

OFFICE OF THE GOVERNOR
STATE OF MONTANA

GREG GIANFORTE
GOVERNOR



KRISTEN JURAS
LT. GOVERNOR

May 2, 2023

The Honorable Jason Ellsworth
President of the Senate
State Capitol
Helena, MT 59620

The Honorable Matt Regier
Speaker of the House
State Capitol
Helena, MT 59620

Dear President Ellsworth and Speaker Regier:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto Senate Bill 442, "AN ACT GENERALLY REVISING THE DISTRIBUTION OF MARIJUANA TAXES; REVISING THE ALLOCATION OF THE MARIJUANA STATE SPECIAL REVENUE ACCOUNT; TRANSFERRING TAX REVENUE FROM MARIJUANA SALES TO THE DEPARTMENT OF TRANSPORTATION FOR THE FUNDING OF COUNTY ROAD CONSTRUCTION AND MAINTENANCE; PROVIDING A CALCULATION BASED ON THE ROAD MILES, STATE AND FEDERAL LAND AREA, AND BLOCK MANAGEMENT ACRES IN COUNTIES AND CONSOLIDATED CITY-COUNTIES; ESTABLISHING A HABITAT LEGACY ACCOUNT; REVISING THE MONTANA WILDLIFE HABITAT IMPROVEMENT ACT; AMENDING SECTIONS 15-70-101, AND 16-12-111, 87-5-801, 87-5-802, 87-5-803, 87-5-804, 87-5-806, 87-5-807, AND 87-5-808, MCA; AND PROVIDING AN EFFECTIVE DATE."

First, there is a substantial technical issue with Senate Bill 442. As written, the bill glaringly omits an appropriation, failing to fund itself. Without an appropriation, the bill does nothing.

Second, there is a substantial policy issue with Senate Bill 442. The bill is unprecedented in that it authorizes ongoing state resources from the General Fund to maintain county roads.

As you know, the state is responsible for constructing, reconstructing, maintaining, and repairing state highways and roads, and local jurisdictions for their local roads. In recent history, the state has never authorized ongoing state resources from the General Fund for such local roads projects for local jurisdictions. Instead, local jurisdictions use their local resources for critical local infrastructure needs.

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Adopting the approach of Senate Bill 442 creates a slippery slope, an incentive for local jurisdictions to reduce their services while keeping taxes higher on their citizens. Local jurisdictions will not have to dedicate as much of their local resources to their local roads as they have had to. But instead of cutting citizens' taxes proportionately, they can reallocate those dollars to capricious, unnecessary projects, resulting in a net increase of Montanans' tax burden.

Furthermore and more troubling, Senate Bill 442 creates the illusion that the state will accept increasing responsibility for matters that are strictly under the jurisdiction of local authorities.

Instead of establishing an ongoing authorization of state resources from the General Fund, a better, more responsible, more prudent approach is to provide one-time-only funding to local jurisdictions to address their infrastructure needs. Such an approach is more appropriate given the state's surplus and is provided for in Senate Bill 536.

For these reasons, I veto Senate Bill 442.

Sincerely,



Greg Gianforte
Governor

cc: Legislative Services Division
Secretary Christi Jacobsen