

**HOUSE JOURNAL
60TH LEGISLATURE**

ADDENDUM

Helena, Montana
2007

House Chambers
State Capitol

COMMUNICATIONS AND PETITIONS

May 9, 2007

Ms. Marilyn Miller
Chief Clerk
House of Representatives
Helena, Montana 59620

Dear Marilyn:

Please be informed that I have appointed the following members to various committees:

Legislative Branch Computer Systems Planning Council: Marilyn Miller

Legislative Audit Committee:

Rep. Bill Glaser
Rep. John Sinrud
Rep. Bill Beck
Rep. Betsy Hands
Rep. Hal Jacobson
Rep. Mike Phillips

Legislative Finance Committee:

Rep. Janna Taylor
Rep. Dave Kasten
Rep. Rick Ripley
Rep. Jon Sesso
Rep. Ron Erickson
Rep. Cynthia Hiner

Economic Affairs Interim Committee:

Rep. Scott Mendenhall
Rep. Mike Milburn
Rep. Bill Thomas
Rep. Michele Reinhart

Education and Local Government Interim Committee:

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

Rep. Bill Nooney
Rep. John Ward
Rep. Bob Lake
Rep. Robin Hamilton
Rep. Gary Branae
Rep. Wanda Grinde

Energy and Telecommunications Interim Committee:

Rep. Duane Ankney
Rep. Harry Klock
Rep. Robyn Driscoll
Rep. Brady Wiseman

Law and Justice Interim Committee:

Rep. Krayton Kerns
Rep. Ron Stoker
Rep. Tom McGillvray
Rep. Deb Kottel
Rep. Bob Ebinger
Rep. Shannon Augare

State Administration and Veterans' Affairs Interim Committee:

Rep. Pat Ingraham
Rep. Gary MacLaren
Rep. Veronica Small-Eastman
Rep. Franke Wilmer

State-Tribal Relations Committee:

Rep. Gordon Hendrick
Rep. Ken Peterson
Rep. Joey Jayne
Rep. Jonathan Windy Boy

Pacific Northwest Economic Region:

Rep. George Everett

Board of Research and Commercialization Technology (Montana):

Mr. Todd Graetz

Board of Review for One-Stop Licensing:

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

Jeff Pattison

Capital Complex Advisory Council:

Rep. Elsie Arntzen

Rep. Mary Caferro

Consensus Council (Montana):

David Halvorson

Electronic Government Advisory Council:

Rep. Ernie Dutton

Future Fisheries Review Panel:

Rep. Rick Jore

Gaming Advisory Council:

Rep. Mark Blasdel

Heritage Preservation and Development Commission (Montana):

Rep. Diane Rice

Information Technology Board:

Rep. Bill Beck

Legislative Oversight Committee on Montana-ARCO Litigation:

Rep. Jesse O'Hara

Rep. Jim Keane

Reserve Water Rights Compact Commission:

Rep. Art Noonan

Rep. Jack Ross

Sincerely,

SCOTT SALES

Speaker of the House

REPORTS OF STANDING COMMITTEES

BILLS (Jones, Chairman):

5/10/2007

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

Correctly enrolled: **HB 116, HB 160, HB 353, HB 357, HB 491, HB 592, HB 729, HB 768.**
Signed by the Chief Clerk of the House at 5:30 p.m., April 26, 2007: **HB 304, HB 368, HB 715.**
Signed by the Speaker at 5:00 p.m., May 2, 2007: **HB 304, HB 368, HB 715.**
Signed by the Chief Clerk of the House at 11:30 a.m., April 27, 2007: **HB 25.**
Signed by the Speaker at 5:00 p.m., May 2, 2007: **HB 25**
Signed by the Chief Clerk of the House at 2:55 p.m., April 27, 2007: **HB 337, HB 462, HB 577, HB 829, HJR 47, HJR 48, HJR 52, HJR 57.**
Signed by the Speaker at 5:00 p.m., May 2, 2007: **HB 337, HB 462, HB 577, HB 829, HJR 47, HJR 48, HJR 52, HJR 57.**
Signed by the Chief Clerk of the House at 11:00 a.m., May 2, 2007: **HB 116, HB 160, HB 353, HB 357, HB 491, HB 592, HB 729, HB 768, HJR 31, HJR 46.**
Signed by the Speaker at 5:00 p.m., May 2, 2007: **HB 116, HB 160, HB 353, HB 357, HB 491, HB 592, HB 729, HB 768, HJR 31, HJR 46.**
Signed by the Chief Clerk of the House at 11:30 a.m., April 26, 2007: **HJR 61.**
Signed by the Speaker at 5:00 p.m., May 3, 2007: **HJR 61.**
Signed by the Chief Clerk of the House at 11:50 a.m., April 26, 2007: **HB 798.**
Signed by the Speaker at 9:00 a.m., May 3, 2007: **HB 798.**
Signed by the Chief Clerk of the House at 9:05 a.m., April 25, 2007: **HB 822.**
Signed by the Speaker at 9:00 a.m., May 3, 2007: **HB 822.**
Delivered to the Governor for approval at 9:13 a.m., May 1, 2007: **HB 406, HB 426, HB 583, HB 683.**
Signed by the President at 10:10 a.m., May 4, 2007: **HB 25, HB 116, HB 160, HB 304, HB 337, HB 353, HB 357, HB 368, HB 462, HB 491, HB 577, HB 592, HB 715, HB 729, HB 768, HB 798, HB 822, HB 829, HJR 31, HJR 46, HJR 47, HJR 48, HJR 52, HJR 57, HJR 61.**
Delivered to the Governor for approval at 10:30 a.m., May 4, 2007: **HB 25, HB 116, HB 160, HB 304, HB 337, HB 353, HB 357, HB 368, HB 462, HB 491, HB 577, HB 592, HB 715, HB 729, HB 768, HB 798, HB 822, HB 829.**
Delivered to the Secretary of State at 10:25 a.m., May 4, 2007: **HJR 47, HJR 48, HJR 52, HJR 57.**

MESSAGES FROM THE GOVERNOR

April 27, 2007

Representative Scott Sales, Speaker
Montana House of Representatives
Capitol Building
Helena, Montana 59601

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

Dear Speaker Sales:

On Friday, April 27th, 2007, I signed the following bills and on Monday morning, April 30th will deliver them to the Secretary of State:

HB 3, sponsored by Representative Franklin
HB 4, sponsored by Representative Musgrove
HB 9, sponsored by Representative Kasten
HB 63, sponsored by Representative Musgrove
HB 136, sponsored by Representative Milburn
HB 259, sponsored by Representative Reinhart
HB 269, sponsored by Representative Rice
HB 299, sponsored by Representative Milburn
HB 425, sponsored by Representative Sesso
HB 514, sponsored by Representative Caferro
HB 609, sponsored by Representative Hamilton
HB 680, sponsored by Representative Cohenour
HB 706, sponsored by Representative Caferro
HB 737, sponsored by Representative Hilbert
HB 738, sponsored by Representative Mendenhall
HB 755, sponsored by Representative Keane
HB 759, sponsored by Representative Hendrick
HB 764, sponsored by Representative Milburn
HB 765, sponsored by Representative Olson

On Friday, April 27th, 2007, I VETOED House Bill 727, and on Monday morning will return the bill to the Secretary of State with a Veto message.

Sincerely,

BRIAN SCHWEITZER
Governor

April 27, 2007

The Honorable Scott Sales
Speaker of the House
State Capitol
Helena, MT 59620

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

The Honorable Mike Cooney
President of the Senate
State Capitol
Helena, MT 59620

Dear Speaker Sales and President Cooney:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto House Bill (HB) 727, **“AN ACT REVISING ELIGIBILITY STANDARDS FOR THE MENTAL HEALTH SERVICES PLAN BY PROVIDING FOR CONTINUED ELIGIBILITY FOR THE PURPOSE OF RETURNING TO WORK; AMENDING SECTION 53-21-702, MCA; AND PROVIDING AN EFFECTIVE DATE.”**

HB 727, sponsored by Rep. Lange, amends Mont. Code Ann. § 53-21-702, addressing the delivery of mental health care in Montana and setting criteria for eligibility. HB 727 allows the Department of Public Health and Human Services, in determining continuing eligibility for mental health services, to disregard up to the first \$1,000 of monthly earned income for individuals who have returned to work. The fiscal impact of the bill has been estimated at almost \$600,000 for the coming biennium and \$900,000 for the succeeding biennium.

This is my first veto issued following the adjournment of the 60th Legislative Assembly. I anticipate there will be more to follow.

As Chief Executive for the State of Montana, I am ultimately responsible to the people of Montana for administering the executive branch of government and faithfully carrying out the law. Top among my duties is the sound management of the state’s fiscal resources – resources derived from the taxpayer’s pockets.

Bills passed by the 60th Legislative Assembly are beginning to arrive at my desk for consideration. When bills arrive on my desk, I must consider their policy implications and I must consider their budgetary implications.

Pursuant to the constitutional mandates, 90 days ago, I submitted a balanced budget to the Legislature for its consideration. Today, the Legislature adjourned, *sine die*, without fulfilling *its* constitutional mandate, to enact a balanced budget. The 60th Legislature failed to enact either a comprehensive spending package or a comprehensive revenue package. I will receive no general appropriation bill from the Legislature appropriating money for the ordinary expenses of Montana’s executive, legislative, and judicial branches of government. I will receive no general appropriation bill appropriating money for Montana’s public schools. I will receive no comprehensive tax legislation.

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

In my faithful execution of the laws, I cannot in good conscience sign HB 727. HB 727 is a bill that is commonly referred to as a “cat and dog” bill – a bill that is above and beyond the ordinary expenses of government, a bill that is a new proposal and was not within the executive budget, a bill that would commit the state to ongoing expenditures – when I am unable to consider the bill and see how it fits into the context of the entire state budget. It would be irresponsible for me to sign HB 727 in the absence of receiving from the Legislature a comprehensive, balanced budget.

Because this bill passed with the constitutional majorities, you will be polled by the Secretary of State as to whether to override my veto of HB 727. I urge you to do as I have done here - exercise fiscal responsibility and consider your own constitutional mandates - and sustain my veto.

Sincerely,
BRIAN SCHWEITZER
GOVERNOR

April 28, 2007

Representative Scott Sales, Speaker
Montana House of Representatives
Capitol Building
Helena, Montana 59601

On Saturday, April 28, 2007, I signed the following bills and on Monday morning, April 30th will deliver them to the Secretary of State.

HB 95, sponsored by Representative Olson
HB 125, sponsored by Representative Kasten
HB 139, sponsored by Representative Branae
HB 148, sponsored by Representative Grinde
HB 179, sponsored by Representative French
HB 298, sponsored by Representative Hiner
HB 362, sponsored by Representative Olson
HB 461, sponsored by Representative Ebinger
HB 473, sponsored by Representative Ross
HB 490, sponsored by Representative French
HB 556, sponsored by Representative McChesney
HB 574, sponsored by Representative Hiner
HB 611, sponsored by Representative Jacobson
HB 677, sponsored by Representative Arntzen

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

On Saturday, April 28th, 2007, I VETOED House Bill 522 and Senate Bill 552, and on Monday morning will return the bills to the Secretary of State with Veto messages.

Sincerely,

BRIAN SCHWEITZER
Governor

April 28, 2007

The Honorable Brad Johnson
Secretary of State
State Capitol
Helena, MT 59620

Dear Secretary Johnson:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto House Bill (HB) 522, **“AN ACT REVISING THE LAWS GOVERNING THE EXECUTIVE BUDGET; REVISING THE DEFINITIONS OF “NEW PROPOSALS” AND “PRESENT LAW BASE”; REQUIRING CITATIONS FOR ADJUSTMENTS TO THE PRESENT LAW BASE; AND AMENDING SECTIONS 17-7-102 AND 17-7-123, MCA.”**

HB 522, sponsored by Rep. Sinrud, revises the laws governing the executive budget. The bill amends some statutory definitions and requires the executive budget to provide “the statutory citation that provides the legal mandate” for any proposed adjustment to the present law base. It is this latter provision which I find unnecessary, time-consuming, and of insufficient benefit to the legislative review process to warrant the bill.

The executive budget, and the legislative review process of it, are thorough, detailed, and comprehensive. Under current law, if the executive branch were to submit a decision package that was outside an agency’s mission or legal authority absent a corresponding legislative request, the legislative fiscal analysts would be fully capable of highlighting that fact.

However, my real objection to HB 522 is that it presumes the executive budget I submitted to the Legislature was in some technical manner insufficient. Ironically, HB 522 was sponsored by the Chairman of the House Appropriations Committee, who led that Committee into dismantling the executive budget into six pieces. Ironically, too, the Legislature adjourned yesterday because the House Republican majority refused to even place those pieces on second reading for consideration

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

by the full body. Frankly, I find HB 522 insulting in its implication that somehow it is the executive budget process that needs improvement.

I urge the Legislature to sustain my veto.

Sincerely,

BRIAN SCHWEITZER
GOVERNOR

May 3, 2007
The Honorable Brad Johnson
Secretary of State
State Capitol
Helena, MT 59620

Dear Secretary Johnson:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto House Bill (HB) 536, entitled AN ACT PROVIDING LICENSE REQUIREMENTS AND PROCEDURES FOR WHOLESALE DISTRIBUTORS OF PRESCRIPTION DRUGS; PROVIDING RESTRICTIONS ON TRANSACTIONS INVOLVING PRESCRIPTION DRUGS; PROVIDING FOR PEDIGREES FOR PRESCRIPTION DRUGS; PROVIDING ENFORCEMENT PROVISIONS; PROHIBITING CERTAIN ACTS; PROVIDING PENALTIES; AND AMENDING SECTIONS 37-7-601, 37-7-602, 37-7-603, 37-7-604, AND 37-7-610, MCA.

House Bill 536 is unnecessary because the Montana Board of Pharmacy currently has the power to protect Montana consumers by regulating or prohibiting the sale of drugs, and because the Federal government already has the enforcement power that this bill attempts to expand to the state. However, this bill if passed may have the unintended consequence of preventing our consumers from purchasing prescription drugs at discounted rates. There is ambiguity in this bill as to whether this law might prevent or compromise Montana's ability to participate in programs that re-import safe but less costly drugs. I do not believe that we should adopt legislation that could in any way restrict such an opportunity for those who cannot currently afford medication.

Sincerely,
Brian Schweitzer
GOVERNOR

May 3, 2007

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

The Honorable Brad Johnson
Secretary of State
State Capitol
Helena, MT 59620

Dear Secretary Johnson:

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 (SB) 537, **“AN ACT REVISING LAWS RELATING TO PREPAID LEGAL SERVICES; DEFINING ‘LEGAL SERVICE EXPENSE PLAN’; PROVIDING THAT LEGAL SERVICE EXPENSE PLANS ARE NOT SUBJECT TO THE INSURANCE CODE; AMENDING SECTIONS 33-1-102, 33-1-206, AND 33-17-504, MCA; REPEALING SECTION 33-1-215, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.”**

SB 537 amends Montana laws related to prepaid legal service plans, which are contracts for the provision of legal services between plan administrators and individuals or groups. In 2001, the Legislature first passed legislation to regulate prepaid legal service plans as a type of casualty insurance. The legislation arose because of questions and complaints by both consumers and the marketers involved in the multi-level marketing operations under which the plans often are sold. The 2001 legislation helped provide the consumer protection necessary to assure that the plans were of value and that they were marketed by those licensed to market insurance products.

Now, six years later, SB 537 would remove the classification of these services as a type of casualty insurance. Instead, they would be regulated generally under Montana’s consumer protection laws, but those laws do not provide assurance at the front end that the person marketing the product has the proper professional training to sell the product and that the product being sold has the value that it is represented to have.

I do not believe that SB 537 serves the best interests of Montana’s consumers. I am concerned that if prepaid legal service plans are no longer regulated under Montana’s insurance code, the same complaints and questions about them that arose prior to the 2001 legislation will again arise.

Sincerely,
BRIAN SCHWEITZER
GOVERNOR

May 3, 2007

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

The Honorable Brad Johnson
Secretary of State
State Capitol
Helena, MT 59620

Dear Secretary Johnson:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I veto and return to you the following bills, identified by their bill number and short title:

HB 533 - Increase Coal Board Funding
HB 823 - Distribute Oil and Gas Funds to Counties
Senate Bill 284 - Revise Allocation of Bed Tax and Taxes on Rental Cars

My reason for vetoing each of these bills is the same, and I have stated it previously. Each of these bills involve significant expenditures of money from the State of Montana's treasury. In fact, when added together, the combined loss in the state's general fund revenue would be \$17.4 million over the coming biennium.

As Chief Executive for the State of Montana, I am responsible to the people of Montana for the sound management of the state's fiscal resources – resources derived from the taxpayer's pockets. Because the Legislature failed to pass a comprehensive, balanced budget, I am unable to determine how these measures – all of which constitute new spending or tax laws – square up in terms of Montana's ongoing spending needs and ongoing revenue.

For those bills that passed each house of the legislature by majorities of 2/3 or more, the Secretary of State will poll you on whether to override or sustain my veto. As I have asked before, I again ask you to exercise fiscal responsibility and sustain my veto of these bills.

Sincerely,

BRIAN SCHWEITZER
GOVERNOR

May 8, 2007

The Honorable Brad Johnson
Secretary of State
State Capitol

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

Helena, MT 59620

Dear Secretary Johnson:

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 (SB) 407, a bill entitled "AN ACT REQUIRING THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO ISSUE A GENERAL PERMIT GOVERNING THE AUTHORIZATION FOR LIMITED DISCHARGES OF WATER PRODUCED FROM COAL BED METHANE EXTRACTION INTO EXISTING IMPOUNDMENTS FOR WATER FOR LIVESTOCK AND WILDLIFE; PROVIDING A WATER QUALITY STANDARD; REQUIRING REPORTS TO THE LEGISLATURE; AND PROVIDING A CONTINGENT EFFECTIVE DATE."

Senate Bill 407 would allow the discharge Coal Bed Methane (CBM) water into unlined ponds, an activity which, especially when coupled with precipitation events, destroys soil capability and threatens any downstream irrigated agriculture and thus threatens an industry that has been a vital to our state's economy for over a hundred years. In addition, the EPA has indicated that if SB 407 becomes law the state could be in violation of federal clean water standards.

Ponds that are used for discharge generally have leakage, and a channel below and between ponds is likely to have flows as a result of the leakage. The salty CBM water will ultimately find its way into designated state waters. For example, the high spring runoff into the Tongue River has an EC twice as high as usual for this time of year, and it is believed that a portion of the increased salt load may be coming from overflow of Coal Bed Methane discharge ponds into tributaries of the Tongue, or flushing of salts that CBM water has added to soils.

Furthermore, if SB 407 were to become law, Montana would likely be in violation of minimum federal water quality standards. EPA has warned us of this, stating that SB 407 "potentially raises concerns about whether important parts of the State's environmental programs meet federal requirements." Specifically, the bill removes beneficial use protections without going through the normally proscribed analysis required by the Environmental Protection Agency, and it exempts Coal CBM discharges into ephemeral channels from non-degradation review.

For these reasons, it is imprudent to allow SB 407 to become law.

Sincerely,

Brian Schweitzer
GOVERNOR

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

May 8, 2007

The Honorable Brad Johnson
Secretary of State
State Capitol
Helena, MT 59620

Dear Secretary Johnson:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I veto and return to you the following bills, identified by their bill number and short title:

HB 798 - Revise Energy Impact Funding for Natural Resource Development and Cessation
HB 822 - Generally Revise Biodiesel and Ethanol Laws

As explained in previous veto messages, my reason for vetoing these bills is that they involve significant expenditures of money from the state's treasury. In fact, the fiscal notes for the bills indicate that passage of HB 798 would cost the state general fund in excess of \$20 million in the coming biennium and thereafter, while passage of HB 822 would cost the state general fund in excess of \$3 million in the succeeding biennium. Without a comprehensive budget, I am unable to determine how these measures fit into the full package based on ongoing spending needs and ongoing revenue.

For those bills that passed the legislature by majorities of 2/3 or more, the Secretary of State will poll you on whether to override or sustain my veto. As I have previously requested, I again ask you to exercise fiscal responsibility and sustain my veto of these bills.

Sincerely,

BRIAN SCHWEITZER
GOVERNOR

May 9, 2007

Representative Scott Sales, Speaker
Montana House of Representatives
Helena, Montana 59601

Dear Speaker Sales:

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

On Thursday, May 3, 2007, I signed the following bills and delivered them to the Secretary of State:

HB 6, introduced by Kasten
HB 7, introduced by Kasten
HB 8, introduced by Kasten
HB 39, introduced by McNutt
HB 40, introduced by Gallik
HB 49, introduced by Hamilton
HB 69, introduced by McNutt
HB 96, introduced by Kerns
HB 131, introduced by Sesso
HB 141, introduced by Jacobson
HB 155, introduced by Noonan
HB 195, introduced by Lange
HB 240, introduced by Nooney
HB 257, introduced by Lake
HB 278, introduced by Stoker
HB 330, introduced by Bergren
HB 390, introduced by Nooney
HB 426, introduced by Ross
HB 480, introduced by Lake
HB 488, introduced by Jopek
HB 512, introduced by Jones
HB 569, introduced by Rice
HB 583, introduced by Jopek
HB 608, introduced by Olson
HB 616, introduced by McChesney
HB 665, introduced by Arntzen
HB 668, introduced by Stahl
HB 687, introduced by Jones
HB 831, introduced by McNutt
HB 840, introduced by Hilbert

Sincerely,

BRIAN SCHWEITZER
Governor

May 9, 2007

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

Representative Scott Sales, Speaker
Montana House of Representatives
Helena, Montana 59601

Dear Speaker Sales:

On Tuesday, May 8, 2007, I signed the following bills and delivered them to the Secretary of State:

HB 116 introduced by Ripley
HB 304, introduced by Furey
HB 353, introduced by McGillvray
HB 357, introduced by Cohenour
HB 406, introduced by Clark
HB 592, introduced by Wilson
HB 715, introduced by Olson
HB 729, introduced by Raser
HB 768, introduced by Gallik

Sincerely,

BRIAN SCHWEITZER
Governor

May 14, 2007

The Honorable Brad Johnson
Secretary of State
State Capitol
Helena, MT 59620

Dear Secretary Johnson:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto House Bill (HB) 577, “**AN ACT STANDARDIZING MEDICAL ASSISTANCE UNDER THE MONTANA MEDICAID PROGRAM TO CHILDREN UNDER 19 YEARS OF AGE; AND AMENDING SECTION 53-6-131, MCA.**”

HB 577 expands the federal poverty level threshold of children for Medicaid from 100% to 133% for children 6 years of age and older and under 19. Currently, only children under age 6 are covered by Medicaid up to 133% of the federal poverty level. The primary reason for my veto of HB 577 is that the Medicaid program is an entitlement program, but state funding for the expansion required

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

under the bill is not included in HB 2 - now being considered by the special session of the Legislature. Despite the fact it is not funded, if HB 577 were to become law, it is estimated that the ongoing cost to the state general fund would be close to \$1.5 million in the coming biennium and would exceed \$2 million/biennium by fiscal years 2010 and 2011 and thereafter.

Despite my decision to veto this bill, there is good news for children in Montana, as HB 577 was not the only bill passed by the 60th Legislature addressing children's health insurance. Notably, SB 22 expands CHIP (the Children's Health Insurance Program) eligibility to children whose combined family income is 175% of the federal poverty level, from the current level of 150%. Contemporaneous to issuing this veto of HB 577, I have signed into law SB 22. It is anticipated that under SB 22, 2,100 new children will obtain coverage under the CHIP program. Moreover, funding for the expansion of the CHIP program contained in SB 22 is included in HB 2 – the state budget bill – which is now under consideration by the Legislature in this special session. Additionally, the 60th Legislature passed and I signed into law HB 198, expanding dental care benefits under CHIP to cover significant dental needs beyond those covered in the basic plan.

As well, the Legislature passed and I signed into law HB 406, which will provide state assistance for the creation or expansion of community health centers through state funded grants to the centers. Community health centers serve not only Montana's children but their entire families. Finally, HB 2, in the version currently being considered by this special session of the Legislature, includes nearly \$20 million of increased funding for caseload growth in Medicaid-supported children's mental health services.

In conclusion, while my decision to veto HB 577 was not an easy one, absent funding for the expanded entitlement program under the bill, I believe I had no other choice. On the brighter side, I believe there were many other positive actions taken by the Legislature, which received my support, that will be improve the health and lives of Montana's children, and for this I believe we should all be proud.

Sincerely,

BRIAN SCHWEITZER
GOVERNOR

May 25, 2007

The Honorable Scott Sales
Speaker of the House
State Capitol
Helena, MT 59620

HOUSE JOURNAL
ADDENDUM
60TH LEGISLATURE

Dear Speaker Sales:

The list below indicates those regular session bills I have signed and returned to the Secretary of State since May 10, 2007 and those returned without signature (indicated by an "N").

HB 25 , sponsored by Olson	SGND	14-MAY-2007
HB 160 , sponsored by Stoker	SGND	14-MAY-2007
HB 337 , sponsored by Cohenour	SGND	14-MAY-2007
HB 368 , sponsored by Himmelberger	N	14-MAY-2007
HB 462 , sponsored by Sands	SGND	14-MAY-2007
HB 491 , sponsored by Sinrud	SGND	14-MAY-2007
HB 683 , sponsored by Reinhart	N	11-MAY-2007
HB 829 , sponsored by Jones	SGND	14-MAY-2007

Sincerely,

BRIAN SCHWEITZER
GOVERNOR

MARILYN MILLER
Chief Clerk of the House

SCOTT SALES
Speaker of the House