FINAL BILL REPORT
ESHB 2015

C 350 L 25
Synopsis as Enacted

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: House Committee on Appropriations (originally sponsored by Representatives Entenman, Reeves, Berg, Morgan, Santos, Pollet, Donaghy, Doglio, Salahuddin, Chase, Obras, Parshley, Walen, Stearns and Thai).

House Committee on Finance
House Committee on Appropriations
Senate Committee on Law & Justice
Senate Committee on Ways & Means

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.

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.

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. Many of the optional local sales and use taxes require voter approval.

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:

New Local Sales and Use Tax.
By June 30, 2028, the legislative authority of a city or county may approve a sales and use tax of 0.1 percent. However, if the city or county voters have rejected the imposition of the local criminal justice sales and use tax or the local public safety sales and use tax within the past 12 months, the city or county may not impose the new sales and use tax. If a city or county legislative authority has not adopted a resolution or ordinance to impose the tax by June 30, 2028, the city or county may submit an authorizing proposition to the city or county voters at a primary or general election to impose the tax. The imposition and collection of the new sales and use tax may only occur if and when the city or county receives a CJTC Local Law Enforcement Grant (Grant).

Cities or counties are only eligible to impose this tax only if the city or county meets the requirements to receive funding from the Grant program created under the act. In addition, a city or county that has not issued and implemented policies and practices are required under the grant application requirements is not eligible to impose the tax. To establish that a city or county qualifies to impose the tax, the city or county must submit documentation to the CJTC demonstrating the city or county meets the requirements of the grant application. If the CJTC, in consultation with the AGO is unable to verify the submittal with 45 calendar days, CJTC must notify the agency of any deficiencies.

If a city or county receives a notice of deficiencies from the CJTC, the city or county legislative authority may, conditioned submission of supplemental documentation rectifying the stated deficiencies, authorize the tax. CJTC must review this supplemental documentation and notify the city or county of any outstanding deficiencies within 45 days of receipt of the supplemental documentation. If the city or county has not rectified all deficiencies within 180 calendar days of its initial submittal of documentation as verified by the CJTC, the Office of the State Treasurer must withhold $100,000 of the tax collected per month until the CTJC has verified that the city or county comes into compliance.

The moneys from this tax 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, such as:
- domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates;
- staffing adequate public defenders to provide appropriate defense for individuals;
- diversion programs;
- reentry work for inmates;
- local government programs that have reasonable relationship to reducing the

numbers of people interacting with the criminal justice system;
- community placements for juveniles; and
- community outreach and assistance programs, alternative response programs, and mental health crisis response.

A city or county imposing the local sales and use tax authorized under this act must report annually to either the Association of Washington Cities (AWC) and the Washington State Association of Counties (WSAC) on their use of the tax revenues. Beginning December 1, 2025, and annually thereafter, the AWC and the WSAC must compile all the information received from the cities and counties and submit a report to the appropriate committees of the Legislature.

<u>The Local Law Enforcement Grant Program</u>.
The Grant Program is created and will be administered by the CJTC. Subject to the amounts appropriated, the 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 along with the criteria for evaluating and selecting grant recipients on the CTJC website. 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:
- issued and implemented policies consistent with the Keep Washington Working Act;
- participated in required commission training relating to violence de-escalation and duty to render aid;
- issued and implemented policies in compliance with all CJTC and AGO model policies for law enforcement including, but not limited to, duty to intervene and canine;
- implemented use of force data collection and reporting;
- issued and implemented policies and practices related to laws addressing firearm relinquishment pursuant to court orders and domestic violence 911 response requirements;
- a 25 percent officer compliance rate with the commission's 40-hour crisis intervention team training;
- a chief of police, marshal, or sheriff who is certified by the CJTC and who has not been convicted of a felony or convicted of a gross misdemeanor involving moral turpitude, dishonesty, fraud, or corruption; and
- policies that prohibit volunteers who assist with agency work from enforcing criminal laws, other than for assistance with special event traffic, and parking, and that set forth the required supervision of volunteers.

To qualify for a grant, a law enforcement agency must also provide the CJTC a detailed staffing plan specifying:

- the total number of commissioned officers currently employed by the agency;
- the total number of specially commissioned officers currently employed by the agency;
- the total number of co-response teams established within the agency and what staffing are included in each co-response team;
- the total number of administrative staff currently employed;
- the number of officers on flexible work schedules;
- the average 911 response rate of the agency over the previous 12-month period; and
- the average case closure rate of the agency over the previous 12-month period.

The law enforcement agency must also receive funding from a local government that has: authorized the new sales and use tax created pursuant to this act, imposes the local criminal justice sales and use tax; or imposes the local public safety sales and use tax.

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;
- 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.

Grant funding may be used for:

- recruiting and funding new law enforcement officers from the community in which the officer will be working, and recruiting and funding county corrections officers, peer counselors, and behavioral health personnel working in co-response in Washington;
- use of force, de-escalation, crisis intervention, and trauma-informed trainings for officers to remain in compliance with CJTC's required trainings; and
- broader law enforcement and public safety efforts to include emergency management planning, environmental hazard mitigations, security personnel, community outreach and assistance programs, alternative response programs, and mental health crisis response.

Grants may only provide up to 75 percent of the entry-level salaries and fringe benefits of full-time local or tribal law enforcement officers for a maximum of 36 months, with a minimum 25 percent local cash match requirement and a maximum state share of $125,000 per position. The CJTC may provide law enforcement agencies an advance on grant funding for the sole purpose of the law enforcement agency coming into compliance with the training requirements of the grant application.

In selecting grant recipients, the CJTC must prioritize applicants in the following order:

- law enforcement agencies seeking grants to establish co-response teams or community immersion law enforcement programs;
- law enforcement agencies who currently maintain co-response teams and who are seeking grants to hire additional law enforcement officers; and
- all other applicants.

The Grant program expires June 30, 2028.

The Supplemental Criminal Justice Account.

The Supplemental Criminal Justice Account is created in the state treasury. All receipts from legislative appropriations, donations, gifts, grants, and funds from federal or private sources must be deposited into the account. Expenditures from the account must be used exclusively for the Grant program for the purposes of providing direct support to local and tribal law enforcement officers, peer counselors, and behavioral health personnel working in co-response to increase community policing and public safety. Only the CJTC or the CJTC's designee may authorize expenditures from the account. Moneys may not be used to supplant general fund appropriations.

Criminal Justice Training Commission Report.

Effective July 21, 2026, and annually thereafter until December 31, 2029, the CJTC must report to the fiscal committees of the Legislature on:

- the total count of Grant applications received by the CJTC by fiscal year (FY);
- the total count of law enforcement officer positions applied for by FY;
- the total count of grant funding requested by FY;
- the name of each law enforcement agency that applied for grants, how many officers they requested funding for, and how much state funding they requested by FY; and
- the count of grants awarded, to include the name of each of the law enforcement agencies that received grants, how many officers they received funding for, and how much state funding was awarded by FY.

Washington Association of Police Chiefs and Sheriffs Report.

By January 1, 2026, the Washington Association of Police Chiefs and Sheriffs must complete a report on law enforcement personnel employed as general authority Washington peace officers, as defined in statute, over time for each local law enforcement agency in Washington from 2020 through 2025—specifically on July 1 of each year. The report must include:

- the count of general authority Washington peace officers positions;
- the count of filled general authority Washington peace officers positions;
- the count of vacant general authority Washington peace officer positions; and
- the count of retirements of general authority Washington peace officer positions over the past 12 calendar months.

The report must also include a table to show the above data and in turn the vacancy rates and turnover rates for each local law enforcement agency as well as a compiled statewide view of vacancy and turnover rates for general authority Washington peace officers year over year.

Votes on Final Passage:

House	54	42	
Senate	30	19	(Senate amended)
House	55	42	(House concurred)

Effective: July 27, 2025