

Ordinance No. _____

AN ORDINANCE OF THE CITY OF OLYMPIA, WASHINGTON, IMPOSING ONE-TENTH OF ONE PERCENT LOCAL SALES AND USE TAX PURSUANT TO RCW 82.14.345, WHICH FUNDS ARE TO BE USED FOR CRIMINAL JUSTICE PURPOSES AS DEFINED BY RCW 82.14.345(5); AND PROVIDING FOR OTHER MATTERS RELATING THERETO AND PROPERLY PERMITTED BY STATE LAW

WHEREAS, after the COVID-19 public health emergency, including continuing inflationary pressures, the City's operating budget has faced a structural budget deficit, solved year-to-year by employing one-time measures; and

WHEREAS, public safety continues to be a top priority for the people and residents of the City of Olympia; and

WHEREAS, during the 2025 session, the Washington State Legislature enacted ESHB 2015, codified as RCW 82.14.345, that authorizes city and county governments, including the City of Olympia, to impose a local sales and use tax of 0.1 percent by a legislative act prior to June 20, 2028; and

WHEREAS, the local sales and use tax revenue shall be spent on "criminal justice purposes" as authorized and defined in RCW 82.14.345; and

WHEREAS, the City of Olympia has implemented policies and practices required by RCW 82.14.345(1)(c) to receive a grant under RCW 43.101.540; and

WHEREAS, the Olympia City Council intends to impose the maximum local sales and use tax authorized under RCW 82.14.345;

NOW, THEREFORE, THE OLYMPIA CITY COUNCIL ORDAINS AS FOLLOWS:

Section 1. Findings. The City Council (the "Council") of the City of Olympia, Washington (the "City"), makes the following findings and determinations:

- 1.1 RCW 82.14.345 authorizes a qualified city or county, by resolution or ordinance, to impose a sales and use tax in accordance with the terms of Chapter RCW 82.14 upon a finding that the city or county has met the requirements of RCW 82.14.345(1)(c) to receive a grant under RCW 43.101.540.
- 1.2 Pursuant to RCW 82.14.345(1)(d), the City of Olympia has submitted documentation in the form and manner prescribed by the criminal justice training commission, demonstrating that the City of Olympia has met the requirements of RCW 43.101.540 to receive a grant under said statute.
- 1.3 The tax authorized by RCW 82.14.345 is in addition to any other taxes authorized by law and must be collected from those persons who are taxable by the state pursuant to Chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the City of Olympia.
- 1.4 As provided by law, the rate of tax under RCW 82.14.345(2) must equal 0.1 percent of the selling price, in event of a sales tax, or value of the article used, in the case of a use tax.
- 1.5 Moneys received from the tax imposed under RCW 82.14.345 must be expended for criminal justice purposes.

- 1.6 A requirement of imposing the sales and use tax permitted by RCW 82.14.345 requires that the City of Olympia shall, within one calendar year of imposition of the tax and annually thereafter, make a report to the Association of Washington Cities on how the moneys received from the tax were expended.
- 1.7 By December 1, 2025, and annually thereafter, the Association of Washington Cities shall compile all information received pursuant to RCW 82.14.345(4)(a) and submit a report to the appropriate committees of the legislature detailing the purposes for which the City of Olympia expended the moneys received from the tax permitted by RCW 82.14.345.
- 1.8 Pursuant to RCW 82.14.345(5), "criminal justice purposes" means activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice system and behavioral health systems occurs, which includes (i) domestic violence services, such as those provided by domestic violence programs, community advocates, and legal advocates, as those terms are defined in RCW 70.123.020; (ii) staffing adequate public defenders to provide appropriate defense for individuals; (iii) diversion programs; (iv) reentry work for inmates; (v) local government programs that have a reasonable relationship to reducing the numbers of people interacting with the criminal justice system, including, but not limited to, reducing homelessness or improving behavioral health; (vi) community placements for juvenile offenders; and (vii) community outreach and assistance programs, alternative response programs, mental health crisis response including, but not limited to, the recovery navigator program.
- 1.9 The Council further finds that the City of Olympia is a "Qualified city or county" under RCW 82.14.345(5)(b) as a city where the voters have not repealed by referendum a tax imposed pursuant to RCW 82.14.340 or rejected a ballot proposition to impose a tax pursuant to RCW 82.14.450 in the previous 12 months.
- 1.10 It is projected that imposition of a sales and use tax of one-tenth of one percent (0.1%), as permitted by RCW 82.14.345 would generate approximately \$3,100,000 per year to fund statutorily authorized criminal justice purposes in the City of Olympia.

Section 2. Sales and Use Tax Imposed.

- 2.1 Tax Imposed; Effective Date. The sales and use tax increase shall be imposed at a rate of one-tenth of one percent (0.1%) of the selling price in the case of a sales tax, or value of the article used, in the case of a use tax, within the City of Olympia. The tax shall become effective on the earliest practicable date consistent with RCW 82.14.055.
- 2.2 Use of Sales and Use Tax Receipts Pursuant to RCW 82.14.345. City proceeds shall be used as required by RCW 82.14.345(3) and (5) "Moneys received from the tax imposed under this section must be expended for criminal justice purposes" as defined in RCW 82.14.345(5)(a).

Section 3. Administration. The City Clerk is directed to cause a certified copy of this Ordinance to be delivered to the State of Washington Department of Revenue, and any other public officers or agencies required by law. The City's Finance Director and other appropriate officers are authorized and directed to enter into such contracts with and provide such notices to the State Department of Revenue, and other appropriate state or local agencies, for the collection and distribution of receipts of the tax imposed by this Ordinance as may be necessary or convenient consistent with RCW 82.14.055 and other applicable law.

Section 4. Ratification. All actions taken in furtherance of and not inconsistent with this Ordinance are ratified and confirmed in all respects.

Section 5. Severability. If any provision of this Ordinance is declared by any court of competent jurisdiction to be invalid, then such provision shall be null and void and shall be severable from the remaining provisions of this Ordinance and shall in no way affect the validity of the other provisions of this Ordinance.

Section 6. Publication and Effective Date. Notification of passage of this Ordinance shall be published as provided by law and shall take effect and be in full force thirty (30) days after publication.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

Mark Barber
CITY ATTORNEY

PASSED:

APPROVED:

PUBLISHED: