

# Capitol News

## January 19, 2025

### Melissa Johnson, WSLHA Lobbyist

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The 2025 legislative session has officially begun, with Democrats retaining firm control of the Governor's Office, both chambers of the Legislature, and all statewide offices. The first several days of the session included much pomp and circumstance with legislators being sworn in on Monday, Governor Inslee giving his final State of the State address on Tuesday, and statewide elected officials, including Governor Bob Ferguson, being sworn in on Wednesday as Washington's 24th governor.

Governor Bob Ferguson wasted no time in getting to work, signing three executive orders shortly after being sworn in:

- **Housing** - This directs state agencies to review all regulations that impact housing, permitting and construction and identify any provision that can be streamlined, deferred or eliminated.
- **Reproductive Freedom** - This directs the Department of Health to convene a roundtable of medical providers, reproductive health experts and policy makers to recommend strategies for protecting reproductive freedom.
- **Permitting Reform** - This directs all state agencies to cut down their permit and license processing times. If an agency does not meet its deadline, it will refund the application fee.

In his inaugural address, Governor Ferguson highlighted the priorities of his administration: More housing; more police officers; protecting reproductive health care; and free breakfast and lunch to all public school students. He also spoke of the importance of bipartisanship, urging everyone to listen to each other and allow the strongest argument to prevail.

Washington faces its most significant budgetary challenge in over a decade, with a projected \$12-\$14 billion deficit through June 2029. The 2025 legislative session will test Washington's Democratic leaders as they navigate this fiscal challenge while pursuing progressive majority goals. To counter the shortfall, minority Republicans suggest programmatic cuts, but a massive revenue effort is underway by the majority Democrats contemplating many possibilities, including:

- Boosting the state's capital gains tax.
- Instituting a payroll tax similar to Seattle's "JumpStart" tax on large businesses.
- Imposing a 1% business and occupation tax surcharge on companies with taxable income of more than \$500 million, similar to a tax previously imposed on banks.
- Removing a cap which limits the amount big companies such as Amazon and Microsoft pay to fund affordable college tuition to \$9 million a year. Democrats are eyeing removing the cap or raising it to \$15 million.
- Allowing the state and local governments to raise total property tax collections by 3% annually, instead of the current 1% limit.
- Imposing a new tax of 1% on the home sales of more than \$3,025,000, with the money going to housing programs.
- Making rental storage units a taxable retail sale, requiring them to pay taxes they are currently exempted from.

- Applying an 11% tax on guns, ammunition and gun parts, in addition to other state, federal and local taxes. The tax would not apply to sales to law enforcement or the military.

Check out the [Legislature's newly-revamped website](#). With so many new legislators, new committee chairs and members, and hundreds of bills already introduced, the website is the best tool to help you successfully navigate this legislative session.

## **WSLHA Priorities**

Work continues on WSLHA's two priority bills this session. Our cost-of-living adjustment bill should be introduced this week. It requires a cost-of-living increase in reimbursement for contracts between insurance companies and health care providers not employed or affiliated with a hospital.

WSLHA is working with the Insurance Commissioner's Office and the Attorney General's Office to finalize language on our fair contracting legislation. Stay tuned for updates on this legislation.