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Washington State Senate

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April 23, 2025

The Honorable Governor Bob Ferguson The Office of the Governor PO Box 40002 Olympia, WA 98504-0002

Dear Governor Ferguson,

We have appreciated your continued guidance regarding development of an operating budget for the 2025-27 biennium.

The budget principles you offered in January indicated where we would find common ground with your administration. They and the \$4 billion in budget savings you proposed later were very helpful in developing the no-new-taxes "\$ave Washington" budget we introduced March 11, which is now Senate Bill 5810.

We also welcomed the clarity you provided April 1 regarding the sheer volume of new taxes in the budgets adopted by the Senate and House majorities, and their heavy reliance on the so-called "wealth" tax – the novel and untested property tax on financial intangibles. Those were major concerns for us as well.

However, we were more troubled by the proposed tax increases on real property, as they would hit working families harder than the "wealthiest" in our state who have been publicly targeted by the legislative majority.

For that reason, we were greatly encouraged to hear you say, in a recent television interview, that the most important thing is to "adopt a balanced budget...that makes sure that we don't increase taxes on working families..." while also preparing our state for whatever may come from Washington, D.C.

The majority doesn't seem to agree. It is now pursuing a sales-tax increase (SB 5814 / HB 2083) in addition to legislation to allow larger school levies – meaning higher property taxes (HB 2049 / SB 5812). Each would not only increase the tax burden on working families but also do so disproportionately.

Besides your public stand against more taxes on working families, you also have stated on the record recently that \$12 billion in new taxes is too much.

The majority's tax bills are continuing to evolve. Even so, they likely will total more than \$12 billion (over the four-year budget outlook) when the state and local impacts are combined, if adopted in their current form – and a working family's budget is affected by local taxes as much as state taxes.

All of this would be avoided by our "\$ave Washington" budget, which anticipated the budget priorities you shared April 1. It protects the Budget Stabilization Account ("rainy-day" fund); is based on realistic revenue projections; minimizes new spending; achieves substantial savings; does not rely on a potentially unconstitutional tax; and invests \$100 million toward law-enforcement hiring.

Our budget doesn't raise taxes on working families, or anyone else in our state, yet it also does not cut a single core service on which working families rely. The Senate majority has had two opportunities to consider this sustainable budget, but its members simply voted no, without any meaningful debate of its merits.

Republicans have had some success in recent days at whittling down the size of the tax increases sought by the majority. Still, we predict that when a new budget proposal emerges from behind closed doors, perhaps as late as the 104th day, it will require many billions of dollars in new taxes to balance.

Some of those new taxes will likely fall on families at every income level, including Washington's working families. We will fight against these increases, but we expect you will become the final line of defense. That's a position we know well from the previous eight legislative sessions.

As the authors of the budget that is closest to your publicly stated standards, we remain ready to offer our assistance to help reach a final agreement that supports the priorities we share and puts people before politics.

Sincerely,

Chris Hildon

Senator Chris Gildon 25th Legislative District

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Senator Nikki Torres 15th Legislative District