PROPOSED BY: EXECUTIVE
INTRODUCED: 7/28/2026

ORDINANCE NO. ______

ESTABLISHING THE CRIMINAL JUSTICE SALES TAX FUND - RCW 82.14.345 AND ESTABLISHING AN INITIAL BUDGET FOR THE CRIMINAL JUSTICE SALES TAX FUND - RCW 82.14.345

WHEREAS, on April 14, 2026, the Whatcom County Council adopted Ordinance No. 2026-020 establishing a Criminal Justice Sales and Use Tax pursuant to RCW 82.14.345; and

WHEREAS, ordinance 2026-020 established County Code Section '3.27 SALES AND USE TAX FOR CRIMINAL JUSTICE PURPOSES' to define the use of the funds; and

WHEREAS, County Code Section 3.27 states that the proceeds from the tax imposed by WCC 3.27.010 shall be deposited in a special revenue fund in Whatcom County to be known as the "Criminal Justice Sales Tax Fund – RCW 82.14.345"; and

WHEREAS, as stated in ordinance 2026-020, the Whatcom County Council intends that revenues from the new Sales and Use tax for criminal justice purposes be prioritized in the 2027-2028 biennial budget for support to the Whatcom County Sheriff's Office for jail health and food services, support to the Whatcom County Sheriff's Office for lease payments for the new Sheriff's office, and support for labor costs necessary to maintain levels of service across County departments and offices eligible to use revenues under RCW 82.14.345; and

WHEREAS, collections of the new Criminal Justice Sales tax have begun in July of 2026; and

WHEREAS, sales tax collections are commonly on a two-month delay from Washington State and the County anticipates revenue collections in September of 2026; and

WHEREAS, the County needs a separate fund to comply with Whatcom County Code Section 3.27 and to separately track and account for these revenues and qualifying expenditures.

NOW, THEREFORE, BE IT ORDAINED by the Whatcom County Council that a new fund is hereby established effective September 1, 2026 titled Criminal Justice Sales Tax Fund – RCW 82.14.345 to account for revenues and expenditures in accordance with Whatcom County Code Section 3.27.

BE IT FURTHER ORDAINED by the Whatcom County Council that the Fund is approved with a budget of $3,658,280 as described in Exhibit A.

ADOPTED this _____day of ___________________, 2026

WHATCOM COUNTY COUNCIL

ATTEST:

____

Cathy Halka, Clerk of the Council

APPROVED AS TO FORM:

Approved by Email: ATan/BWaldron

____

Civil Deputy Prosecutor

WHATCOM COUNTY, WASHINGTON

____

Kaylee Galloway, Council Chair

WHATCOM COUNTY EXECUTIVE
WHATCOM COUNTY, WASHINGTON

____

Satpal Sidhu, County Executive

( ) Approved ( ) Denied

Date Signed: ________________

Exhibit A

Supplemental Budget Request

Status: Pending

Non-Departmental

Supp'l ID # 5493 | ***Fund*** | ***Cost Center*** | ***Originator:*** *Gena Mikkelsen*

Expenditure Type: One-Time **Year** 2 **2026** **Add'l FTE** ☐ **Add'l Space** ☐ **Priority** **1**

Name of Request: Criminal Justice Sales Tax Fund

X

Department Head Signature (Required on Hard Copy Submission) **Date**

Costs:

Object	*Object Description*	*Amount Requested*
4313.7100	Criminal justice sales tax	($3,658,280)
8597	Transfers out	$3,658,280
Request Total		***$0***

1a. Description of request:

On April 14, 2026, the Whatcom County Council adopted Ordinance No. 2026-020 authorizing a one-tenth of one percent Sales and Use Tax for Criminal Justice purposes pursuant to RCW 82.14.345. This request establishes a new fund for the Criminal Justice Sales Tax Fund to properly account for revenues received as perscribed under ORD 2026-020. The fund will provide a dedicated accounting structure to track, manage, and report revenues and expenditures associated with eligible criminal justice activities supported by the funding source.

The intention of the Council under ordinance 2026-020 was to utilize these new public safety tax revenues to address the structural deficit in part caused by increases in public safety expenditures. During the mid biennium process, the administration included budget actions to facilitate public safety spending. These included supplementals 5105, 5107, 5215, and 5217: The cost associated with the procurement of a food and medical services vendor in the Whatcom County Jail. These combined budget priorities added $4,234,358 in expenditure authority to the jail operating fund. The general fund contribution to the jail operating fund increased by $3,849,318. Because of the timing of these budget actions, the new contracts for food services and medical services were not included in per diem recovery charged to local municipalities for jail bookings.

By transferring the proceeds of the public safety sales tax to the general fund in 2026, we are making the general fund whole for the budget actions in the mid biennium.

1b. Primary customers:

The Community partners and residents who rely on transparent reporting and effective use of public safety resources and Sales and Use Tax. Whatcom County departments and programs responsible for delivering criminal justice services, including law enforcement, courts, corrections, behavioral health, and other eligible public safety programs supported by the Criminal Justice Sales Tax Funding.

2. Problem to be solved:

The County needs a dedicated fund structure to properly account for Criminal Justice Sales Tax revenues and ensure that these restricted funds are tracked seperately from other County Funds.

3a. Options / Advantages:

The County has made a commitment to implement the Criminal Justice Sales Tax and use restricted funds that will positively impact public safety.

3b. Cost savings:

N/A

Supplemental Budget Request

Status: Pending

Non-Departmental

Supp'l ID # 5493	***Fund***	***Cost Center***	***Originator:***	*Gena Mikkelsen*

4a. Outcomes:

The requested general ledger setup will estabilish the Criminal Justice Sales Tax Fund effective September 1, 2026. This will allow the County to receive and account for anticipated revenues beginning with the applicable state distribution timeline.

4b. Measures:

Establishment of the fund and general ledger accounts in the County's financial system.
Accurate recording and reporting of Criminal Justice Sales Tax revenues received.
Ability to track expenditures seperately and provide financial reporting to decision-makers.
Compliance with applicable state requirements and accounting and use of funds.

5a. Other Departments/Agencies:

Multiple agencies will be impacted by this in a positive way, especially the Sheriff's Department.

5b. Name the person in charge of implementation and what they are responsible for:

The Finance Director will be responsible for facilitating qualifying criminal justice expenses and bringing forward necessary budget supplementals to the Whatcom County Council.

6. Funding Source:

Local Retail Sales and Use Tax (Criminal Justice Sales Tax Receipts)