



The Washington Report

The Newsletter of the National Association of Police Organizations
Representing America's Finest

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Senate Passes One Big Beautiful Bill

After record-setting hours of debate and votes on amendments, the Senate passed President Trump's priority legislation, the One Big Beautiful Bill (OB BB), early on July 1 by a vote of 51-50, with Vice President Vance casting the tie-breaking vote. It is now back with the House for consideration and Speaker Mike Johnson (R-LA) stated he will bring the bill up for a vote as soon as July 2, with the goal of passing it without further amendment before the President's imposed deadline of July 4. At this point, however, it is unclear if the House has the votes to pass it as is given the changes made by the Senate or if they will need to amend it to get it through.

The Senate-passed OB BB includes provisions to strengthen funding to help state and local law enforcement protect communities from cross-border crime as well as several tax provisions that would impact NAPO members, including no tax on overtime pay (with a cap), an increase in the state and local tax (SALT) deduction cap, and an end to de minimis treatment for all low-value commercial shipments.

The legislation supports immigration and law enforcement efforts, including bolstering funding for Immigration and Customs Enforcement (ICE) 287(g) agreements for state and local law enforcement participation in federal immigration efforts. It also includes \$3.33 billion in funds for Department of Justice immigration efforts, anti-drug task forces, and for the Byrne Justice Assistance Grant (JAG) and Community Oriented Policing Services (COPS) programs to help state and local agencies investigate and prosecute violent crime, support criminal enforcement initiatives, and assist in immigration enforcement.

Additionally, the Senate OB BB creates a State Border Security Reinforcement Fund within the Department of Homeland Security (DHS) for grants to state and local governments to assist with efforts around building a border wall or barrier, the detection and interdiction of illicit substances and illegal aliens who have committed a federal, state, or local crime, and the transfer and referral of such aliens to DHS. The bill provides \$10 billion through 2034 for this Fund.

The Senate also included in its bill an additional \$500 million under the DHS State Homeland Security Grant Program to increase state and local capabilities to detect and track unmanned aircraft systems (UAS).

As for the tax provisions, the Senate bill makes overtime pay an above-the-line deduction for eligible individuals, but unlike the House version, it sets limitations on the amount of overtime that can be deducted. Under the Senate bill, an individual cannot deduct more than \$12,500 in overtime per tax year (\$25,000 for a joint return) and reduces the allowable amount by \$100 for every \$1,000 by which an

individual's modified adjusted gross income exceeds \$150,000 (or \$300,000 for a joint filing). Overtime-earning taxpayers will enjoy this tax-free overtime provision until December 31, 2028, when it expires.

The Senate OBBB also includes the House-passed increase in the SALT deduction cap, which takes it from the current \$10,000 to \$40,000 and places a cap on the ability of high-income individuals to deduct state and local taxes starting with taxpayers with income over \$500,000. The Senate bill, however, sunsets the increased SALT deduction cap in 2030, returning it to the current \$10,000 threshold.

In a significant victory for NAPO, the OBBB includes language to end *de minimis* treatment for all low-value commercial shipments effective July 1, 2027. Closing the *de minimis* loophole for commercial packages will help stop the flow of illicit narcotics coming across our borders and greatly assist law enforcement in the fight against fentanyl. NAPO joined our partners in the Coalition to Close the De Minimis Loophole in [commending the Senate](#) for maintaining this important provision.

NAPO is closely monitoring House action on the OBBB and will keep our members informed of any significant changes that may affect them.

To read NAPO's analysis of original House-passed version of the OBBB, which was passed on May 22, read our [Washington Report](#) from that day.

Chairman Grassley Sends DOJ Letter Excoriating PSOB for Failing Families of Fallen Officers

On June 24, Chairman of the Senate Judiciary Committee and longtime champion of the Justice Department's Public Safety Officers' Benefits (PSOB) Program, Charles Grassley (R-IA), sent [a letter to Attorney General Pam Bondi](#) laying out all the ways the program has failed the families of officers who have been killed in the line of duty and asking for information and accountability as to why the program is falling so short of its mission.

The letter is in response to the Government Accountability Office (GAO) September 2024 [Report to Congress, Public Safety Officers' Benefits \(PSOB\) Program: Transparency, Claims Assistance, and Program Management Improvements Needed](#), highlighting deficiencies in the PSOB Program that are negatively impacting claimants and issuing five main recommendations for improvements. After the release of the Report, NAPO met with Chairman Grassley's staff to discuss how best to address these significant issues with the program. The Chairman's letter to the Attorney General largely mirrors [NAPO's concerns](#) with how the PSOB Program has been run.

Over nearly the past 10 years, NAPO worked with Chairman Grassley to enact four laws to improve the transparency and accountability of the PSOB Program and expand eligibility for PSOB death and disability benefits: Public Safety Officers' Benefits Improvement Act of 2017, Safeguarding America's First Responders Act of 2020, Protecting America's First Responders Act of 2021, and the Public Safety Officer Support Act of 2022. While PSOB has worked to implement the provisions expanding eligibility for benefits, the GAO found that it failed to execute many of the transparency and accountability provisions that were included in these Acts.

Further, there have been four previous reports by the GAO and the Department of Justice Office of Inspector General in 2009, 2015, and two in 2019, all of which included recommendations to enhance PSOB transparency and accountability. The 2024 report found that while the Bureau of Justice Assistance,

under which PSOB is housed, agreed with and implemented the recommendations, PSOB officials stated they did not concur with all the recommendations and that they were not required to implement them. The September 2024 GAO report illustrates that many of our efforts to improve PSOB for claimants have been largely ignored by Program leadership. Unfortunately, this is not surprising, especially given the feedback NAPO has received from various claimants and stakeholders. Many families have been made to feel that they do not deserve these benefits despite the sacrifices they have made and losses they have suffered, which is deplorable.

NAPO thanks Chairman Grassley for the letter and his advocacy on behalf of the families of fallen and disabled public safety officers who deserve to be treated better by the PSOB Program. We look forward to working with him to improve transparency and accountability within the program and get the families of our fallen or injured heroes the benefits they deserve in a respectful and timely manner.

NAPO Supports Bill to Help Law Enforcement Respond to Increased Immigration at the Border

NAPO pledged our support for the First Responder Emergency Assistance Act (S. 2200), introduced by Senator Ruben Gallego (D-AZ), that would create a law enforcement grant program to help law enforcement agencies respond to rapid increases in the arrival or presence of aliens who have recently entered the United States. The grant program would be retroactive four years after the date of the enactment of the bill, to ensure it covers the border crisis that occurred during the Biden Administration.

It is state and local law enforcement officers, who, during the course of daily patrols and duties, encounter non-citizen offenders and immigration violators who pose a threat to public safety. Our nation's law enforcement departments are understaffed and under resourced and an influx of aliens and migrant-related calls strains an already stressed emergency response system. The First Responders Emergency Assistance Act recognizes the costs of immigration crises on state and local public safety agencies, including jails and correctional facilities, and provides them with much-needed financial support. NAPO thanks Senator Gallego for his leadership and looks forward to working with him to pass this important bill.

NAPO on the Hill: OBBB & Priority Grant Programs

The One Big Beautiful Bill

NAPO worked with our member organization, the Postal Police Officers Association (PPOA), to ensure that provisions being considered for inclusion in the One Big Beautiful Bill in the Senate did not negatively affect the retirement security of Postal Police Officers (PPOs) or the ability of the PPOA to adequately represent its members.

In our efforts to make certain that PPOs would not be subject to a significant increase in their mandatory retirement contribution, we reached out to Senate Homeland Security and Governmental Affairs staff as well as other Republican Senate offices to request that PPOs be excluded from the enhanced pension contribution proposal like other federal law enforcement officers were. In the end, our efforts paid off and this proposal was not included in the final Senate-passed OBBB.

We also fought off an amendment that would have charged federal employee labor organizations for the use of federal resources. The amendment exempted labor organizations that represented law enforcement officers subject to mandatory separation, but it did not go far enough in protecting all federal law

enforcement unions, including the PPOA. The PPOA has been fighting for better pay and working conditions for these officers, including restoring their job duties to protect mail carriers and respond to mail theft. Law enforcement unions and associations are a necessary and important voice in support of rank-and-file officers and the job itself and thus should not be charged for doing their work.

NAPO also continued to press for the inclusion of our [tax priorities](#), particularly the no tax on overtime provision, with the Senate Finance Committee and leadership as the OBBB was being deliberated.

NAPO continues to monitor the OBBB as it makes its way through the House to ensure all our members – federal, state, and local – benefit and are not harmed by its provisions.

NAPO Grant Priorities

NAPO met with staff of Representative John Rutherford (R-FL), co-chair of the House Law Enforcement Caucus and a member of the House Appropriations Committee, to discuss our grant priorities as the Committee looks to take up the FY 2026 Commerce-Justice-Science (CJS) Appropriations bill the week of July 7. In addition to highlighting our priority grant programs that we want to see sufficiently funded, we shared our concerns with the President’s proposal to merge the Office of Community Oriented Policing Services (COPS) into the Office of Justice Programs (OJP), together with the Office of Violence Against Women (OVW), and the Office of Tribal Justice (OTJ). We also object to the moving of the High Intensity Drug Trafficking Area (HIDTA) Program from the White House Office of National Drug Control Policy (ONDCP) to OJP, which would further dilute these vital grant programs.

NAPO will be closely observing the CJS appropriations measure when it is released next week to ensure our priority programs are protected and funded.

We also met with the staff of Representative Derek Tran (D-CA) to discuss officer mental health and wellness, the need to ensure retired officers have access to affordable healthcare, NAPO’s priorities for this Congress, and how we can work together to support the needs of our nation’s rank-and-file law enforcement officers.

Please monitor NAPO’s website, www.napo.org, and Facebook page: [National Association of Police Organizations](#), and follow us on X at [NAPOpolice](#) for breaking news and updates.