STATE OF ARIZONA

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January 18, 2006

The Honorable Jim Weiers
Speaker of the House
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Re: House Bill 2007; tourism and sports authority, funding

Dear Speaker Weiers:

Today I vetoed House Bill 2007, which would have cut a guaranteed revenue stream to the Arizona Sports and Tourism Authority (the "Authority").

I did so for the same reason set forth in my May 20, 2005 letter to you regarding House Bill 2770. The proposed cut would have a minimal effect on the state budget, but potentially significant and deleterious effects on the Authority. The Authority has informed me that without the guaranteed revenue stream that House Bill 2007 proposes to eliminate, the Authority's bond credit rating would be downgraded and it would be subject to higher interest rates on its debt. Even the Auditor General has noted that eliminating the funding formula "could potentially effect TSA's ability to meet its funding obligations." There remains no sound financial justification for exposing the Authority to such adverse financial consequences at this time.

Yours very truly,

Janet Napolitano
Governor

JN:TN/jm

cc: The Honorable Ken Bennett
The Honorable Russell Pearce