
Finance Committee

HB 1896

Brief Description: Increasing local law enforcement officers by authorizing a local sales and use tax credited against the state portion to hire additional officers and increasing the number of basic law enforcement courses offered by the criminal justice training commission.

Sponsors: Representatives Abell, Richards, Engell, Schmidt, Klicker and Jacobsen.

Brief Summary of Bill

- Authorizes a local option 0.1 percent sales and use tax for cities and counties to provide funding for additional commissioned law enforcement officers.
- Requires a minimum level of basic law enforcement training classes at the Washington State Criminal Justice Training Commission beginning with fiscal year 2026 and requires that the Legislature appropriate sufficient funding for this purpose.

Hearing Date: 2/21/25

Staff: Tracey Taylor (786-7152).

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 are not collected when the user acquires the property, digital product, or service, then use tax applies to the value of property, digital product, or service when used in this state.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

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.

Counties, cities, and towns were first granted the authority to impose a local sales and use tax in 1970. 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 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.

Criminal Justice Sales and Use Tax.

One local option sales and use tax is the criminal justice sales and use tax. The 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" means 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.

Public Safety Sales and Use Tax.

Another local option sales and use tax is the public safety sales and use tax. Any county may impose a sales and use tax of up to 0.3 percent with voter approval. Cities and towns may also

impose a public safety sales and use tax, with a lower maximum rate of 0.1 percent. However, the combined city and county rate may not exceed 0.3 percent.

If both the city and the county impose the public safety sales and use tax, the revenues must be shared; however, the distribution formula depends on which jurisdiction placed the issue on the ballot. The county retains 60 percent of any countywide public safety tax revenues, while the remaining 40 percent is distributed to the cities within the county on a per capita basis. If the city imposes a public safety sales and use and tax, the city retains 85 percent of the revenues and must share 15 percent with the county.

At least one-third of the revenue may be used for criminal justice purposes, fire protection purposes, or both. The remaining two-thirds are unrestricted and may be used for any lawful governmental purposes but must be spent in accordance with the purpose specified in the ballot measure.

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 county or city legislative authority may impose a sales and use tax of 0.1 percent for the employment of additional commissioned law enforcement officers. This tax is credited against the state sales and use tax. If a city and the county in which the city is located both impose the tax, the city sales and use tax must be credited against the county tax.

The Department of Revenue must perform the collection of the tax on behalf of the county or city at no cost to the county or city.

All revenues from the sales and use tax must be used solely for employing additional commissioned law enforcement officers. However, if the local commissioned rate per 1,000 population is greater than the national commissioned rate per 1,000 population, the city or county may use the money from the authorized tax for criminal justice purposes.

Beginning with fiscal year 2026, the CJTC must provide at least 27 basic law enforcement training classes. Beginning with fiscal year 2027, the CJTC must provide at least 28 basic law enforcement training classes each fiscal year. The Legislature must appropriate sufficient funding to the commission for this purpose.

Appropriation: None.

Fiscal Note: Available.

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