

# 2025 Legislative Session

## City legislative priorities & outcomes

**The 2025 legislative session addressed many of AWC's priorities. Here are some selected pros and cons for cities.**



### Public safety

Provide more resources and tools to cities and towns to address public safety and criminal justice challenges.

**Pro:** Passed **HB 2015** creating a new state grant program and new councilmanic local sales tax option for funding public safety programs. Legislature budgeted \$100 million to fund grants.

**Pro:** Increased funding to cities for public defense by \$2.7 million in Office of Public Defense (OPD) grants in addition to \$900,000 in existing grants.

**Con:** Maintained 25% cost shift to local governments for the cost of the Basic Law Enforcement Academy.

**Con:** Did not pass **HB 1428**, which would have increased direct Municipal Criminal Justice Assistance Account distributions by \$25 million per biennium.



### Fiscal sustainability

Revise the property tax cap to tie it to inflation, up to 3%, so local elected officials can adjust the property tax rate to better serve their communities. Maintain state-shared revenues and provide additional funding tools.

**Pro:** Maintained state-shared revenues for cities in the final budget.

**Con:** Did not revise the outdated property tax cap.



### Infrastructure investment

Protect and expand direct and meaningful investments in traditional local infrastructure for needed expansion and ongoing operations and maintenance of aging systems, including reliable funding for the crucial Public Works Assistance Account. Support sustainable state transportation revenue that includes funding for local preservation, maintenance, and operations.

**Pro:** Maintained the Public Works Assistance Account's dedicated funding streams into the future.

**Pro:** Dedicated 2.5% of the 6-cent gas tax increase to cities; the 6-cent add-on will grow by 2% annually to account for inflation.

**Con:** Diverted \$288 million from the Public Works Assistance Account to the state general fund, with \$100 million in bond backfill for infrastructure investment.

**Con:** Did not adopt a sustainable transportation revenue source with funding for local preservation, maintenance, and operations.

more on back

Contact: **Candice Bock**  
Government Relations Director  
[candiceb@awcnet.org](mailto:candiceb@awcnet.org)



## Behavioral health treatment capacity

Expand funding for grants to establish and support ongoing funding for local behavioral health crisis co-responder programs. Support continued expansion of continuum of treatment capacity, from crisis stabilization to inpatient to outpatient and continued expansion of forensic behavioral health treatment capacity.

**Pro:** Provided \$4 million in grants to fund start-up costs for city co-response programs.

**Pro:** Passed **HB 1811** to develop training for co-response training academy and provide supports for co-responders.



## Housing supply

Dedicate current funding and explore new funding options to address needs across the housing continuum, including home ownership, senior, workforce, affordable, and permanent supportive housing.

**Pro:** Significant capital budget investments in housing and homelessness, including continued funding of Connecting Housing to Infrastructure Program (CHIP) and investments in manufactured home park acquisition and preservation.

**Con:** Did not pass local option short-term rental tax (**SB 5576**) or dedicate revenues from closing the storage tax loophole to housing (**HB 1907/ SB 5711**).

## Other significant issues:

*Cities identified several other significant policies to work on during the 2025 session.*

**Pro:** Passed an implementable version of the lot-splitting bill (**HB 1096**) and unit lot subdivision bill (**SB 5559**).

**Pro:** Addressed condominium insurance issues (**HB 1403**).

**Pro:** Harmonized uses of local real estate excises taxes (REET), and extended authority for operations and maintenance and housing (**HB 1791**).

**Pro:** Adopted the Recycling Reform Act, creating extended producer responsibility for packaging (**SB 5284**).

**Pro:** Dedicated \$32.5 million to the Brian Abbott Fish Barrier Removal Board for local culvert corrections.

**Pro:** Created expanded alcohol service areas allowing cities and towns to establish 'Libation Zones' in their communities (**HB 1515**).

**Pro:** Extended clean energy retrofit dollars dedicated to grants for energy audits of city-owned Tier 1 and 2 buildings into FY 2026.

**Pro:** Stopped proposal to introduce new vague requirements on city ordinances dealing with camping in public (**HB 1380**).

**Con:** Restricted city authority to regulate parking (**SB 5184**).

**Con:** Adopted unemployment benefits for striking workers without addressing impacts for public employers (**SB 5041**).

# Contact:

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[candiceb@awcnet.org](mailto:candiceb@awcnet.org)