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May 18, 2021

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 127(18); 137(13); 308(18); 738; 1110 (9); 955; and 1703, page 1076, lines 34-35, Engrossed Substitute Senate Bill No. 5092 entitled:

"AN ACT Relating to fiscal matters."

Section 127(18), pages 27-28, Attorney General, Washington State Missing and Murdered Indigenous Women and People Task Force

Section 127(18) provides funding for the Attorney General's Office to support the Washington State Missing and Murdered Indigenous Women and People Task Force established in Section 955 of this act. Because the wrong version of the section was included in the enacted budget, I have vetoed Section 955. Since Section 955 is vetoed, the funding in this proviso is no longer needed. Therefore, I have vetoed Section 127(18).

However, the work of this task force is extremely important, and the Attorney General's Office has agreed to convene the task force and begin the work set forth in this section. I will request the funding necessary for this task force in my next supplemental budget request.

Section 137(13), page 95, Department of Revenue, Future Taxation of Digital Products Work Group and Report

This section directs the Department of Revenue to convene a stakeholder work group to analyze and develop recommendations on the future taxation of digital products that are used in the electronic processing of prescriptions. The department must submit the analysis and recommendations in a report to the Legislature by December 1, 2021. Because funding was not provided for the department to do this work, I have vetoed Section 137(13).

However, I am directing the department to work with stakeholders to assist them in developing and drafting legislation that will help reduce the tax burden on pharmacies as it relates to digital services that are used in the processing of electronic prescriptions and transmission of prescription drug claims data.

Section 308(18), page 330, Department of Fish and Wildlife, Columbia River Gillnet License Buyback

This section provides funding solely for a voluntary buyback of Columbia River commercial gillnet licenses which is something I supported in my proposed budget. However, the last sentence of this section also requires the department to only authorize mainstem gillnet and drift net fisheries in

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certain areas of the Columbia River for one particular salmon run based on a set allocation for commercial fisheries. This allocation for commercial fisheries conflicts with Washington's agreement with the state of Oregon on management of commercial gillnet fisheries on the Columbia River. In addition, the last sentence potentially limits the department from issuing fishing licenses for other species such as eulachon or shad and from issuing permits for other commercial gear types. This may have unknown impacts on other fisheries along the Columbia River. Although I support the voluntary buyback of commercial gill net licenses on the Columbia River, I cannot support these additional provisions. For these reasons, I have vetoed Section 308(18).

Section 738, page 506-507, Office of Financial Management, Home and Community Based Services

This section requires OFM to direct spending from this appropriation dependent upon receiving guidance from the Centers for Medicare and Medicaid Services (CMS) by May 10, 2021, that extends the use of Home and Community Based Services funds beyond December 31, 2022. In Section 738(2), the Legislature expressed its intent to direct expenditures if CMS extended the expenditure time period. CMS provided guidance on May 13, 2021, extending the use of this fund source through March 2024.

For this reason, I have vetoed Section 738 to follow the spirit of the proviso and enable the Legislature to decide how the funds should be used.

Section 1110(9), page 631, Office of Civil Legal Aid, Tenant Representation Outcome Study

This section reduces the appropriations for a research-based controlled comparative study of the differences in outcomes for tenants facing eviction who receive legal representation and tenants facing eviction without legal representation in unlawful detainer cases filed under the Residential Landlord-Tenant Act. This reduction in funding includes fiscal year 2020. This fiscal year has closed and can no longer have changes in appropriation. For this reason, I have vetoed Section 1110 (9). I will ask the Office of Civil Legal Aid to place \$317,500 in reserve status for fiscal year 2021.

Section 955, pages 541 through 544

Section 955 creates the Washington State Missing and Murdered Indigenous Women and People Task Force and sets out the members of the task force, the work of the task force, and specific duties and authority for the Washington State Attorney General to support the task force. The budget did not include the correct version of this section and has some issues that cannot be overcome. Because of the problems that arise from this version, I have vetoed Section 955.

However, this work is extremely important and needs to move forward. We have coordinated with the Attorney General's Office, which will use its existing authority to convene the task force and begin the work set forth in this section. I will include the creation of the task force as intended in my next supplemental budget request.

Section 1703, page 1076, lines 34-35, State Treasurer, Bond Retirement and Interest

This section intends to adjust the appropriations for Nondebt-limit General Fund bond retirement in fiscal year 2021 to necessary levels. It appears the appropriation is an error. For this reason, I have vetoed Section 1703, page 1076, lines 34-35, (Nondebt-Limit Reimbursable Bond Retirement Account-State Appropriation).

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For these reasons I have vetoed Sections 127(18); 137(13); 308(18); 738; 1110(9); 955; and 1703, page 1076, lines 34-35 of Engrossed Substitute Senate Bill No. 5092.

With the exception of Sections 127(18); 137(13); 308(18); 738; 1110(9); 955; and 1703, page 1076, lines 34-35, Engrossed Substitute Senate Bill No. 5092 is approved.

Respectfully submitted,

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Jay Inslee Governor