

HOUSE BILL REPORT

HB 2015

As Reported by House Committee On:
Finance

Title: An act relating to improving public safety funding by providing resources to local governments and state and local criminal justice agencies, and authorizing a local option tax.

Brief Description: Improving public safety funding by providing resources to local governments and state and local criminal justice agencies, and authorizing a local option tax.

Sponsors: Representatives Entenman, Reeves, Berg, Morgan, Santos, Pollet, Donaghy, Doglio, Salahuddin, Chase, Obras, Parshley, Walen, Stearns and Thai.

Brief History:

Committee Activity:

Finance: 2/24/25, 2/25/25 [DP].

Brief Summary of Bill

- Creates a Local Law Enforcement Grant Program to be administered by the Criminal Justice Training Commission.
- Creates the Supplemental Criminal Justice Account to disburse appropriated funds to qualified cities and counties.
- Authorizes a new local 0.1 percent sales and use tax for criminal justice purposes.

HOUSE COMMITTEE ON FINANCE

Majority Report: Do pass. Signed by 11 members: Representatives Berg, Chair; Street, Vice Chair; Chase, Mena, Parshley, Ramel, Santos, Scott, Springer, Walen and Wylie.

Minority Report: Do not pass. Signed by 4 members: Representatives Orcutt, Ranking

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.

Minority Member; Jacobsen, Assistant Ranking Minority Member; Abell and Penner.

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.

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.

Keep Washington Working Act.

In 2019 the Legislature passed the Keep Washington Working Act (KWWA), which made numerous changes to state law for the stated purpose of "ensuring the state of Washington remains a place where the rights and dignity of all residents are maintained and protected in order to keep Washington working."

The KWWA required the Attorney General's Office (AGO) to publish model policies, guidance, and training recommendations. The KWWA requires all Washington public schools, courthouses, publicly operated Washington health facilities, and Washington law

enforcement agencies to: (1) adopt policies consistent with those published by the AGO; or (2) notify the AGO that they are not adopting the necessary changes, state the reasons why they are not doing so, and provide the AGO with a copy of the agency's policies that ensure compliance with the KWWA.

In addition, state and local law enforcement agencies, school resource officers, and security departments may not provide information to federal immigration authorities for civil immigration enforcement or provide nonpublic personal information about an individual to federal immigration authorities in noncriminal matters unless required by law. Any person in state or local custody, including those in community custody or Department of Corrections (DOC) physical custody, must be informed of their right to refuse an interview by federal immigration enforcement authorities. The state must not accept language services, even at no cost, from federal immigration authorities. A person in DOC custody must be informed of their right to refuse early release for the purpose of deportation. The DOC may not take a person into custody, or hold someone in custody, solely for determining their immigration status, or based solely on a civil immigration warrant or immigration hold request.

In accordance with federal law, state or local agencies or officers may send and receive information to and from federal immigration authorities and exchange information with other federal, state, or local government agencies about immigration or citizen status of an individual.

Summary of Bill:

By June 30, 2027, the legislative authority of a city or county may impose a sales and use tax of 0.1 percent. The moneys from this tax must be used for criminal justice purposes.

The Supplemental Criminal Justice Account is created in the state treasury. Qualified cities and counties must receive quarterly distributions from the funds appropriated in the account. A qualified city or county means a city or county that imposes the new 0.1 percent sales and use tax authorized by this act and is approved for a local law enforcement grant from the CJTC. The moneys must be distributed on a per capita formula.

A Local Law Enforcement Grant Program is created and will be administered by the CJTC. Subject to the amounts appropriated, the Local Law Enforcement Grant Program is to provide direct support to local and tribal law enforcement agencies in hiring, retaining, and training law enforcement officers to increase community policing and public safety.

The CJTC must establish procedures and policies for submitting grant applications, which must be published on the CJTC website as well as publishing the criteria for evaluating and selecting grant recipients. The CJTC must create a grant application and require reports from grant recipients that must include certain metrics, including how funding impacts

retention rates and improved position vacancy rates and the percent of officer compliance with the CJTC's 40-hour crisis intervention team training and trauma-informed training.

In order to qualify for a grant, a local or tribal law enforcement agency must have:

- written and published policies consistent with the KWWA;
- written and published policies in compliance with all CJTC and AGO model policies for law enforcement including, but not limited to, use of force, duty to intervene, and canine;
- written and published policies and practices related to laws addressing firearm relinquishment pursuant to court orders and domestic violence 911 response requirements;
- an 80 percent officer compliance rate with the commission's 40-hour crisis intervention team training;
- a 100 percent officer compliance rate with trauma-informed training approved by the CJTC;
- disclosed the number of vacancies at the applying agency as of the time of application; and
- imposed the local 0.1 percent sales and use tax authorized by this act within the 2025-27 biennium.

Grant funding awarded to qualified local or tribal law enforcement agencies may only be used for:

- recruiting new law enforcement officers from the community in which the officer will be working;
- providing retention bonuses for new recruited law enforcement officers;
- funding use-of-force, de-escalation, crisis intervention, and trauma-informed training for newly hired officers; and
- funding broader law enforcement and public safety efforts.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) A lot of work has been done by the Legislature on the topics of police accountability, making sure our communities are safe, and defining what public safety looks like. Public safety does include police, but it also includes much more. This bill is the first step towards starting a conversation with the Governor's office regarding the Governor's request to spend \$100 million dollars for law enforcement. This issue must be examined

closely to ensure communities receive funding for not only police, but also for increased services for those who need assistance. Public safety is also housing the homeless, pursuing economic development in underdeveloped communities, and providing opportunities for young people through after-school and summer employment programs. There is a state budget deficit this year and that is why this bill includes the local-option tax component.

Washington ranks last in the number of law enforcement officers per capita in the country. The Governor is in support of this bill and hopes to continue to work with the Legislature as this bill advances. This bill will provide cities and counties with the opportunity to further invest in their communities while also creating a flexible grant program via the Criminal Justice Training Commission to assist local governments in hiring first responders. This bill will help all counties to continue to provide critical criminal justice services to their communities. This bill will particularly help King County as it faces a general fund deficit because the criminal justice system makes up 75 percent of King County's general fund expenditures.

This bill is a compilation of the best parts of several other public safety funding proposals that have been heard previously.

(Opposed) None.

Persons Testifying: Representative Debra Entenman, prime sponsor; Candice Bock, Association of Washington Cities; James McMahan, WA Assoc Sheriffs and Police Chiefs; Mayor Jim Ferrell, City of Federal Way; Nathan Olson, Office of the Governor; Mac Nicholson, King County; Jeff DeVere, WACOPS - Washington Council of Police and Sheriffs; and Brad Banks, WSAC.

Persons Signed In To Testify But Not Testifying: None.