upon the Governor's signature. Cities with ALPR systems should start to work on implementation of the new law now. Here is a rundown of the final bill that awaits Gov. Bob Ferguson's signature. [More](#)



Let us know how to improve the *Legislative Bulletin*

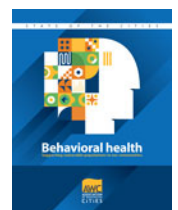
The Government Relations team is looking to improve the *Legislative Bulletin* newsletter and wants to hear from you. Please complete our **five-question survey** to share your feedback about what is and is not helpful about the newsletter. It shouldn't take you more than a few minutes to complete. All responses will be entered to win a drawing for an AWC gift basket. [Take the survey.](#)



Media time

State of the Cities: Behavioral health—Supporting vulnerable populations in our communities

AWC's most recent State of the Cities report explores the state's behavioral health crisis and how cities help fill existing treatment and support system gaps. From adopting innovative solutions to partnering with governmental and community-based organizations, cities are addressing critical needs to help Washingtonians build better lives. [Read the full report.](#)



AWC bill tracker and coverage

Visit AWC's [bill tracker](#) for easy access to the bills you're most interested in and to filter by the information you're looking for, whether it's a brief description of a bill, the status of bills you're tracking, or AWC's comprehensive coverage.

Tip: [Bookmark the tracker](#) and check it regularly for the latest updates.

This week's bill highlights:

Affordable housing

- Two niche housing bills pass the Legislature (**HB 1687 & HB 1974**) [More](#)

Budget & finance

- Local government fiscal flexibility bill now includes single-city fire district provisions (**HB 2442**) [More](#)
- Bill eliminating lodging tax report ran out of time before adjournment (**HB 2120**) [More](#)
- Bill allowing rounding cash transactions due to elimination of the penny passes (**HB 2334**) [More](#)
- Sales tax on services clarification passes Legislature (**SB 6113**) [More](#)

General government

- Bills to expand state Voting Rights Act delivered to Governor's desk (**HB 1710, HB 1750**) [More](#)

Land use & planning

- Sound Transit permitting streamlining bill passes (**SB 6309**) [More](#)
- Backyard burial bill passes Legislature (**HB 2239**) [More](#)
- Bill to prohibit negative use restrictions on grocery stores is law (**HB 2294**) [More](#)
- Trailer bill addresses lands sold for public purpose (**HB 2624**) [More](#)

Public safety & criminal justice

- Court system unification task force bill awaits Governor's signature (**HB 1909**) [More](#)

Transportation

- 'Crash prevention zone' bill passes Legislature, heads to Governor for signature (**SB 6066**) [More](#)
- Workgroup to consider, recommend e-moto regulations for Washington per bill passed by Legislature (**SB 6110**) [More](#)

Need to know

Growth Management Act rulemaking. The Department of Commerce filed rulemaking to establish a brief adjudicative proceeding for jurisdictions to appeal certain determinations made by Commerce concerning the Growth Management Act. The [draft rules](#) are very short—just over one page. A public hearing will be held March 25 at 10 am, and comments are due by 5 pm on March 27. [More](#)

First two cities awarded public safety grant funds—apply by March 31. Congratulations to the cities of Kent and Black Diamond for becoming the first two jurisdictions to receive grant funding from the state's \$100 million public safety program established through **HB 2015**. [Learn more](#) about the grant program, the funding the two cities received, and how they plan to spend it. Apply soon—applications are open for the first round of grant funding until **March 31**.

Compost procurement reports due March 31. This is the second year for this annual report, required under the Organics Management Act. If you are not sure whether your city has to report, check your county's tab in the [local government workbook](#) (look at the blue column). The workbook also indicates if the 2024 report was submitted or is missing. [More](#)

ARPA annual reporting period opens on April 1; reporting is required, even if funds are spent. The American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) portal will be open April 1-30. All cities that received SLFRF awards are required to submit a report even if they spent all the funds. Failure to properly complete the report by April 30 could result in the federal government requiring the funds to be repaid.

The National League of Cities is holding office hours in April for cities that need assistance. It's important to make sure your city can access the portal early. [More](#)

Advocacy corner

Register now for AWC's session recap webinar April 14

AWC's Government Relations team will provide a full recap of the 2026 legislative session in a webinar on Tuesday, April 14, at noon. AWC lobbyists will provide an overview of the outcomes on city legislative priorities, summarize the impacts of passed legislation on cities, and talk through the updates to state budgets. [Register now!](#)

Preparing for the next session starts now – advocacy is a year-round job

Now is the time to start preparing for the 2027 session with a good interim plan. Invite your local legislators to a council meeting to provide a post-session debrief, set up recurring meetings with your legislators throughout the interim, and plan visits and tours to highlight key projects and programs. This is a campaign year for many legislators and others who will be running for those seats. Think about how you want to engage and educate legislators and legislative candidates on what your city does and your community's needs. Remember, session is just the [tip of the iceberg](#).

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