

SENATE BILL REPORT

SB 6076

As of February 1, 2024

Title: An act relating to granting local taxing authority to fund criminal justice.

Brief Description: Granting local taxing authority to fund criminal justice.

Sponsors: Senators Keiser, Lovick and Van De Wege.

Brief History:

Committee Activity: Ways & Means: 2/01/24.

Brief Summary of Bill

- Allows until January 1, 2027, a county legislative authority to impose the public safety sales and use tax without voter approval.
- Allows until January 1, 2027, a city within a county that has not imposed the public safety sales and use tax at the full rate by July 1, 2024, to impose the remainder of the tax up to the full rate without voter approval.
- Adds responder and diversion treatment services as an allowable use of funds for purposes of the criminal justice sales and use tax.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Alia Kennedy (786-7405)

Background: Retail Sales and Use Tax. Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use tax applies to the value of property, digital product, or service when used in this state. The state, all counties, and all cities levy retail sales and use taxes. Some other

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local government entities and special purpose districts also impose sales and use taxes for specific purposes. The state sales and use tax rate is 6.5 percent; local sales and use tax rates vary from 0.5 percent to 3.9 percent, depending on the location.

Public Safety Sales and Use Tax. Any city or county may impose a public safety sales tax with at least one-third of the revenues used solely for criminal justice purposes, fire protection purposes, or both. The remaining two-thirds may be used for any lawful governmental purpose. The tax requires voter approval at a primary or general election. The maximum rate is 0.3 percent for counties and 0.1 percent for cities. All revenue from the sales and use tax must be shared between the county and cities. However, the combined city/county rate may not exceed 0.3 percent. The tax does not apply to sales of motor vehicles or the first 36 months of a motor vehicle lease.

Criminal Justice Sales and Use Tax. In addition to the public safety sales and use tax, counties may impose an additional sales and use tax for criminal justice purposes. Criminal justice purposes are activities that substantially assist the criminal justice system, including domestic violence services and local government programs that reduce the numbers of people interacting with the criminal justice system by reducing homelessness or improving behavioral health. Cities do not have the authority to impose the tax, but the revenues must be shared with the cities within the county on a per capita basis. The tax is 0.1 percent and does not require voter approval.

Summary of Bill: Public Safety Sales and Use Tax. Until January 1, 2027, a county may impose the public safety sales and use tax without voter approval. If a county has not imposed the tax at the full rate of 0.3 percent by July 1, 2024, then, until January 1, 2027, a city within the county may impose the remainder of the tax up to the maximum rate without voter approval. The total combined rate of the tax may not exceed 0.3 percent.

If the tax is imposed by ordinance, instead of by voter approval, then all of the revenue from the tax must be used for criminal justice purposes. The total amount of funding put toward criminal justice purposes must be higher after the imposition of the tax than it was prior to the tax being imposed.

The definition of criminal justice purposes is removed.

Criminal Justice Sales and Use Tax. The definition of criminal justice purposes includes co-responder and diversion treatment services.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.