



# 2026 LEGISLATIVE AGENDA

## WASHINGTON ECONOMIC DEVELOPMENT ASSOCIATION (WEDA)

### *Working Together for Economic Vitality & Opportunity Across Washington*

During these increasingly complex and challenging times, communities across Washington need strong partnership with the State as they continue to face challenges growing jobs and addressing affordability for residents and employers. Business competitiveness in Washington has been threatened with historic state tax increases, difficult regulations and the uncertainty of federal tariffs and the loss of federal contracts/funding. Serious equity gaps with access to capital and resources in underserved communities, including rural areas, persist. We are losing business recruitment and expansion opportunities due to energy capacity needs and infrastructure gaps. Building economic vitality and opportunity across all of Washington will continue to take intentional work, strategic partnerships and smart investments. Now more than ever, Washington State needs to establish a bold vision and thoughtful statewide economic development strategic plan that aligns with regional and local strategies; WEDA stands ready to help lead and support action.

As Washington State's **only** trade association laser-focused on economic development, WEDA is committed to retaining, recruiting and expanding jobs and fostering investment across all of Washington. Economic Development returns critically-needed revenue for the State and communities; reductions to the economic development ecosystem and toolbox only result in lost opportunities for revenue, employers, workers and families.

WEDA's 2026 Legislative Agenda focuses on the actions lawmakers must take to help communities statewide grow family wage jobs, foster vibrant and resilient communities, support opportunity for all, increase business competitiveness and spark investment.

#### **WEDA'S TOP 2026 LEGISLATIVE PRIORITIES:**

- 1. Strengthen the Economic Development Ecosystem**
- 2. Support Catalysts & Climate for Business Competitiveness**
- 3. Increase Economic Vitality for All of Washington**

WEDA's over 185 member organizations includes cities, counties, ports, economic development councils, tribes, business, education/workforce and community-based organizations that prioritize economic development. WEDA's strategic goals are to empower communities across Washington with tools to foster economic vitality and opportunity, assisting employers large and small in competing globally and growing jobs, while supporting inclusive economic development.

# WEDA'S TOP 2026 LEGISLATIVE PRIORITIES

## 1. *Strengthen the Economic Development Ecosystem*

WEDA believes a robust economic development ecosystem at the state, regional and local levels is crucial for sustained economic vitality, resilience and job growth.

### 2026 LEGISLATIVE REQUESTS

- Support state-level leadership & funding for economic development, including the establishment of a collaboratively-developed statewide economic development plan, and strong Business Recruitment, Retention & Expansion + programs to foster innovation and entrepreneurship.
- Protect funding for regional capacity to coordinate and deliver economic development services. Long-term, pass “trailer bill” to address problems with the ADO bill, SB 5677 (2025).

Governor Booth Gardner created the “Team Washington” network in 1985 and 40 years later, 35 high performance regional economic development organizations serve all 39 counties and underpin the State’s economic development initiatives. These economic development organizations, called Associate Development Organizations-ADOs (or Economic Development Councils-EDCs), enhance economic development service delivery and deliver results statewide through public-private, state-regional-local partnerships. ADOs have a mission of *confidential, client-based* economic development that public-private partnerships are uniquely equipped to provide. ADOs are a proven, accountable, cohesive and intergovernmental network that covers the entire state. However, state funding reductions in 2025 have hampered this partnership.

The collective results from these entities are outstanding. Over the last five years, local ADO/EDC partners have helped over 588 businesses expand or develop new facilities and assisted 1,207 startups. These companies have invested over \$11.7 billion in land, buildings and equipment. These growing businesses have created over 19,538 new jobs and retained over 22,072 jobs. ADO business clients generate over \$100 million in new tax revenues for Washington State and local communities annually.

Through the COVID-19 pandemic and beyond, ADOs have shouldered significant *new* responsibilities, providing locally-driven resources and tools to employers across the state, rapidly responding to business and community leaders to recover and grow jobs. ADOs continue to work with Commerce and many others on strategies to address gaps in access to capital with increased outreach, capital and technical assistance and efforts to stimulate markets in underserved communities.

Beyond the legislative restoration of prior severe state funding reductions from the Great Recession and one-time only funding during the pandemic and partial investment in all but the three largest counties in 2024, ADO funding levels have remained stagnant for almost 15 years, *and they were significantly reduced in 2025*. Despite significant additional responsibilities and challenges retaining and recruiting staff, ADOs do not receive any Cost-of-Living, inflation or annual population adjustments. Long term, additional ADO funding is critical if Washington wants to grow jobs, retain and expand existing firms, recruit new business, support key industry clusters and support an equitable economy and inclusive economic development. Every state dollar leverages a match of at least six dollars from other public and private sources.

**Recognizing fiscal constraints in the 2026 session, WEDA supports protection of existing ADO funding. Long-term, WEDA will advocate for passage a “trailer bill” to fix problems with SB 5677 (2025) and a return to at least the State’s \$5 million (annual) prior investment into the ADO partnership. Additional resources would catalyze important ADO initiatives fostering innovation, sustainability, partnerships and equity (including rural).**

## 2. Support Catalysts & Climate for Business Competitiveness

WEDA supports investments in infrastructure and programs that catalyze business retention, expansion and recruitment at the regional and local levels – and a fiscal and regulatory environment that fosters business competitiveness.

### 2026 LEGISLATIVE REQUESTS

- Oppose additional taxation on employers that hinders economic growth, and increased regulation which undermines business competitiveness; support permit streamlining
- Protect the TIF for Jobs tool (2021) now being employed/explored by over 25 jurisdictions
- Support site readiness programs, and the creation of a site certification program
- Support state public works programs designed to help expand businesses including: Community Economic Revitalization Board (CERB), Public Works Trust Fund & Tran. Imp. Board
- Support broadband and clean energy capacity initiatives and investment
- Support and protect investments in road, rail and transit infrastructure, maintenance and services to move people and freight more efficiently
- Support the Economic Development Strategic Reserve Fund
- Protect targeted incentives to foster innovation clusters and private investment

Employers need a predictable fiscal and regulatory environment to be competitive, and to protect and grow jobs. The 2025 state legislative session was one of the most consequential for businesses ever, with passage of the largest tax increases in history. As Washingtonians struggle with rising inflation, affordability challenges and economic uncertainty, these massive tax increases are hitting businesses and the communities they serve hard. The cumulative impact of the new taxes and regulations is a climate of uncertainty for employers, particularly small businesses. There is also confusion about how new taxes are being implemented. If Washington is to remain a place where economic opportunity, innovation and entrepreneurship thrive, lawmakers must prioritize tax and regulatory reform that supports employers rather than so significantly burdens them.

Washington also has certain key tax policies that lead to job retention, expansion and recruitment, including Business & Occupation (B&O) tax credits and incentives for trade and logistics, food processing and agriculture. These key tax policies should be maintained so jobs are not lost.

The COVID-19 crisis heightened awareness that small businesses are the backbone of our economy, creating two-thirds of net new jobs and anchoring the vibrancy of business districts. Small businesses including microenterprises need a strong ecosystem of technical assistance, capital and new tools to pivot and grow. State funding reductions in small business programming and technical assistance have undermined small business retention and growth.

**WEDA opposes increased taxation on employers and supports permit streamlining/efficiency initiatives that increase predictability in development. State legislative action and agency rule proposals should address their impact on economic development and business competitiveness and be carefully crafted to avoid stifling competition and investment.**

Adequate reliable, modern infrastructure is also critical for successful economic development. Underpinning all commerce is physical infrastructure: roads, transit, airports, railroads, water/sewer, broadband and energy. Public investments in infrastructure create construction jobs, set the stage for future private investment and shape an area's prospects for generations. Responding swiftly to unforeseen infrastructure needs of new or relocating businesses is also crucial to economic development. Washington State's economic future depends on both infrastructure capacity and the wise stewardship of these resources, *particularly as capacity challenges increase*.

**WEDA supports tools and programs that fund infrastructure which enables economic development, encourages out-of-state public and private investment and improves the State's competitiveness.**

### 3. Increase Economic Vitality for All of Washington

WEDA supports policies and investments that ensure that all parts of the state, and all people, benefit in economic growth through inclusive economic development. The economic vitality of rural and underserved urban areas is critical to the long-term health of the entire state.

#### 2026 LEGISLATIVE REQUESTS

- **Protect the .09 percent Sales & Use Tax for Public Facilities and economic development activities in Rural Counties.** Rural counties in Washington have benefitted from up to a .09% “rebate” of locally generated state sales & use tax for over twenty years. This tool helps build critical infrastructure, attract new industry, diversify economies and create and retain jobs.
- **Protect Inclusion investments** in outreach and assistance programs for equitable and inclusive economic development to ensure that historically disadvantaged businesses, particularly underserved and underrepresented communities statewide, have equal opportunity to achieve economic prosperity.

Many rural and underserved communities continue to struggle without adequate access to capital and resources. This has negative impacts on communities’ broader ability to grow their tax base and provide basic government services. WEDA supports strategies to address equity gaps with increased outreach, capital, tools and technical assistance and efforts to stimulate markets in underserved communities, including rural, which face unique capacity and capital gaps.

#### ADDITIONAL WEDA PRIORITIES

**Workforce Development:** In a global economy, human capital is an essential ingredient that drives business innovation, growth and competitiveness. WEDA supports Washington’s 12 Local Workforce Development Boards which meet talent pipeline needs with innovative, data-driven solutions. WEDA supports resources that offer regions flexibility to implement programs and strategies to address the myriad workforce challenges faced by historically disadvantaged communities, low-income populations and emerging industry sectors, including the Economic Security for All (EcSA) program. Maintaining funding for EcSA (Employment Security Department and Department of Commerce request) is critical for Local Boards to leverage resources to help provide a quality workforce through reskilling and reemployment to move people out of poverty and into self-sufficiency. Other important workforce programs include the Job Skills Program, Customized Training, Apprenticeships, One-Stop WorkSource Centers, work-based learning and reskilling.

WEDA also supports the preservation of and growth of state funding for Washington’s community colleges and public four-year universities. Maintaining investments in post-secondary education and producing a highly skilled workforce are vital for economic development, and Washington is falling terribly short at meeting employers’ needs of 70% post-secondary attainment by our students (*current level is just 61%*). Talent development starts with strong early learning, a robust K-12 system and completion with credentials from the State’s top-quality educational institutions and internationally recognized research universities. We also face severe childcare capacity gaps that must be addressed to support early child development and working families. Our education systems can’t be taken for granted and need sustainable funding and support.

**Housing Affordability & Supply:** WEDA will support legislation to improve housing affordability and expand opportunities for housing at all income levels, particularly workforce and attainable housing.

**Clean/Green Economy:** WEDA supports programs, funding and incentives to create jobs in the Clean Economy including the circular economy, hydrogen, fusion, fission, solar, wind and other renewable technologies including industrial symbiosis while also maintaining a balanced approach.