CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5737

Chapter 306, Laws of 1997

(partial veto)

55th Legislature 1997 Regular Session

VIOLENCE REDUCTION AND DRUG ENFORCEMENT ACCOUNT FUNDING

EFFECTIVE DATE: 7/1/97

Passed by the Senate April 15, 1997 YEAS 33 NAYS 16

IRV NEWHOUSE

President of the Senate

Passed by the House April 18, 1997 YEAS 61 NAYS 34

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5737** as passed by the Senate and the House of Representatives on the dates hereon set forth.

CLYDE BALLARD

Speaker of the House of Representatives

Approved May 9, 1997, with the exception of sections 1 and 3, which are vetoed.

MIKE O'CONNELL

Secretary

FILED

May 9, 1997 - 1:53 p.m.

GARY LOCKE

Governor of the State of Washington

Secretary of State State of Washington

SUBSTITUTE SENATE BILL 5737

Passed Legislature - 1997 Regular Session

State of Washington

55th Legislature

1997 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators Anderson, Loveland, Schow, Sheldon, Strannigan, Rossi, Deccio, Goings, Horn, Swecker, Rasmussen, Bauer, Hale, Roach, Johnson, Benton, West and Oke)

Read first time 04/07/97.

- 1 AN ACT Relating to reducing the carbonated beverage tax; amending
- 2 RCW 82.64.020; creating a new section; making appropriations; providing
- 3 an effective date; and declaring an emergency.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- *Sec. 1. RCW 82.64.020 and 1994 sp.s. c 7 s 906 are each amended to read as follows:
- 7 (1) A tax is imposed on each sale at wholesale of syrup in this 8 state. The rate of the tax shall be equal to ((one dollar)) fifty 9 cents per gallon. Fractional amounts shall be taxed proportionally.
- 10 (2) A tax is imposed on each sale at retail of syrup in this state.
- 11 The rate of the tax shall be equal to the rate imposed under subsection
- 12 (1) of this section.
- 13 (3) Moneys collected under this chapter shall be deposited in the 14 violence reduction and drug enforcement account under RCW 69.50.520.
- 15 (4) Chapter 82.32 RCW applies to the taxes imposed in this chapter.
- 16 The tax due dates, reporting periods, and return requirements
- 17 applicable to chapter 82.04 RCW apply equally to the taxes imposed in
- 18 this chapter.
- 19 *Sec. 1 was vetoed. See message at end of chapter.

- 1 <u>NEW SECTION.</u> **Sec. 2.** (1) The sum of three million five hundred
- 2 seventy thousand dollars, or as much thereof as may be necessary, is
- 3 appropriated for the fiscal year ending June 30, 1998, from the general
- 4 fund to the violence reduction and drug enforcement account for the
- 5 purposes of RCW 69.50.520.
- 6 (2) The sum of four million one hundred sixty thousand dollars, or
- 7 as much thereof as may be necessary, is appropriated for the fiscal
- 8 year ending June 30, 1999, from the general fund to the violence
- 9 reduction and drug enforcement account for the purposes of RCW
- 10 69.50.520.
- *NEW SECTION. Sec. 3. This act does not affect any existing right
- 12 acquired or liability or obligation incurred under the section amended
- 13 in this act or under any rule or order adopted under that section, nor
- 14 does it affect any proceeding instituted under that section.
- 15 *Sec. 3 was vetoed. See message at end of chapter.
- 16 NEW SECTION. Sec. 4. This act is necessary for the immediate
- 17 preservation of the public peace, health, or safety, or support of the
- 18 state government and its existing public institutions, and takes effect
- 19 July 1, 1997.

Passed the Senate April 15, 1997.

Passed the House April 18, 1997.

Approved by the Governor May 9, 1997, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 9, 1997.

- 1 Note: Governor's explanation of partial veto is as follows:
- "I am returning herewith, without my approval as to sections 1 and 3, Substitute Senate Bill No. 5737 entitled:
- 4 "AN ACT Relating to reducing the carbonated beverage tax;"
- Section 1 of Substitute Senate Bill No. 5737 would have reduced the carbonated beverage syrup tax from one dollar per gallon to fifty cents per gallon. The funding reduction this would create in the Violence
- 8 Reduction and Drug Education (VRDE) account would have been replaced by
- 9 a General-Fund-State appropriation during the 1997-99 Biennium.
- Section 1 would reduce the state's revenues by \$7.7 million in the
- 11 1997-99 biennium. In light of the other very substantial tax cuts that
- 12 I have already signed into law, it is clear that the state cannot
- 13 afford section 1 of SSB 5737.
- 14 Section 3 of SSB 5737 applies only to section 1, and is therefore
- 15 rendered unnecessary by the veto of section 1.

The people of the state indicated their support for funding the VRDE account through the carbonated beverage syrup tax when they approved Referendum 43 in November 1994. Clearly, the dedication of those tax revenues to the VRDE account, at the rates set in Referendum 43, reflects the will of the voters of Washington. Reducing the tax and replacing it with an appropriation would jeopardize the long-term prospects of the important programs funded through the account.

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8 For these reasons, I have vetoed sections 1 and 3 of Substitute 9 Senate Bill No. 5737. With the exception of sections 1 and 3, 10 Substitute Senate Bill No. 5737 is approved."