

Washington's 2025 Legislative Session

Impact Analysis and End of Session Report

Prepared for the Washington State Bowling Proprietors Association

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Executive Summary

The 2025 Washington State legislative session concluded on Sunday, April 27, 2025, marking the end of the scheduled 105-day regular session. This white paper summarizes the key outcomes and legislative changes that will impact bowling centers across Washington state.

The legislature adopted a \$77.8 billion biennial operating budget for 2025–27, closing a projected \$16 billion shortfall through a combination of spending reductions, new tax measures, and policy adjustments. Several new laws will directly affect bowling business operations, particularly regarding licensing fees, taxes, and regulatory compliance.

Key Impacts for Bowling Centers:

- 50% increase in alcohol license and permit fees (SB 5786)
- 6.16% increase in retail B&O tax rates (from 0.471% to 0.5%)
- 30% increase in B&O tax on "contest of chance" activities (from 1.5% to 1.8%)
- New sales tax on business services (IT, marketing, staffing)
- Expansion of Paid Family & Medical Leave requirements to smaller businesses
- New unemployment benefits for striking workers
- Extended Producer Responsibility requirements for packaging and recycling

Budget

The 2025 Legislative Session officially adjourned at 6:30 p.m. on Sunday, April 27, completing its scheduled 105-day session. The Legislature avoided a special session by agreeing on a budget proposal. Governor Bob Ferguson has reviewed the bills that passed both chambers and had until May 20 to act on them, including signing them into law, vetoing them entirely, vetoing specific sections, or taking no action (in which case the bill becomes law automatically).

\$77.8B

Operating Budget

9% increase from current biennium

\$15.5B

Transportation Budget

Includes 6-cent gas tax increase

\$7.5B

Capital Budget

Construction & infrastructure projects

Legislative Session Overview

Session Duration: 105 days

Bills Introduced: 1,264

Bills Passed: 383

Operating Budget: \$77.8 billion

New Revenue Measures: ~\$8.7-9.5 billion

Governor's Action Deadline: May 20, 2025

Bills That Passed and Await Governor's Action

The following bills have passed both chambers of the legislature and have been delivered to the Governor for consideration. Each bill is assessed for its impact on bowling centers.

SB 5786 - Alcohol License Fee Increases

HIGH IMPACT

Status: Passed both chambers, signed by the Governor (May 17, 2025)

This bill increases all categories of alcohol-related license and permit fees by 50%, directly affecting bowling centers that serve alcohol:

- Beer and wine licenses typically held by bowling centers will increase from \$400 to \$600
- All categories of liquor license fees for on-site sales will increase by 50%
- Application fees for both new and renewal licenses will also increase by 50%

Impact on Bowling Centers: Immediate cost increase for all bowling centers with liquor licenses

HB 2081 - Business & Occupation Tax Changes

HIGH IMPACT

Status: Passed both chambers, signed by the Governor (May 20, 2025)

This legislation raises several business tax rates that will affect bowling businesses:

- Retail B&O tax increase of 6.16%: From 0.471% to 0.5% starting in 2027
- 30% B&O tax increase on "contest of chance" activities (gaming, pull tabs, etc.): From 1.5% to 1.8%
- 5% surcharge on qualifying large businesses (sales > \$250M) — may impact supplier costs

Impact on Bowling Centers: Significant tax increase for centers offering gaming activities; moderate impact on general retail operations starting in 2027

SB 5814 - Sales Tax Extension to Services

MEDIUM IMPACT

Status: Passed both chambers, signed by the Governor (May 20, 2025)

SB 5814 extends state sales tax to a wider range of professional and technical services that bowling centers commonly utilize:

- IT support & software development
- Digital & advertising agency services
- Temporary staffing and security
- Custom website development

This change will increase business input costs starting in October 2025.

Impact on Bowling Centers: Higher costs for essential business services

SB 5041 - Unemployment Insurance for Striking Workers

MEDIUM IMPACT

Status: Passed both chambers, signed by the Governor (May 19, 2025)

This bill provides up to 6 weeks of unemployment insurance benefits to workers on strike or locked out. The final version passed after a conference committee reconciled differences between the House and Senate versions.

- A two-week waiting period applies before benefits can be received
- Benefits are capped at 6 weeks maximum
- Costs are charged to the employer's unemployment insurance experience rating

Impact on Bowling Centers: Potential indirect effect on labor relations and possible increase to unemployment insurance costs if labor disputes occur

HB 1213 - Paid Family & Medical Leave Expansion

MEDIUM IMPACT

Status: Passed both chambers, signed by the Governor (May 17, 2025)

This legislation expands Washington's Paid Family and Medical Leave program:

- Lowers the small business exemption threshold for job protection requirements over the next three years:
 - Applies to employers with 25+ employees in 2026
 - Applies to employers with 15+ employees in 2027
 - Applies to employers with 8+ employees in 2028
- Eliminates the stacking provision that previously allowed employees to take both federal and state leave concurrently, potentially totaling 24-26 weeks
- Provides a new grant program for small businesses with fewer than 50 employees to cover replacement employee costs (\$3,000 check)

Impact on Bowling Centers: Smaller bowling centers will gradually become subject to FMLA requirements with job protection obligations and continuation of healthcare benefits

SB 5284 - Extended Producer Responsibility (EPR)

MEDIUM IMPACT

Status: Passed both chambers, signed by the Governor (May 17, 2025)

Washington is now the 7th state to require packaging producers to pay for and manage recycling and waste reduction for consumer product packages:

- A Producer Responsibility Organization (PRO) must be chosen by January 1, 2026
- First EPR reporting requirements and changes take effect in 2027
- An exemption was secured for businesses with under \$5 million in annual revenue (excluding alcohol sales) until 2031

Impact on Bowling Centers: New compliance requirements for centers with food service operations, though smaller centers may benefit from the exemption

SB 5492 - Tourism Promotion

POSITIVE IMPACT

Status: Passed both chambers, signed by the Governor (April 30, 2025)

This bill establishes funding for tourism marketing and promotion in Washington State. Funding of \$9 million per biennium was secured, sustaining pre-pandemic levels.

Impact on Bowling Centers: Potential positive impact through increased tourism and visitation, especially for centers in tourist areas

EHB 1602 - Liquor Food Service Options

MEDIUM IMPACT

Status: Passed and became Chapter 141, Laws of 2025

The bill allows businesses holding certain liquor licenses to subcontract their food service operations to third parties rather than being required to manage food service themselves.

Impact on Bowling Centers: May provide flexibility in licensing requirements for bowling centers wishing to outsource food services.

Alcohol Delivery Laws Expiration

MEDIUM IMPACT

Status: Set to expire July 1, 2025

The temporary alcohol delivery provisions established under Senate Bill 5448 (2023) are scheduled to expire on July 1, 2025. Despite being on the WSBPA's legislative priorities list, no legislation was passed during the 2025 session to extend these provisions.

Impact on Bowling Centers: Reduction in service offerings for centers that have adopted alcohol delivery

Bills That Failed or Did Not Pass

The following bills and issues did not advance during the 2025 session, sparing bowling centers from additional costs or regulations.

Minimum Wage & Labor Cost Bills

POSITIVE OUTCOME

Bills: SB 5578, HB 1764, HB 1181

Several bills that would have accelerated minimum wage increases beyond the current schedule failed to advance, representing a positive outcome for bowling center operators. These bills included proposals that would have:

- Immediately raised the state minimum wage well above the current inflation-adjusted rate
- Eliminated key scheduling flexibility provisions for service industry employers
- Imposed new overtime requirements on small businesses
- Required additional paid leave beyond existing mandates

The WSBPA had actively advocated for more gradual, predictable minimum wage increases and the establishment of a tip credit system similar to those used in most other states. The failure of these accelerated wage bills allows bowling centers to maintain current labor cost projections based on the existing inflation-adjusted minimum wage schedule rather than facing sudden, significant labor cost increases that would have required immediate price adjustments for consumers.

Impact on Bowling Centers: Avoided potential steep labor cost increases that would have disproportionately affected labor-intensive businesses like bowling centers

BAC Reduction

POSITIVE OUTCOME

Bills: SB 5067 & HB 1426

These bills would have reduced the legal blood alcohol concentration (BAC) limit from 0.08 to 0.05, making Washington the second state after Utah to implement such a strict standard. The proposals failed to advance through the legislature.

Lowering the BAC limit would have significantly impacted alcohol service at bowling centers, potentially reducing sales and increasing liability concerns for establishments serving alcohol.

Impact on Bowling Centers: Avoided increased liability risk and potential reduction in alcohol sales

Liquor Liability Expansion

POSITIVE OUTCOME

Bill: HB 1977

This bill would have expanded liability for establishments serving alcohol, making it easier to hold businesses responsible for incidents even when customers showed no visible signs of intoxication. The legislation did not advance.

Impact on Bowling Centers: Avoided increased legal exposure and potential insurance premium increases for centers serving alcohol

Beer & Wine Tax Increase

POSITIVE OUTCOME

Bill: HB 2079

This proposal would have increased taxes on beer and wine products, potentially requiring price increases that would be passed on to customers. The bill failed to pass.

Impact on Bowling Centers: Avoided higher product costs for beer and wine that would have necessitated menu price increases or reduced margins

Repeal of Syrup Tax Exemptions

POSITIVE OUTCOME

Bill: HB 1995

This bill would have repealed tax exemptions for syrups used in fountain drinks, increasing costs for bowling centers that offer soft drinks. The legislation did not advance.

Impact on Bowling Centers: Maintained current tax exemptions for syrups used in soft drink dispensing systems

Bottle Deposit Requirement

POSITIVE OUTCOME

Bill: HB 1607

This bill would have established a container deposit system similar to Oregon's, requiring businesses to collect and refund deposits on beverage containers. This failed to pass.

Impact on Bowling Centers: Avoided administrative burden and space requirements for managing container deposits and returns

Other Failed Proposals Beneficial to Bowling Centers

POSITIVE OUTCOME

- **Credit Card Fees (SB 5070 & HB 1623):** Would have restricted the ability to charge credit card processing fees to customers
- **Sales Tax Prepayment (SB 5814):** Would have required large businesses to prepay sales tax
- **Road Usage Charge (SB 5726 / HB 1921):** Would have established a per-mile tax on vehicles
- **Lead in Cookware (SB 5628):** Would have imposed new restrictions on cookware containing lead
- **Recycling Mandates (HB 1071):** Would have created new recycling requirements for businesses

Impact on Bowling Centers: Avoided various new compliance requirements and operational restrictions

Ongoing Legislative Priorities for WSBPA

The WSBPA continues to focus on the following priority areas for future legislative sessions:



Tax Relief and Regulatory Fairness

Seeking equitable treatment compared to other entertainment businesses and advocating for tax breaks on equipment investment. The WSBPA will oppose additional tax burdens that disproportionately impact bowling centers and seek competitive parity with other entertainment options.



Labor and Employment Policies

Pursuing more gradual minimum wage increases and advocating for a tip credit system like those implemented in most other states. The WSBPA will educate lawmakers about the labor-intensive nature of bowling centers and the impact of rapid labor cost increases on business viability.



Business Operations Modernization

Making alcohol-to-go laws permanent and expanding food and alcohol service options. With the temporary alcohol delivery provisions set to expire in July 2025, the WSBPA will advocate for modernization of alcohol laws to allow bowling centers to compete with other entertainment venues.



Emergency Preparedness

Limiting emergency powers for business closures and strengthening pandemic recovery programs. The WSBPA to develop proposals for safely operating during public health emergencies and limiting unilateral powers for extended business restrictions.

Conclusion

The 2025 Legislative Session resulted in several new financial burdens for bowling centers, particularly in the form of increased alcohol licensing fees, higher B&O tax rates, and new sales taxes on business services. While some potentially harmful legislation was defeated, the industry will face higher operational costs as a result of this session's actions.

WSBPA members should prepare for these increased costs and compliance requirements while continuing to advocate for industry priorities in future legislative sessions. The association recommends that bowling center operators:

- Budget for the 50% increase in alcohol license fees
- Prepare for the retail B&O tax increase from 0.471% to 0.5% (a 6.16% increase)
- Review contracts with service providers likely to be affected by the new sales tax on services
- Evaluate staffing policies to prepare for expanded Paid Family & Medical Leave requirements
- Determine if your center qualifies for the small business exemption under the new Extended Producer Responsibility law

The WSBPA will continue to advocate for bowling centers at the state level and provide updates as the Governor takes action on pending legislation.

Washington State Bowling Proprietors Association

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