

VETO MESSAGE ON SB 5468-S2

April 2, 1994

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 2, Engrossed Second Substitute Senate Bill No. 5468 entitled:

"AN ACT Relating to private business entities receiving public assistance;"

This legislation would direct the Department of Revenue and the Department of Community, Trade and Economic Development to prepare a study of firms that have participated in state sales tax deferral, business and occupation tax credit, and development loan fund programs. The departments would be required to collect information to measure the effect of these tax provisions and loans on businesses. The departments would also be directed to measure whether the firms participating in the programs have followed a wide range of federal and state requirements under other statutes and have met other standards of conduct not required under current law. Firms applying for participation in these programs would be required to prepare employment impact estimates for the departments.

I understand and agree with the premise that the state has an interest in determining whether its economic development programs are achieving their intended effect. I also agree that the goal of state economic development activities is to encourage a sustainable high wage, high skill economy in the state for all of the state's citizens.

I continue to believe that the state should maintain high environmental, health and safety, and employment standards implemented in a way that minimize bureaucracy, duplication, and confusion for the state's businesses. High standards should be enacted in the laws that govern these subjects. However, if compliance with existing standards in these areas is to be examined by the study, the Department of Revenue and the Department of Community, Trade and Economic Development are not the proper agencies to conduct the study.

I am also concerned that the private business information to be collected from businesses under this legislation would be subject to public disclosure. Because we believe that public business should take place in the open, our state has one of the strongest public disclosure statutes in the nation. The only way for publicly collected information to remain confidential is to amend our public disclosure statutes to specifically exempt such information from disclosure requirements. Despite the effort in the legislation to ensure that information collected from individual firms will remain confidential, I believe that information collected would be subject to disclosure.

As a result of these two concerns, I am vetoing section 2 of Engrossed Second Substitute Senate Bill No. 5468. However, I also believe that it is in the state's long-term interest to promote a sustainable high wage, high skill economy and to maintain high environmental, health and safety, and employment standards. As a result, I am asking the directors of state agencies with

responsibility for environmental protection, employment, economic development, and workplace health and safety to identify threshold criteria that the state should consider applying in the future as eligibility criteria for state assistance programs. If businesses are willful repeat violators of existing statutes in these areas, these businesses should be removed from the benefits of the state's economic development programs. I am also directing these agencies to involve interested parties in the process of identifying such criteria. I will examine the results of these actions and consider requesting changes in state law and regulations to implement them.

With the exception of section 2, Engrossed Second Substitute Senate Bill No. 5468 is approved.

Respectfully submitted,
Mike Lowry
Governor