

JAY INSLEE
Governor



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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 201, 202, 203, and 204, Engrossed Senate Bill No. 5901 entitled:

“AN ACT Relating to economic development tax incentives for targeted counties.”

Engrossed Senate Bill 5901 expands the existing warehouse and grain elevator sales and use tax exemption to include construction or expansion of warehouses of at least 100,000 square feet or more for counties with a population less than 650,000.

I recognize that warehousing is an important part of the state's rural economy, but the tax incentives in this bill are overly broad, as they apply to 36 of the 39 counties in the state. Additionally, due to the increasing consumer preference for online shopping over the past few years, which only increased with the pandemic, the warehousing industry has remained strong and does not require an expanded tax incentive program to remain competitive at this time.

For these reasons I have vetoed Sections 201, 202, 203, and 204 of Engrossed Senate Bill No. 5901.

With the exception of Sections 201, 202, 203, and 204, Engrossed Senate Bill No. 5901 is approved.

Respectfully submitted,

Jay Inslee
Governor