



**Dear Friends and Neighbors,**

The 2026 legislative session has come to a close, and I wanted to share an update on what I've been working on in Olympia and what it means for you and your family.

This session was dominated by the state budget, rising costs, and policies that continue to make life more expensive in Washington. Throughout the session, I focused on affordability, pushing back on higher taxes and fees, including the new income tax, and advocating for a budget that lives within our means. That includes calling out unsustainable spending, supporting a more responsible approach to government, and protecting taxpayers. I also advocated for our district, including pushing for action on the Fairfax Bridge, a critical priority for our communities.

In the pages that follow, you'll find a summary of key issues, legislation, and outcomes from this year, along with some of the challenges we still face.

While the Legislature has adjourned, my work for you continues year-round. If you have a comment about state government or a question, please don't hesitate to reach out to my office.

Sincerely,

**Senator Phil Fortunato**  
31st Legislative District

341 Irv Newhouse Building  
P.O. Box 40431  
Olympia, WA 98504

[Phil.Fortunato@leg.wa.gov](mailto:Phil.Fortunato@leg.wa.gov)  
(360) 786-7660

# **COSTS ARE RISING. CAN YOU KEEP UP?**



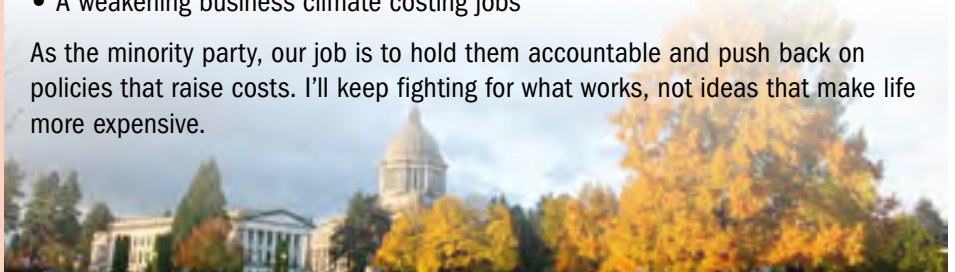
More than 8 in 10 Washingtonians are worried about their finances. Costs are rising fast. Housing, gas, groceries, and child care all cost more.

State policies are adding to the pressure. New taxes, higher business costs, and policies like the Climate Commitment Act are driving up fuel and energy prices. When those go up, everything else follows.

**The results are clear:**

- Among the highest fuel prices in the country
- Income far below what's needed for a median-priced home
- Some of the highest child care costs in the nation
- Restaurants charge the most but earn the least
- A weakening business climate costing jobs

As the minority party, our job is to hold them accountable and push back on policies that raise costs. I'll keep fighting for what works, not ideas that make life more expensive.

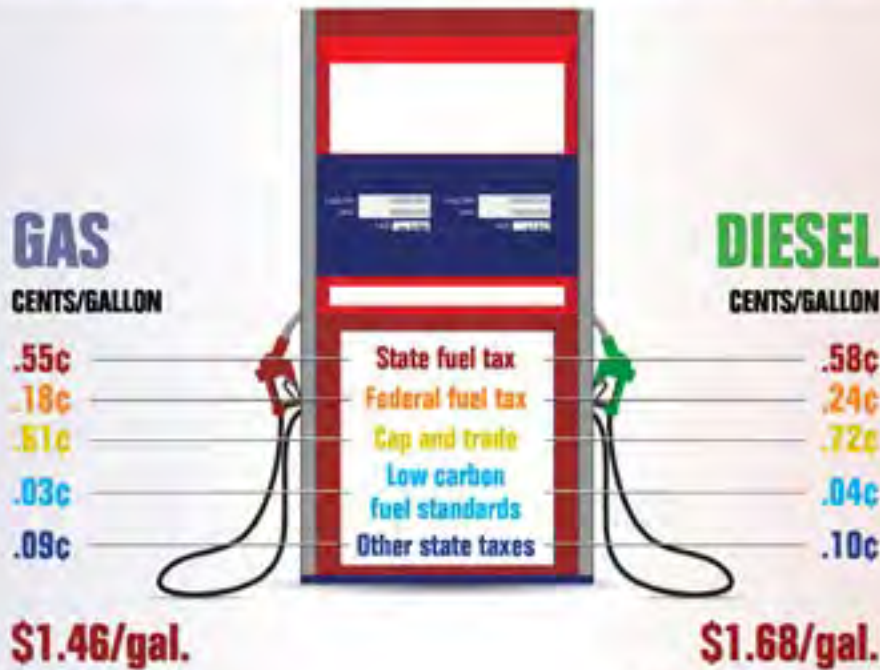


## TAXES AND MANDATES BY THE GALLON WASHINGTON STATE / FEBRUARY 2026



### PAYING MORE AT THE PUMP

Washington drivers pay some of the highest fuel prices in the country, often trading places with California and Hawaii for the top spot. Global events like the Iran war play a role, but our prices were already high. **The Climate Commitment Act and high gas taxes are a big reason why.** And when fuel prices go up, everything costs more – groceries, shipping, utilities – **putting more pressure on families and small businesses.**



## WASHINGTON IS STARTING TO LOSE GROUND

We are already starting to see the impact of Washington Democrats’ thirst for tax dollars. The IRS just released new migration data. For years, Washington gained people and income from other states. That’s no longer the case.

For the second straight year, more income left Washington than came in. And for the third straight year, more taxpayers left than

moved here. Who is leaving? High-income individuals, including Jeff Bezos and Howard Schultz, and they are taking more than a billion dollars in tax revenue with them.

Who is moving in? Lower-income individuals and immigrants who typically require more social services. Who is left to pay the taxes? The rest of us.

## I FOUGHT THE NEW INCOME TAX

I fought the new income tax every step of the way because I refuse to give ground on policies that will eventually drive up costs for everyone in our state. Families are already stretched thin. The answer isn’t more taxes.

**Senate Bill 6346** creates a 9.9% income tax starting in 2028. They call it a “millionaire tax.” It’s not. It’s an income tax. And it’s one of the most unpopular bills in state history, with more than 118,000 people signing in opposed.

Supporters claim it’s limited. If that were true, Democrats would have accepted an amendment limiting it to millionaires. They didn’t. A simple majority can change it at any time. That should concern everyone.

This isn’t just one tax. It’s part of a pattern. Tax and spend. And it’s getting out of control. Washington cannot tax its way to prosperity. This session, majority Democrats added a long list of new taxes and fees:

**HB 2487:** Insurance carriers tax

**SB 6228:** Ends prescription drug tax exemption

**SB 6231:** Repeals data center tax exemption

**SB 6346:** Income tax

**HB 2089:** Taxes on loan interest

**HB 2385:** Medicaid access program

**HB 2442:** Expands local tax authority

**HB 2521:** Firearms background checks

**HB 1796:** School debt without vote of the people

**HB 1983:** Redefines timberland for tax purposes

**HB 2034:** Raids LEOFF 1 Retirement Plan

## DOES ANYONE REMEMBER INITIATIVE 601?

Back in **1993**, Washington voters were alarmed by what they saw as **runaway state spending**. At the time, the state budget was nearing what seemed like an almost unimaginable figure: **\$20 billion**.

**The people passed Initiative 601** which limited spending growth to **inflation plus population growth** and required a **two-thirds vote** of the Legislature to raise taxes. It was a clear message from voters: **live within your means, and don't make it easier to raise taxes**.

Over the years, the political class chipped away at those protections, and in **2013** the Washington Supreme Court ruled the supermajority requirement to raise taxes unconstitutional, wiping out a taxpayer safeguard that voters had approved.

And now here we are with a state budget north of **\$80 billion**, endless demands for new taxes, and a government that acts as if restraint is some outdated inconvenience.

Initiative 601 was about a simple principle: **government should grow at roughly the same pace as the incomes of the people paying for it**.

The Democrats in Olympia abandoned that principle a long time ago and taxpayers are paying the price.

**So here we are.**

In the last **three budget cycles**, the state's **second-year revenue projections have been off by more than \$5 billion**. Instead of treating that as a warning sign, Democrats in Olympia have doubled down on the same reckless spending habits.

This year's supplemental budget increases spending by **another \$2.4 billion** over just last year, pushing total state spending to **\$80.2 billion**. And how are they paying for it? By **draining the Budget Stabilization Account (Rainy Day Fund) and relying on accounting gimmicks** to paper over the problem.

That is not responsible budgeting. That is **fiscal malpractice**.

Using **one-time money to pay for ongoing expenses** may make the books look balanced today, but it leaves taxpayers holding the bag tomorrow when that temporary money disappears and the bills keep coming due.

Raiding the **Rainy Day Fund** to cover overspending is even worse. That fund was created for **real emergencies**, recessions, earthquakes, floods, and other genuine crises, not to bail out lawmakers who refused to control spending when they had the chance.

When government spends like there's no tomorrow, taxpayers eventually get handed the bill.

## WHAT DID WE GET FOR \$80.2 BILLION OF YOUR TAX DOLLARS?

- Homelessness is up
- Energy costs are rising
- Families are paying more for basics
- Student outcomes aren't improving

**Democrats are spending more, taxing more, and falling short.**

Some say both parties are the same. That's not true, especially on the budget. When Republicans held the Senate spending was controlled, and budgets required balance and negotiation.

**That balance is gone.** Spending is rising faster than family incomes.

Even with new taxes, the numbers don't add up. The state expects about \$82 billion in revenue, but **spending could reach nearly \$92 billion**, leaving a **potential gap of up to \$10 billion**.

That's not sustainable.



## WHAT COULD WE GET WITH A \$28 BILLION TAX REDUCTION?

If we had some budget restraint and still had a population and inflation spending limit we would be at about \$50 billion with a **\$28 billion surplus without the income tax**.

Here are ways we could use that revenue to provide real relief to taxpayers:

- Lower property taxes by one-third
- Eliminate sales tax on prepared food and clothes (everyone needs food and clothes)
- Eliminate sales tax on items for children 5 years old and younger
- No more gas tax increases - fund transportation with existing motor vehicle sales tax
- Eliminate impact fees on new home construction to make housing more affordable
- Exempt new starter homes for first time home buyers from property taxes for seven years.

**I think you can do more with your own money than Olympia can.** I will continue the fight to spend your tax dollars wisely and let you keep more of your own money.

## A BETTER WAY TO BUDGET: START FROM ZERO

Our current budget process starts with the previous budget and adds increases based on inflation and caseloads. It doesn't take a hard look at where the money is going.

What is zero-based budgeting? Zero-based budgeting starts from zero, not last year's budget. Agencies must justify every dollar from the ground up, giving a clearer picture of how programs work and where money is spent.

That's why I pushed for it this session. Because the budget is so large, my proposal divided it into four parts, reviewing 25% each two-year cycle.

It brings accountability and transparency. My proposal was rejected, but I'll keep pushing for a more responsible way to budget that respects taxpayers and focuses on results.

## SUPPLEMENTAL TRANSPORTATION BUDGET (2025-27): FOCUS ON THE BASICS

Unlike the operating budget, the bipartisan 2026 supplemental transportation budget focuses on the basics. It adds \$1.2 billion to the \$15.5 billion already allocated in 2025 to maintain roads and bridges and includes \$2.7 million to train new Washington State Patrol troopers and rebuild staffing.

It also funds repairs from recent storms and flooding, restoring roads communities rely on every day. That's a small move in the right direction.

For 25 years, I have fought to fund transportation with the existing state sales tax on motor vehicles. In 2019, 0.1% of the state sales tax – roughly 20% of motor vehicle sales tax – was permanently dedicated to transportation. It is now one of the most stable and growing revenue sources in the transportation budget, helping protect against future gas tax increases.

## FAIRFAX BRIDGE UPDATE: MOVING FORWARD

The Fairfax Bridge remains one of the biggest issues facing our communities, and I've been working on it from day one. I introduced **Senate Joint Memorial 8016** to push the federal government to treat this as an emergency.

My bill to fast-track the replacement didn't get a vote, but we still made progress. The transportation budget includes \$1.5 million for mitigation, engineering and permitting with another \$1.5 million planned next cycle to keep the project moving forward.

It's not the finish line, but it's a step forward. I'll keep pushing until the bridge is rebuilt and access is restored.

## SUPPLEMENTAL CAPITAL BUDGET (2025-2027): BRINGING INVESTMENTS HOME

The capital budget funds schools, parks, water systems, and other infrastructure, long-term investments communities rely on every day. Unlike the operating budget, it's mainly financed through bonds, bringing tax dollars back home for local projects.

For the 31st District, the supplemental capital budget includes more than \$2.5 million in new funding for local projects:

- Veterans Memorial Drive multi-use trail
- Wilkeson water and wastewater infrastructure improvements
- B&L Wood waste cleanup project
- Bonney Lake Senior Center rehabilitation project
- Reuben Knoblauch Heritage Park promenade

To view the full list of projects funded in the supplemental capital budget, visit: <https://fiscal.wa.gov/statebudgets/CapitalProjectListDistrictSupp>



## KEY LEGISLATION I PROPOSED THIS SESSION

Most people think the Legislature debates ideas and advances the best ones. But when one party controls the process, they decide what gets heard. Opposing ideas get shut out, and that means less discussion, less debate, and weaker policy. That's not good government.

The bills below are serious proposals I introduced this session – real solutions developed with agencies, businesses, and community members. Some were never considered, not because they weren't good ideas, but because they weren't allowed forward.

I'll keep advancing these ideas. They're worth fighting for, and Washington deserves better.

### **SB 5002: Strengthening immigration enforcement cooperation**

Requires coordination with federal agencies and bans sanctuary policies.

### **SB 5012: Protecting fairness in school athletics**

Establishes clear participation standards and accountability for student athletic programs.

### **SB 5020: Helping seniors stay in their homes**

Eliminates property taxes for homeowners age 75 and older on their primary residence.

### **SB 5073: Protecting transportation funding**

Keeps vehicle-related tax dollars focused on roads and highway improvements.

### **SB 5339: Stabilizing minimum wage increases**

Prevents automatic state and local increases by tying future wage growth to federal action.

### **SB 5340: Cutting taxes on everyday essentials**

Ends sales tax on bottled water, prepared food, and clothing.

### **SB 5532: Protecting children in custody cases**

Strengthens court standards, training, and evidence requirements to better protect children in cases involving abuse or domestic violence.

### **SB 5533: Child custody and domestic violence**

Includes a parent's history of domestic violence in custody decisions.

### **SB 5538: Addressing unlawful property occupation**

Authorizes law enforcement to remove unauthorized occupants from homes.

### **SB 5665: Strengthening reporting of child sexual abuse**

Expands reporting requirements and improves tracking of abuse cases in schools.

### **SB 5776: Expanding access to affordable homeownership**

Reduces taxes, fees, and permitting costs to encourage construction of smaller, affordable homes.

### **SB 5817: SECURE Act**

Strengthens elections by adding voter ID, verifying citizenship, and auditing registration systems.

### **SB 5830: Protecting against politically motivated hate crimes**

Adds political affiliation to existing hate crime protections.

### **SB 5846: Increasing oversight of sex offender placements**

Expands community notification and tightens restrictions on less restrictive alternative placements.

### **SJM 8013: Protecting salmon from predators**

Urges federal action to allow removal of sea lions and predatory birds to support salmon recovery.

## BAD BILLS WE STOPPED

It's not all bad news. With a lot of hard work, we were able to stop several harmful policy ideas this session. Pushing back on costly, misguided policies is an important part of protecting taxpayers and keeping government in check.

**SB 5312:** "Net Nanny" sex offender leniency

**SB 5360:** Environmental crimes

**SB 5382:** Initiative Killer 2.0

**SB 5596:** Shutting down interstate teacher mobility

**SB 5861:** Changing school district elections

**SB 5875:** School district liability

**SB 5910:** Allowing schools to explain ballot propositions

**SB 5926:** Daycare anti-transparency

**SB 5942:** Reduction of DCYF oversight

**SB 5943:** Unconstitutional school impact fee

**SB 5945:** Weakening three strikes law by removing juvenile offenses

**SB 6045:** Farmworker collective bargaining

**SB 6062:** Expanding community placement of juvenile offenders

**SB 6147:** Preventing grocery store closures

**SB 6159:** Rural health care deterioration

**SB 6261:** Signed declarations of intent for home schooling

**SB 6320:** Reduction/elimination of funding for online schools

**SJR 8200:** Constitutional amendment lowering bond-voting limit

**HB 1574:** Allowing health care facilities to distribute drug paraphernalia

**HB 2095:** Presumption of negligence in accidents injuring someone using a public way

**HB 2333:** Public and campaign funds for personal security of legislators

## TAX BILLS THAT DIED

**SB 5762:** 988 line tax

**SB 5808:** Insurance carrier tax

**SB 5832:** Increasing arbitration of new vehicle purchases

**SB 6114:** Defining "fixtures" for excise tax purposes

**SB 6129:** Cigarette/vape tax

**SB 6256:** Unoccupied housing tax

**SB 6353:** Working connection child care program modification

**HB 2745:** Increasing health insurance premium taxes to fund premium assistance

# Senator Phil Fortunato

P.O. Box 40431  
Olympia, WA 98504-0431

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## SENATOR PHIL FORTUNATO • 31ST LEGISLATIVE DISTRICT • 2026 LEGISLATIVE REVIEW

### WANT TO HEAR WHAT HAPPENED DURING THE 2026 LEGISLATIVE SESSION?

**COME JOIN ME AT ONE OF MY TOWN HALLS IN EDGEWOOD,  
BONNEY LAKE AND SUMNER, BUCKLEY, OR ORTING.**

I'll walk through what took place this year, including the bills that passed and the ones that didn't, and what it all means. More importantly, I want to hear from you, your thoughts on state government, what you're seeing in your community, and what you think needs to change.



**Edgewood:** Wednesday, April 22 | 6–8 p.m. at Edgewood City Hall, 10440 Dom Calata Way E., Edgewood

**Bonney Lake/Sumner:** Tuesday, April 21 | 6–8 p.m. at Bonney Lake Senior Center, 19304 Bonney Lake Blvd. E., Bonney Lake

**Buckley:** Tuesday, April 28 | 6–8 p.m. at Buckley Hall, 127 N. River Road, Suite 117, Buckley

**Orting:** Wednesday, April 29 | 6–8 p.m. at City of Orting Multi-Purpose Center, 202 Washington Ave. S., Orting