VETO MESSAGE ON SB 5737-S

May 9, 1997

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 sections 1 and 3, Substitute Senate Bill No. 5737 entitled:

"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 The funding reduction this would create in the Violence Reduction and Drug Education (VRDE) account would have been replaced by a General-Fund-State appropriation during the 1997-99 Biennium.

Section 1 would reduce the state's revenues by \$7.7 million in the 1997-99 biennium. In light of the other very substantial tax cuts that I have already signed into law, it is clear that the state cannot afford section 1 of SSB 5737.

Section 3 of SSB 5737 applies only to section 1, and is therefore 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.

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

Respectfully submitted, Gary Locke Governor