
Finance Committee

HB 1095

Brief Description: Incentivizing cities and counties to attract and retain commissioned law enforcement officers.

Sponsors: Representatives Walen, Salahuddin and Reeves.

Brief Summary of Bill

- Authorizes counties and cities to impose a sales and use tax of 0.10 percent credited against the state rate for attracting and retaining law enforcement officers, criminal justice purposes, or other purposes.

Hearing Date: 2/21/25

Staff: Kristina King (786-7190).

Background:

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 are not collected when the user acquires 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. The state sales and use tax rate is 6.5 percent; local sales and use tax rates vary from 0.5 percent to 4.1 percent, depending on the location.

Local Sales and Use Taxes.

There is a basic 0.5 percent sales and use tax and an optional 0.5 percent sales and use tax. The revenues from these two sales and use taxes are unrestricted and may be used for any lawful

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government purpose. When both the city and the county impose the basic sales and use tax, the county must credit back the full amount of the city's basic sales and use tax so that the combined rate does not exceed 0.5 percent. However, the first 15 percent of the basic sales and use tax collected within the city must be distributed to the county. This is also the case with the optional sales and use tax. There are other optional sales and use taxes that may be imposed; however, the revenues from these sales and use taxes are restricted to specific purposes. For example, the cultural access program sales and use tax of 0.1 percent must be used to benefit or expand access to nonprofit cultural organizations. Many of the optional local sales and use taxes require voter approval.

There are also local option sales and use taxes that may be credited against the state portion of the sales tax. This means that the consumer will not pay more sales tax when the local government levies the sales and use tax. Instead, the state collects less revenue as its rate is reduced. Local option sales and use taxes credited against the state portion include the affordable housing sales and use tax and the rural county public facilities district sales and use tax.

A local option criminal justice sales and use tax may be imposed by any county; however, the revenue must be shared with cities. Ten percent of the revenue is distributed to the county, while the remaining 90 percent is shared between the county and its cities on a per capita basis. The imposition of this tax does not require voter approval. The criminal justice sales and use tax rate is 0.1 percent, and the revenues must be used for criminal justice purposes. Criminal justice purposes mean activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice system occurs, and which includes domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates.

The Washington State Criminal Justice Training Commission.

The Washington State Criminal Justice Training Commission (CJTC) provides education and training to law enforcement and correctional officers, including the Basic Law Enforcement Academy and the Corrections Officers Academy. The CJTC also has the authority to certify and decertify peace officers and corrections officers.

Summary of Bill:

A legislative authority of a county or a city may impose a sales and use tax at a rate of 0.10 percent credited against the state rate. At least 50 percent of the revenue received from the imposition of the tax must be used for attracting and retaining additional commissioned law enforcement officers. The remaining percentage of revenue received may be used for criminal justice purposes. If a county and a city within that county both impose the sales and use tax, the city tax is credited against the county tax.

The date that counties and cities may impose the sales and use tax is based on population as follows:

- by January 1, 2026, all counties and cities with a population of 50,000 or less;
- by January 1, 2027, all counties and cities with a population between 50,000 and 175,000;
and
- by January 1, 2028, all counties and cities.

Additionally, a provision is removed regarding the reimbursement of the Washington State Criminal Justice Training Commission by county, city, or state law enforcement agencies for 25 percent of the cost of necessary facilities, supplies, materials, and the board and room of noncommuting attendees for seven days per week for the 2017-19, 2019-21, 2021-23 biennia and fiscal year 2024.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.