

6562-S2

Sponsor(s): Senate Committee on Ways & Means (originally sponsored by Senators Schow, Heavey, Rasmussen and Anderson)

Brief Title: Providing relief for the equine industry.

SB 6562-S2.E - DIGEST

(DIGEST AS ENACTED)

Provides for relief for the equine industry by amending the parimutuel tax on horse racing to provide additional support for licensed racing associations, the state fair account, the state trade fair account, and the Washington horse racing commission.

Modifies the membership of the commission.

Creates the fair fund and the state trade fair fund.

Modifies the distribution of sums paid to the commission.

Provides a sunset date of June 30, 2001.

VETO MESSAGE ON SB 6562-S2

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 as to section 16, Engrossed Second Substitute Senate Bill No. 6562 entitled:

"AN ACT Relating to relief of the equine industry by amending the parimutuel tax on horse racing to provide additional support for licensed racing associations, the state fair account, the state trade fair account and the Washington horse racing commission;"

The changes to the parimutuel tax contained in E2SSB 6562 were intended to provide a temporary solution to economic problems of the horse racing industry. Unfortunately the provisions of this legislation leave funding for state, county and trade fairs at risk. By reducing the parimutuel tax rate and redistributing tax revenues, E2SSB 6562 eliminates funding for the fairs in Fiscal Year 1999, and the 1999-01 Biennium.

In an effort to temporarily replace lost revenues to the fair funds, sections 906 and 907 of ESSB 6108 (the Omnibus Appropriations Act), direct the Washington State Lottery to conduct two to four lottery games with agricultural themes per year in the 1997-99 Biennium and divert lottery proceeds to the State Fair Fund. I have vetoed sections 906 and 907 of ESSB 6108 because they place unrealistic requirements on the Washington State Lottery to develop new lottery games in a very short time period, and would divert lottery proceeds from the General Fund to replace parimutuel taxes. This would result in lowering the expenditure limit established by Initiative 601.

It is my intent that the funding for state, county and trade fairs be maintained. My actions related to E2SSB 6562 and ESSB 6108 will not jeopardize funding for fairs in 1998, since annual distributions to support fairs are made in March of each year.

Current fund balances in the state fair funds are sufficient to support all fairs through 1998. It is my intention to propose to the 1999 Legislature a special funding package which will permit the state to fulfill its obligations for ongoing fair funding by March of 1999.

Section 16 of E2SSB 6562 is the "null and void" clause which stipulates that if specific funding for the purposes of this act is not provided by June 30, 1998 in the omnibus appropriations act, E2SSB 6562 is null and void. I am vetoing this section in order to develop an adequate funding proposal to support the fairs for Fiscal Year 1999 and the 1999-01 Biennium. The funding proposal that is developed should seek to maintain the current level of support for fairs without affecting the Initiative 601 expenditure limit. State, county and trade fairs are important to hundreds of thousands of our citizens and I am committed to ensuring that adequate funding is available to support them.

For these reasons, I have vetoed section 16 of Engrossed Second Substitute Senate Bill 6562.

With the exception of section 16, Engrossed Second Substitute Senate Bill No. 6562 is approved.

Respectfully submitted,
Gary Locke
Governor