

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