

2272-S

Sponsor(s): House Committee on Appropriations (originally sponsored by Representatives Huff, Clements, Alexander, Wensman, Sehlin and Mitchell)

Brief Title: Transferring enforcement of cigarette and tobacco taxes to the liquor control board.

**HB 2272-S.E - DIGEST**

(DIGEST AS ENACTED)

Transfers enforcement of cigarette and tobacco tax laws to the liquor control board.

Provides that the department of revenue shall continue to administer and collect taxes.

Directs DOR to appoint enforcement officers of the liquor control board as it's authorized agents to engage in certain enforcement actions.

Provides authority to the liquor control board to adopt rules necessary to enforce cigarette and tobacco tax laws.

VETO MESSAGE ON HB 2272-S

May 19, 1997

To the Honorable Speaker and Members,

The House of Representatives of the State of Washington  
Ladies and Gentlemen:

I am returning herewith, without my approval as to sections 1, 2, and 12 through 17, Engrossed Substitute House Bill No. 2272 entitled:

"AN ACT Relating to transferring the enforcement of existing cigarette and tobacco taxes from the department of revenue to the liquor control board;"

Engrossed Substitute House Bill No. 2272 transfers responsibility for collection of cigarette taxes from the Department of Revenue to the Liquor Control Board. It also makes statements about the estimated amounts of tax revenue lost annually due to evasion, and permits the governor to enter into agreements with tribal governments for the collection of the tax on tribal lands.

I concur with the Legislature that the state has a significant problem related to the collection of the state tax on cigarettes, and I agree that the Liquor Control Board is better suited to collect the tax than the Department of Revenue. However, I believe that other portions of ESHB 2272 are too restrictive to be practical.

Other states have successfully dealt with this issue through effective and fair government-to-government agreements. This bill would have authorized the governor to enter into compacts with Indian tribes regarding cigarette tax collection, but it leaves too little negotiating room. We already have other successful compacting processes in place. This bill did not make use of those successful processes. Instead, the compacting process set forth in

the bill severely and unnecessarily restricts the terms of the agreements. I want the Legislature to revisit this compacting authority next session.

For these reasons, I have vetoed sections 1, 2, and 12 through 17 of Engrossed Substitute House Bill No. 2272.

With the exception of sections 1, 2, and 12 through 17, Engrossed Substitute House Bill No. 2272 is approved.

Respectfully submitted,  
Gary Locke  
Governor