

# 2026 Legislative Session

## City legislative priorities & outcomes

The 2026 legislative session addressed many of AWC's priorities. Here are some selected pros and cons for cities.



### Indigent defense

Increase state support and funding for indigent defense. Enhance state support for increasing the indigent defense workforce.

**Con:** Did not provide any additional new funding for city indigent defense services.

**Con:** Did not pass legislation to clarify the Washington Supreme Court's authority to set public defense caseload standards (**SB 5913, HB 2163**).

**Con:** Did not revive the state indigent defense task force to provide sustainability recommendations (**SB 5912**).



### Shared revenues

Preserve existing state-shared revenues for cities and towns and enhance city funding tools.

**Pro:** Preserved most state-shared revenues, including liquor revenues and the Municipal Criminal Justice Assistance Account.

**Pro:** Passed local revenue flexibility bill that extends levy lid lifts to up to 10 years, amends single-city fire district authority, and gives an option for a 0.01% sales tax for child and family services (**HB 2442**).

**Con:** Reduced cannabis revenue sharing for cities and counties by \$5 million.



### Housing supply

Provide time to implement recent state housing legislation. Increase housing investments to meet needs across the housing continuum. Support tools to better coordinate urban growth area development and funding options such as a local option real estate excise tax (REET) and short-term rental tax.

**Pro:** Made significant capital budget investments in housing and homelessness, including for manufactured home park acquisition and preservation.

**Pro:** Increased flexibility with existing local government housing revenues (**SB 6027, HB 2442**).

**Pro:** Passed additional reforms to condominium liability laws to promote stacked flats (**HB 2304**).

**Pro:** Did not pass requirement for cities to allow mobile dwelling units on every lot with little regulatory or health and safety review (**HB 1443**).

**Con:** Did not adopt the local option short-term rental tax (**HB 2559**) or the local option sales tax remittance program (**HB 1717**) to fund affordable housing.

**Con:** Did not include new local option REET authority for affordable housing in local revenue bill.

**Other:** Passed commercial zoning bill that opens up residential development potential while preserving the ability of cities to grow vibrant neighborhoods and stable tax bases (**SB 6026**).

**Other:** Negotiated bill that standardizes the siting and operating condition requirements of shelters, transitional, emergency, and permanent supportive (STEP) housing (**HB 2266**).

more on back

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## Transportation

Increase sustainable revenue that supports local transportation preservation, maintenance, and operations and includes direct distributions to cities and towns. Continue to support efforts to improve traffic safety and explore revenue tools.

**Pro:** Dedicated \$15 million to assist city recovery work on local transportation infrastructure damaged by 2025 catastrophic weather events (**SB 6005**).

**Con:** Temporarily diverted \$180 million from existing legislative appropriations to local transportation projects, assuming delay in delivery of projects (**SB 6005**).

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

**Con:** Did not allow transportation benefit districts to levy license fees on heavier vehicles that cause greater wear and tear on roadways (**SB 6262**).

## Other significant issues

*Cities identified several other significant policies to work on during the 2026 session.*

**Con:** Diverted \$375 million from the Public Works Assistance Account to the operating budget; backfilled with \$280 million in new bond funding, plus \$10 million in other funds to address impacts on public works infrastructure from 2025 catastrophic weather events.

**Pro:** Passed regulations for automated license plate readers (ALPRs) used by law enforcement and included privacy protections to exempt data from disclosure; modifications to the original proposal protected the ability to use ALPRs for solving serious crimes (**SB 6002**).

**Pro:** Did not restrict city authority to regulate camping in public (**HB 2489**).

**Pro:** Passed a stakeholder compromise on tax increment financing that preserves the tool while addressing impacts on other taxing districts and creating greater transparency (**HB 2451**).

**Pro:** Addressed rising labor and materials costs by increasing the amount up to which cities can utilize the small works roster process to award public works projects (**HB 2420**).

**Pro:** Created a work group to recommend a new regulatory framework to address the statewide proliferation of electric motorcycles and other mobility devices (**SB 6110**).

**Pro:** Did not expand civil liability and litigation costs for cities in cases where vulnerable road users are struck by drivers (**HB 2095**).

**Con:** Passed Voting Rights Act expansion bills to create preclearance authority for the Attorney General's Office over cities with a history of voting rights violations before making annexations, voting district adjustments, or changes to plan of government (**HB 1710**) and to constrain cities' pathways to defending elections-related policies in court (**HB 1750**).

**Other:** Restated the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 1 (LEOFF 1) to remove \$3 billion in surplus funds with provision to study transferring LEOFF 1 retiree medical obligations from local employers to state.

**Other:** Created new qualifications standards for police chiefs and limited how police volunteers may be used (**SB 5974**).

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