

VETO MESSAGE ON HB 2460-S

March, 30, 2000

To the Honorable Speakers and Members,

The House of Representatives of the State of Washington
Ladies and Gentlemen:

I am returning herewith, without my approval as to section 13, Substitute House Bill No. 2460 entitled:

"AN ACT Relating to community empowerment zones;"

This legislation will open the Community Empowerment Zone (CEZ) application process, so that a new zone may be designated. Businesses located in the zone will be eligible for tax exemptions, helping to strengthen the economy in a distressed area of our state.

Section 13 of this bill would have amended the original law so that the new CEZ would be treated differently, and not be eligible to offer the sales and use tax exemptions available to all other CEZ's. The new zone would be able to provide only business and occupations tax exemptions, thereby greatly reducing its effectiveness.

I fully support the bill's provisions to open the application process, particularly now that we have renewed interest from the eastern part of our state. I want to give these communities a chance to apply for a CEZ designation that will be on an equal footing with the existing zones.

For these reasons, I have vetoed section 13 of Substitute House Bill No. 2460.

With the exception of section 13, Substitute House Bill No. 2460 is approved.

Respectfully submitted,
Gary Locke
Governor