

VETO MESSAGE ON SB 5514-S3

April 4, 2002

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 3, Third Substitute Senate Bill No. 5514 entitled:

"AN ACT Relating to public facilities districts;"

This legislation expands the ability of local governments to construct facilities for community and sporting events, trade shows, conventions, and the like. These regional centers can play an important role in the development of downtown areas. I support this bill with the deadline extensions and tools it provides to local governments.

However, I do not agree with section 3 of the bill. That section would have provided for a refund of sales and use taxes on the construction of any regional center that is built after the effective date of the bill. We continue to collect sales and use taxes on the construction of virtually all other public facilities « including schools, universities, and city and county government buildings, with few, very limited exceptions. Refunding sales and use taxes on the construction of the projects described in this bill would create an undesirable policy precedent, and would have a significant fiscal impact that cannot be sustained during these times of budgetary difficulty. Additionally, I cannot in good conscience commit a future legislature to the significant loss of revenue that would occur when these refunds would have come due in 2006.

For these reasons, I have vetoed section 3 of Third Substitute Senate Bill No. 5514.

With the exception of section 3, Third Substitute Senate Bill No. 5514 is approved.

Respectfully submitted,
Gary Locke
Governor