



TO: Hyun Kim, Interim City Manager
FROM: Andy Cherullo, Finance Director, Finance Department
COPY: City Council and City Clerk; Allyson Griffin, Deputy City Manager
SUBJECT: Ordinance relating to taxation; imposing a local one-tenth of one percent sales and use tax to fund investments in criminal justice; adding a new section to Tacoma Municipal Code 6A.70 "Local Option Taxes" for criminal justice purposes
DATE: December 3, 2025

SUMMARY AND PURPOSE

This proposed ordinance would authorize the imposition of a permanent councilmanic local one-tenth of one percent sales and use tax to fund broad investments in public safety and criminal justice. The effective date is anticipated to be April 1, 2026, depending on approval of the City's application by the Criminal Justice Training Commission (CJTC) and the Department of Revenue (DOR).

Background: During the 2025 Legislative Session, the State Legislature passed, and the Governor signed House Bill 2015 (HB 2015) which created two programs – the Local Law Enforcement Grant Program and a local councilmanic option 1/10 of 1 percent sales tax for broad public safety and criminal justice purposes. The sales tax option 1/10 of 1 percent is available councilmanic through June 30, 2028. If a city legislative authority has not adopted a resolution or ordinance to impose the tax by June 30, 2028, the city may submit an authorizing proposition to the city voters at a primary or general election to impose the tax. The requirements to qualify for both the grant program and the local sales & use tax are the same.

The Local Law Enforcement Grant Program is administered by the Criminal Justice Training Commission (CJTC) and was appropriated \$100M to:

- Increase community policing and public safety by providing direct support to local and tribal law enforcement agencies in hiring, retaining, and training law enforcement officers, peer counselors, and behavioral health personnel working in co-response
- Grants cover 75% of salary up to \$125K per position (25% local match required)
- Grants are for 3 years – after that 100% of the costs of any position would need to be paid by the city/county/tribe

The Criminal Justice Sales & Use Tax allows a qualified city or county to authorize by resolution or ordinance a 1/10th of 1 percent sales & use tax to be used for broad public safety and criminal justice purposes. Monies received from the Sales & Use Tax must be used for public safety and criminal justice purposes which include:

- Domestic Violence Services
- Public Defenders
- Diversion programs
- Reentry work for inmates
- Local government programs that have a reasonable relationship to reducing the numbers of people interacting with the criminal justice system - including homelessness or improving behavioral health
- Community placements for juvenile offenders, community outreach programs, alternative response programs, mental health crisis response



COMMUNITY ENGAGEMENT

Public Safety is consistently a top priority for the community. This has been the case in all recent community and business surveys.

Equity and Accessibility: Increasing funding for public safety and criminal justice aligns with Tacoma 2035, the City's long-term strategic plan and community's vision for the future.¹

Economy/Workforce: *Equity Index Score:* Moderate Opportunity
Increase positive public perception related to the Tacoma economy.
Choose an item.

Civic Engagement: *Equity Index Score:* Moderate Opportunity
Increase the percentage of residents who believe they are able to have a positive impact on the community and express trust in the public institutions in Tacoma.

Livability: *Equity Index Score:* High Opportunity
Increase positive public perception of safety and overall quality of life.

ALTERNATIVES

Alternative	Positive Impacts	Negative Impacts
Do not authorize a 1/10 th of 1 percent sales tax for criminal justice purposes with councilmanic authority.	Tacoma residents would see no change in the current sales and use tax.	Funding for public safety and criminal justice programs would continue to face pressures from limited funds in the General Fund. Some current programs may be reduced or eliminated as budget pressures continue to restrict available funding.

EVALUATIONS AND FOLLOW UP

If approved, the Finance Department's Office of Management & Budget (OMB), Tacoma Police Department (TPD), Tacoma Fire Department (TFD) and other departments involved in public safety and criminal justice programming would continue to provide updates to the City Council on the revenues collected and expenditures of funds from this sales & use tax.

RECOMMENDATION

Staff recommend approving this ordinance with an anticipated effective date of April 1, 2026, depending on approval of the City's application by the Criminal Justice Training Commission (CJTC) and the Department of Revenue (DOR).

FISCAL IMPACT

If approved, this ordinance would approve a sales and use tax of 1/10th of 1 percent for public safety and criminal justice purposes. This sales and use tax is estimated to generate approximately \$7-\$7.5M per year in revenue.

¹ [Tacoma Strategic Plan | City of Tacoma](#)



Below is a history of past 1/10th of 1 percent sales and use tax collections from other programs in the City that receive similar 1/10th of 1 percent sales and use taxes (Tacoma Creates, Mental Health, Affordable Housing, Transportation Benefit District (TBD)) :

- 2019: \$4.7M
- 2020: \$6M
- 2021: \$6.9M
- 2022: \$7.4M
- 2023: \$7.3M
- 2024: \$7.5M

Are the expenditures and revenues planned and budgeted in this biennium's current budget?

No, the expenditures and revenues are not planned for this biennium. However, should the proposed authorization of the 1/10 of 1 percent sales and use tax be passed, the City Manager would bring a proposed budget amendment to the City Council to address how funds collected in 2026 would be appropriated. In additional, the 2027-2028 budget process, which begins in January, would include proposals on the use of any funds generated from this proposed sales & use tax.

Are there financial costs or other impacts of not implementing the legislation?

While the sales and use tax is a cost for the public, a thriving economy is vital for Tacoma's broader economic health and supports local jobs. Public safety and criminal justice are rated as top priorities in community and business surveys. Programming to fund public safety and criminal justice programs contribute to building healthy communities, nurturing social connections through improved perceptions community safety, support the business community in sustaining and growing jobs, and promoting community pride and identity.

Will the legislation have an ongoing/recurring fiscal impact?

Yes, if approved, this ordinance will impose a sales and use tax of 1/10th of 1 percent to fund public safety and criminal justice. This sales and use tax is estimated to generate approximately \$7M-7.5M per year in revenue.

Will the legislation change the City's FTE/personnel counts?

This is undetermined at this point in time.