

VETO MESSAGE ON SB 6588

April 3, 1998

To the Honorable President and Members,
The Senate of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval, Senate Bill No. 6588 entitled:

"AN ACT Relating to exempting movie theater snack counters from the special stadium sales and use tax imposed on restaurants;"

Senate Bill 6588 would exempt snack bars in movie theaters, other theaters, and centers for the performing arts in King County from the special one-half percent sales tax imposed on restaurants, taverns and bars. The revenue generated by this special sales tax is pledged to repay the bonds that were sold to finance the construction of the new baseball stadium.

Reducing a revenue stream that has been pledged for bond repayment is poor financial management and poor tax policy. If these revenues are lost, bond holders could have cause to bring suit. Any litigation could, in turn, result in reduced bond ratings. In addition, other types of eating and drinking establishments that must pay the tax will want a similar exemption, seriously threatening funding of the new baseball stadium.

For these reasons, I have vetoed Senate Bill No. 6588 in its entirety.

Respectfully submitted,
Gary Locke
Governor