

VETO MESSAGE ON HB 1493-S

May 18, 1993

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 8, 28, and 37, Engrossed Substitute House Bill No. 1493 entitled:

"AN ACT Relating to minority and women-owned businesses;"

I commend the Legislature for adopting the important public policy initiatives contained within this bill. The assistance provided to minority and women-owned businesses as a result of this legislation will make a significant difference in the ability of these firms to compete in the state's economy.

I have vetoed sections 8 and 28, both null and void clauses, on technical grounds. Drafting errors were made in the section of the appropriation bill which provided funding for the Department of Trade and Economic Development. The excision of sections 8 and 28 will protect the initiatives in the bill and allow me to correct the technical errors in the budget. I will propose a supplemental budget for the department for consideration in the 1994 session of the Legislature to provide funding for these programs. Until then, the department will lay the groundwork for implementing these programs within existing resources.

My decision to veto section 37 will allow the linked deposit program to proceed by removing the null and void language in this section. I am concerned that there are a number of administrative problems which must be resolved before the program begins operation. These include how the overall size of the program will be coordinated between the Office of the Treasurer and the Department of Community Development, whether Certificates of Deposit can be issued for terms which may be longer than the period which the program is authorized to function, and how the state will determine whether the intended 2 percent discount for loans has in fact occurred. I am also concerned about the potential for a \$2 million impact on the General Fund as a result of foregone interest earnings. This impact was not considered as a part of the budget package approved by the Legislature.

These concerns are eased by assurances I have received from the Office of the Treasurer. In his letter to me, the Treasurer has stated that it may take months to resolve the administrative problems associated with linked deposits and that once these are resolved, additional time will be needed before the program can begin operations. I am satisfied these timing considerations will minimize the negative impacts on the General Fund due to lost interest income in the 1993-1995 Biennium. The Treasurer has also indicated that additional legislation may be needed to clarify provisions in this bill and that consideration should be given to providing staff to establish and monitor the program. The Treasurer's commitment to the success of the linked deposit program ensures that every effort will be made to effectively implement this legislation.

I am committed to an active role in assuring the success of the linked deposit program and will support actions taken by the Treasurer to address the implementation problems that have been

identified.

For these reasons, I have vetoed sections 8, 28, and 37 of Engrossed Substitute House Bill No. 1493.

With the exception of sections 8, 28, and 37, Engrossed Substitute House Bill No. 1493 is approved.

Respectfully submitted,
Mike Lowry
Governor