

**HOUSE JOURNAL  
63RD LEGISLATURE  
ADDENDUM**

Helena, Montana  
2013

House Chambers  
State Capitol

**BILLS** (O'Hara, Chair):

4/25/2013

Correctly enrolled: **HB 206.**

Signed by the Speaker at 2:30 p.m., April 24, 2013: **HB 5.**

Signed by the Speaker at 10:10 a.m., April 25, 2013: **HB 97, HB 120, HB 129, HB 218, HB 240, HB 265, HB 431, HB 497.**

Signed by the Speaker at 2:45 p.m., April 25, 2013: **HB 206, HB 359, HB 385, HB 473, HB 562, HB 633, HJR 25, HJR 26, HJR 30.**

Signed by the Speaker at 3:45 p.m., April 25, 2013: **HB 274.**

Signed by the Chief Clerk of the House at 3:30 p.m., April 24, 2013: **HB 5.**

Signed by the Chief Clerk of the House at 11:00 a.m., April 25, 2013: **HB 97, HB 120, HB 129, HB 218, HB 240, HB 265, HB 431, HB 497.**

Signed by the Chief Clerk of the House at 2:30 p.m., April 25, 2013: **HB 206, HB 359, HB 385, HB 473, HB 562, HB 633, HJR 25, HJR 26, HJR 30.**

Signed by the Chief Clerk of the House at 3:50 p.m., April 25, 2013: **HB 274.**

Signed by the President at 10:30 a.m., April 25, 2013: **HB 2.**

Signed by the President at 11:00 a.m., April 25, 2013: **HB 6, HB 10, HB 11, HB 12, HB 13, HB 19, HB 39, HB 46, HB 48, HB 54, HB 76, HB 87, HB 100, HB 106, HB 131, HB 147, HB 184, HB 254, HB 464, HB 564.**

Signed by the President at 1:30 p.m., April 25, 2013: **HB 97, HB 120, HB 129, HB 188, HB 205, HB 218, HB 240, HB 262, HB 265, HB 297, HB 301, HB 345, HB 377, HB 395, HB 408, HB 414, HB 417, HB 431, HB 444, HB 447, HB 454, HB 457, HB 497, HB 535, HB 545, HB 555, HB 559, HB 593, HB 603, HB 604, HB 609, HB 625.**

Signed by the President at 3:30 p.m., April 25, 2013: **HB 206, HB 359, HB 385, HB 473, HB 562, HB 633, HJR 25, HJR 26, HJR 30.**

Delivered to the Governor for approval at 11:38 a.m., April 25, 2013: **HB 2.**

Delivered to the Governor for approval at 2:15 p.m., April 25, 2013: **HB 3, HB 4, HB 74, HB 354, HB 363, HB 403, HB 477, HB 478, HB 494, HB 499, HB 509, HB 524, HB 556, HB 580, HB 582, HB 583, HB 586, HB 588, HB 591, HB 607, HB 614, HB 626.**

Delivered to the Secretary of State at 12:45 p.m., April 25, 2013: **HB 521.**

**BILLS** (O'Hara, Chair):

4/26/2013

Signed by the President at 11:30 a.m., April 26, 2013: **HB 274.**

Delivered to the Governor for approval at 8:11 a.m., April 26, 2013: **HB 5, HB 6, HB 10, HB 11, HB 12, HB 13, HB 19, HB 39, HB 46, HB 48, HB 54, HB 76, HB 87, HB 97, HB 100, HB 106, HB 120, HB 129, HB 131, HB 147, HB 184, HB 188, HB 205, HB 206, HB 218, HB 240, HB 254, HB 262, HB 265, HB 297, HB 301, HB 345, HB 359, HB 377, HB 385,**

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**HB 395, HB 408, HB 414, HB 417, HB 431, HB 444, HB 447, HB 454, HB 457, HB 464,  
HB 473, HB 497, HB 535, HB 545, HB 555, HB 559, HB 562, HB 564, HB 593, HB 603,  
HB 604, HB 609, HB 625, HB 633.**

Delivered to the Governor for approval at 11:39 a.m., April 26, 2013: **HB 274.**

Delivered to the Secretary of State at 10:26 a.m., April 26, 2013: **HJR 25, HJR 26, HJR 30.**

**MESSAGES FROM THE GOVERNOR**

April 23, 2013

The Honorable Mark Blasdel  
Speaker of the House  
State Capitol Helena, MT 59620

Dear Speaker Blasdel:

On Tuesday, April 23, I delivered House Bill 104 -Regier to the Secretary of State without signature. House Bill 104 is one of 20 bills passed on 3<sup>rd</sup> reading by the Senate on April 5, 2013. The manner in which these bills were passed may violate the Montana Constitution. While these bills may be subject to a legal challenge, their validity is a question for the judicial branch to ultimately decide. I am, therefore, allowing HB 104 to become law without my signature.

Sincerely,

STEVE BULLOCK  
Governor

April 24, 2013

The Honorable Mark Blasdel  
Speaker of the House  
State Capitol  
Helena, MT 59620

Dear Speaker Blasdel:

On Wednesday, April 24, I signed and delivered the following House bills to the Secretary of State:

House Bill 61 – Lynch  
House Bill 86 – O’Hara  
House Bill 116 – Eck  
House Bill 118 – Eck  
House Bill 258 – B. Smith

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House Bill 286 – Brockie  
House Bill 313 – Schreiner  
House Bill 320 – B. Bennett  
House Bill 433 – O’Hara  
House Bill 560 – Pierson  
House Bill 605 - Schwaderer

Sincerely,

STEVE BULLOCK  
Governor

April 25, 2013

The Honorable Mark Blasdel  
Speaker of the House  
State Capitol  
Helena, MT 59620

Dear Speaker Blasdel:

On Thursday, April 25, I signed and delivered the following House bills to the Secretary of State:

House Bill 3 -Ankney  
House Bill 4 -Ankney  
House Bill 64 -Ingraham  
House Bill 157 -Connell  
House Bill 401 -Welborn  
House Bill 533 -Cook  
House Bill 630 -Williams

I have vetoed House Bill 145 -Harris, House Bill 239 -C. Smith and House Bill 392 -Doane.

I have returned House Bill 391 -J. Bennett and House Bill 544 -Reichner to the Secretary of State without signature.

Sincerely

STEVE BULLOCK  
Governor

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April 25, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 145 (HB 145) "AN ACT PROVIDING FOR THE IMPLEMENTATION OF MONTANA'S FEDERAL MANDATES ACT; REVISING THE LEGISLATIVE DECLARATION; SPECIFYING CRITERIA FOR NOTICES OF ADMINISTRATIVE RULEMAKING IMPLEMENTING FEDERAL MANDATES; REQUIRING INTERIM COMMITTEES TO REVIEW AGENCIES' COMPLIANCE WITH THE FEDERAL MANDATES ACT; PROVIDING FOR INCLUSION IN THE STATE BUDGETING PROCESS OF CERTAIN INFORMATION AND RECOMMENDATIONS CONCERNING FEDERAL MANDATES; AMENDING SECTIONS 2-1-402, 2-1-405, 2-1-407, 2-1-408, 2-4-302, 5-5-215, AND 17-7-111, MCA; AND PROVIDING AN EFFECTIVE DATE.

HB 145 imposes new bureaucratic requirements on state government, including an additional reporting requirement to the Legislative Finance Committee; additional rulemaking requirements; additional Legislative Interim Committee reports; and the creation of additional government forms. HB 145 is redundant and unnecessary, creating new administrative burdens on agencies which will require the expenditure of scarce resources. Rather than increasing red tape, public resources are better used to increase efficiencies and substantively improve the effectiveness of state and federal programs.

For these reasons, I veto HB 145.

Sincerely,

STEVE BULLOCK  
Governor

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April 25, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 239 (HB 239) "AN ACT REQUIRING A SCHOOL DISTRICT TO OBTAIN WRITTEN CONSENT FROM A PARENT OR GUARDIAN BEFORE INSTRUCTING STUDENTS IN HUMAN SEXUALITY EDUCATION; REQUIRING A SCHOOL DISTRICT TO INFORM A PARENT OR GUARDIAN WHEN EVENTS OR COURSES ON HUMAN SEXUALITY WILL BE HELD OR TAUGHT; PROHIBITING A SCHOOL DISTRICT FROM ALLOWING ANY ABORTION SERVICES PROVIDER TO OFFER MATERIALS OR INSTRUCTION AT A SCHOOL; AMENDING SECTION 20-5-103, MCA; AND PROVIDING AN EFFECTIVE DATE."

The framers of the Montana Constitution clearly - and wisely - vested supervision and control of our public schools in the Board of Public Education and locally elected boards of trustees. See Mont. Const. Art. X, §§ 8, 9(3). HB 239, if enacted, would improvidently intrude upon the constitutional authority of the Board of Public Education and local school boards. Further, the bill reflects an unfounded mistrust of local school board trustees, as well as the professional educators who serve the students in our public schools. If parents are concerned about matters relating to the education of their children, they can and should address those concerns with their local school board trustees and educators.

For these reasons, I veto HB 239.

Sincerely,  
STEVE BULLOCK  
Governor

April 25, 2013  
The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

As a father, a husband and a son, I believe that our elected officials should be working together to find ways to ensure all women in Montana have access to basic health care services, like

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mammograms and family planning services. Unfortunately, several measures this legislative session sought to do the opposite of that.

After much consideration I have decided to allow HB 391, which requires parental consent in the form of a notarized document for a young woman under the age of 18 to terminate a pregnancy, to become law without my signature.

As was pointed out in the legal review note prepared by the Legislature'S attorneys, this measure raises significant constitutional issues. Specifically, it violates Montana's constitutional guarantees of equal protection and privacy. I have an obligation not to allow unconstitutional pieces of legislation to become law.

However, because the Legislature also passed a companion referendum bill which places the Parental Consent Act on the ballot, if I veto HB 391 I will allow a likely unconstitutional referendum to be placed before the voters. I have been informed by groups who advocate for issues impacting women's health that they intend to bring a legal challenge to this unconstitutional measure.

Because of the complex and potentially harmful impacts of these bills, I have decided that the best way to protect women's health care would be to provide immediate access to our courts.

Sincerely,

STEVE BULLOCK  
Governor

April 25, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 392 (HB 392), AN ACT ALLOWING FOR THE EXCAVATION AND SALE OF PALEONTOLOGICAL REMAINS FROM MAKOSHIKA STATE PARK TO BENEFIT THE PARK; GRANTING RULEMAKING AUTHORITY; AMENDING SECTIONS 22-3-432 AND 23-1-102, MCA; AND PROVIDING A TERMINATION DATE."

HB 392 would allow for the excavation and sale of paleontological remains from Makoshika State Park for the purpose of generating revenue to benefit the park. The act does not mandate this activity, but leaves it to the discretion of the Fish, Wildlife and Parks Commission, and authorizes the Commission to adopt rules.

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HB 392 sets a terrible precedent for the management of our state parks. Montana has never allowed the sale of our paleontological remains. The paleontological remains at Makoshika State Park are a treasure for all Montanans to enjoy, now and for future generations. To allow the remains to be sold off ignores our obligation and responsibility to protect our state's history and manage our state parks in a thoughtful manner. To use the proceeds from the sales to benefit the park does not convince me otherwise, since funding the park should not require the sale of the very assets that make the park a unique, historic place.

For these reasons, I veto HB 392.

Sincerely,

STEVE BULLOCK  
Governor

April 26, 2013

The Honorable Mark Blasdel  
Speaker of the House  
State Capitol  
Helena, MT 59620

Dear Speaker Blasdel:

On Friday, April 26, I signed and delivered the following House bills to the Secretary of State:

House Bill 16 - Hill  
House Bill 233 - Lavin  
House Bill 259 - Hunter  
House Bill 355 - Clark  
House Bill 415 - Hagan  
House Bill 442 - Randall  
House Bill 498 - Hill  
House Bill 575 - Berry

I have signed HB 15 into law with the exception of Sections 1, 2 and 3, which I have line-item vetoed.

I have vetoed House Bill 171 - C. Smith and line-item vetoed House Bill 15 - McClafferty.

I have returned House Bill 310 - C. Smith to the Secretary of State without signature.

Sincerely,  
STEVE BULLOCK  
Governor

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April 26, 2013  
The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby return to you House Bill 15 (HB 15) "AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR FINANCIAL ASSISTANCE TO PUBLIC SCHOOL FACILITY PROJECTS THROUGH THE QUALITY SCHOOLS FACILITY GRANT PROGRAM; AUTHORIZING GRANTS FROM THE SCHOOL FACILITY AND TECHNOLOGY STATE SPECIAL REVENUE ACCOUNT; PLACING CONDITIONS UPON GRANTS AND FUNDS; REVISING PRIORITIZATION OF DISTRIBUTIONS MADE FROM THE SCHOOL FACILITY AND TECHNOLOGY ACCOUNT; ALLOWING FOR CERTAIN ADMINISTRATIVE COSTS TO BE PAID FROM THE ACCOUNT; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR EMERGENCY GRANTS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR PLANNING GRANTS; ESTABLISHING A PREFERENCE FOR CERTAIN PROJECTS; TRANSFERRING FUNDS FROM THE ORPHAN SHARE ACCOUNT; AMENDING SECTIONS 20-9-343, 20-9-516, 20-9620, 90-6-802, AND 90-6-811, MCA; AND PROVIDING AN EFFECTIVE DATE," which, excepting three line-item vetoes, I have signed into law.

HB 15, an appropriations bill which is introduced every legislative session, facilitates grants to local schools through the Quality Schools Facility Grant Program located in the Department of Commerce.

This session, however, the Legislature expanded HB 15 to include "riders" which make substantive law changes unrelated to this appropriation bill. The riders were originally part of a separate bill, HB 577, which died in committee. After the demise of HB 577, this language was subsequently added into HB 15 as sections 1, 2 and 3.

As Governor, I may line-item veto the following items in an appropriations bill: (1) a specific appropriation contained in the bill; (2) a condition that limits the use to which an appropriation may be put but only if the appropriation to which it is attached is vetoed as well; and (3) a rider. The language from HB 577 is a substantive piece of separate legislation, which has no bearing on the appropriations contained in HB 15 for this biennium. Therefore, under *Cobb v. Schweitzer*, 2006 Mont. Dist. LEXIS 257 and *Cobb v. Schweitzer*, 2006 Mont. Dist. LEXIS 892, these provisions are subject to line-item veto.

I am striking these rider provisions because they have no place in HB 15, and because they unreasonably limit the discretion of local schools and the Department of Commerce in determining how these funds are most effectively put to use. If members of the 2015 Legislature deem it necessary to change the priorities of the program, they may strike those grants they find undesirable.



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For these reasons, I sign HB 15 into law with the exception of sections 1, 2, and 3.

Sincerely,

STEVE BULLOCK  
Governor

April 26, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 171 (HB 171), "AN ACT REQUIRING PREPAYMENT AND POST PAYMENT REVIEWS AND ANALYSES OF PROVIDER INFORMATION AND CLAIMS INVOLVING THE MEDICAID PROGRAM AND HEALTHY MONTANA KIDS PLAN IN ORDER TO PREVENT AND REDUCE FRAUD, WASTE, AND ABUSE; REQUIRING THE USE OF PREDICTIVE MODELING AND ANALYTICS TO IDENTIFY POTENTIAL FRAUD AND ABUSE; REQUIRING THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES TO CONTRACT FOR SERVICES; AND PROVIDING AN EFFECTIVE DATE."

HB 171 requires the Department of Public Health and Human Services (DPHHS) to enter into a contract to help detect fraud and abuse in the Medicaid and Healthy Montana Kids (HMK) programs. The DPHHS understands the importance of detecting waste, fraud and overpayment and is already involved in providing this protection.

The current Medicaid Management Information System (MMIS) already incorporates analytics technology tools for detecting waste, fraud, abuse and overpayment of claims outlined in HB 171 and such tools will also be available under the new Medicaid Health Enterprise MMIS. HB 171 would duplicate these efforts and their costs.

In December 2012, Montana, along with other states, competitively entered into a contract with Health Management Services (HMS) to fulfill the Affordable Care Act requirement that a state contract with a Recovery Audit Contractor (RAC). The HMS reviews Medicaid cases for both adults and children and the scope of its review can be expanded to include Children's Health Insurance Program (CHIP) cases under HMK. Under its contract with the department, HMS will analyze health care claims and identify aberrant billing of services by using analytics and technology based on historical data and algorithms.

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The HMS contract is a contingency fee contract, that is, the department does not pay HMS for services until the department collects funds on identified overpayment, fraud, or abuse cases. If HMS is not the contractor chosen under the provisions of HB 171, and a different contractor is chosen to fulfill an identical purpose, the department may be subject to legal claims for tortious interference with the prior HMS contract. Engaging a contractor other than HMS under HB 171, with an identical purpose, would not only be duplicative and costly, but could result in each contractor reaching different conclusions as to whether waste, fraud, abuse or overpayment exists in any specific claim, which would leave the department in an untenable legal position.

The provisions of this bill are already being implemented and nothing more would be added with this bill. Therefore, I veto HB 171.

Sincerely,

STEVE BULLOCK  
Governor

April 30, 2013

The Honorable Mark Blasdel  
Speaker of the House  
State Capitol  
Helena, MT 59620  
Dear Speaker Blasdel:

On Tuesday, April 30, I signed and delivered the following House bills to the Secretary of State:

House Bill 39 - McChesney	House Bill 431 - Knudsen
House Bill 46 - Ingraham	House Bill 444 - Jacobson
House Bill 48 - McChesney	House Bill 457 - Price
House Bill 74 - MacDonald	House Bill 494 - Glimm
House Bill 76 - Pease-Lopez	House Bill 545 - Reichner
House Bill 87 - Welborn	House Bill 555 - Hill
House Bill 106 - Connell	House Bill 562 - Swanson
House Bill 120 - Ingraham	House Bill 580 - Connell
House Bill 131 - Gursky	House Bill 583 - Cook
House Bill 147 - Redfield	House Bill 586 - Cuffe
House Bill 206 - Flynn	House Bill 588 - Harris
House Bill 254 - Cook	House Bill 591 - Osmundson
House Bill 274 - Greef	House Bill 593 - Wagoner
House Bill 359 - Fitzpatrick	House Bill 607 - Lavin

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House Bill 385 - Lavin  
House Bill 403 - Hill

House Bill 614 - Berry

Sincerely,

STEVE BULLOCK  
Governor

May 1, 2013

The Honorable Mark Blasdel  
Speaker of the House  
State Capitol  
Helena, MT 59620

Dear Speaker Blasdel:

On Wednesday, May 1, I signed and delivered the following House bills to the Secretary of State:

House Bill 8 - Cook  
House Bill 54 - Ingraham  
House Bill 129 - Gibson  
House Bill 354 - Connell  
House Bill 395 - Wagoner  
House Bill 414 - Hoven  
House Bill 417 - Flynn  
House Bill 447 - Peppers  
House Bill 464 - Clark  
House Bill 478 - Laszloffy  
House Bill 524 - Clark  
House Bill 626 - Osmundson

Sincerely,

STEVE BULLOCK  
Governor

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May 3, 2013

The Honorable Mark Blasdel  
Speaker of the House  
State Capitol Helena, MT 59620

Dear Speaker Blasdel:

On Friday, May 3, I signed House Bill 2 -Ankney into law with the exception of those items which I have line-item vetoed.

I have vetoed the following House Bills:

House Bill 217 - Howard  
House Bill 225 - C. Smith  
House Bill 363 - Berry  
House Bill 499 - Hill  
House Bill 509 - Regier  
House Bill 556 - Cuffe  
House Bill 582 - Hertz

These bills and veto messages have been delivered to the Secretary of State.

Sincerely,

STEVE BULLOCK  
Governor

May 3, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol Helena, MT 59620

Dear Secretary McCulloch:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby deliver to you House Bill (HB 2), "AN ACT APPROPRIATING MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 2015; AND PROVIDING AN EFFECTIVE DATE" which, except for line-item vetoes, I have signed into law.

Montanans expect their elected officials to be responsible stewards of taxpayer money. To that end, I set three goals in developing my proposed Executive Budget and asked the same of the Legislature. First, we must maintain a healthy savings account to weather any unexpected

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economic downturn. Second, we cannot spend more than we take in and must maintain structural balance. Finally, I asked that essential services be funded and long-term liabilities fixed before creating new programs or new tax expenditures.

Unfortunately, the Legislature did not meet all of those markers. Therefore, I submit line item vetoes of HB 2, the General Appropriations Act, in order to reduce spending, eliminate new programs or payments that we simply cannot afford, or fix technical errors which would ultimately cost the taxpayers of Montana.

Below is a summary of my line-item vetoes with page and line numbers indicated for the reference copy of the bill. I respectfully request that you sustain my vetoes and bring the budget back into structural balance and reduce spending to more sustainable levels.

Secretary of State

- Page A-3, Lines 14-18, Lines 21-22 and Line 27; Page A-4, Line 1: In accordance with 17-8101, MCA, these funds do not need to be appropriated and have not been appropriated since the late 1990s. This appropriation is redundant and unnecessary and therefore I remove it from the bill.

Department of Revenue

- Page A-7, Lines 23-24: These funds are appropriated for the Department of Revenue to conduct a review of active exempt property records. No bill was passed to conduct this study and no hearing was held on its implementation. The services provided by the many Montana non-profits organizations, from hospitals to YMCAs, are critical to the people of our State.

Department of Administration

- Page A-9, Lines 16-19: The state contribution toward the employee benefit plan is statutorily established in 2-18-703, MCA, and is routinely reviewed in House Bill 13 (HB 13) by the Legislature. In accordance with 2-18-812(1), MCA, the plan must be actuarially sound and is audited by the Legislative Audit Division. The language contained on Page R-5, Lines 25-26 and Page R-6, Lines 1-3 is sufficient to meet the requirements of 2-18-812(4), MCA, therefore making this appropriation unnecessary and redundant.

Department of Labor and Industry

- Page A-12, Lines 4-5: Due to the failure of House Bill 627, this appropriation is not valid and should be eliminated.

Department of Military Affairs

- Page A-13, Lines 21-22: "ChalleNGe Recruitment and Retention" provides a \$450,000 increase above that funded in HB 13. Given the Legislature's reservations about broadband pay adjustments and my commitment to treat employees fairly within existing budgets, we will utilize the State Pay

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Plan to implement a pay raise for employees of the Montana Youth Challenge program.  
Department of Public Health and Human Services

- Page B-1, Lines 21-22; Page B-2, Lines 26-27; and Page B-3, Line 1: This appropriation provides \$1,000 for the Department of Public Health and Human Services (DPHHS) to report to legislative committees on the policies and procedures developed for the implementation of House Bill 131 and Senate Bill 65. These funds are unnecessary. My agencies have already improved communications with the Legislature and will continue to provide information as necessary and appropriate.
- Page B-6, Lines 24-25; Page B-9, Lines 8-9: My administration proposed and supported a 2 percent provider rate increase for DPHHS and Department of Corrections contractors. This was a fair and reasonable increase. Given the need to return the budget to structural balance and the Legislature's failure to meet my ending fund requirements, I cannot support additional provider rate increases to only one class of providers that is above the fair and equitable 2 percent per year raise.
- Page B-7, Lines 12-13: "One-Time Mental Health Crisis Jail Diversion Services" took money from the Montana Chemical Dependency Center. These funds should remain with the originating facility, program and clients. Eliminating this one-time only appropriation still leaves over \$200,000 per year in ongoing new funding for this critical program of mental health crisis jail diversion.  
Secretary McCulloch May 3, 2013 Page 3

Fish, Wildlife and Parks

- Page C-1, Lines 13-14; Page C-3, Lines 3-5: This appropriation provides \$1,000 for FWP to report to legislative committees on the maintenance of fishing access sites. These funds are unnecessary. My agencies have already improved communications with the Legislature and will continue to provide information as necessary and appropriate.
- Page C-1, Lines 17-18; Page C-3, Lines 6-7: "Warden Salary Adjustment" provides funds for a 5.82 percent increase above that funded in HB 13. Given the Legislature's reservations about broadband pay adjustments and my commitment to treat employees fairly within existing budgets, we will utilize the State Pay Plan to implement a pay raise for game wardens. We will also review the current market analysis methodology for comparable employees and their pay.

Department of Livestock

- Page C-7, Lines 7-8: The funding source for the appropriation for "Predator Control of Grizzly Bear" is the coal bed methane protection account. According to 76-15-904, MCA, these funds may only be used to "compensate landowners and water right holders for damages attributable to coal bed methane development." Therefore, allowing this appropriation to remain would violate 76-15-904, MCA, and is an inappropriate use of these funds.

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Department of Natural Resources and Conservation

- Page C-8, Lines 26-27: This \$1.4 million addition to the Board of Oil and Gas Conservation is meant to fund educational and research activities of the board. The 2011 Legislature appropriated \$1.5 million for the 2013 biennium for the same purpose. Only \$83,490 of these funds were spent in fiscal year 2012 and that amount is included in the board's budget. Given that the additional funds were not included in the Executive Budget and the board's budget already includes over \$80,000 for this purpose, additional funding is not necessary.
- Page C-9, Lines 11-12: "Board of Oil and Gas Inspectors Personal Services" provides \$200,000 for salary increases above that funded in HB 13. Given the Legislature's reservations about broadband pay adjustments and my commitment to treat employees fairly within existing budgets, we will utilize the State Pay Plan to implement a pay raise for inspectors.
- Page C-10, Lines 6-7: The funding source for the appropriation for Montana Rural Water Systems is the Board of Oil and Gas administration fund. According to 82-11-135, MCA, these funds may only be used for "paying all expenses of the board and for no other purpose." Therefore, allowing this appropriation to remain would violate 82-11-135, MCA, and this is an inappropriate use of these funds.

Montana University System

- Page E-8, Lines 26-27: This \$250,000 appropriation is in addition to the increase of \$1,540,000 in funds for the Agriculture Experiment Station (AES) appropriated by the Legislature above my original budget proposal. If this funding is a priority, the AES has more than sufficient appropriation authority to cover these expenses. Given the current status of the budget and the Legislature's failure to meet my minimum ending fund balance requirements, I cannot support this additional earmark.
- Page E-9, Lines 3-4: This \$400,000 appropriation is in addition to the increase of \$600,000 in funds for the Extension Service appropriated by the Legislature above my original budget proposal. If this funding is a priority, the Extension Service has more than sufficient appropriation authority to cover these expenses. Given the need to return the budget to structural balance and the Legislature's failure to meet my ending fund requirements, I cannot support this additional earmark. For these reasons, I sign HB 2 into law with the exception of the foregoing line-item vetoes.

Sincerely,

STEVE BULLOCK  
Governor

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May 3, 2013  
The Honorable Linda McCulloch  
Secretary of State  
State Capitol Helena, MT 59620

Dear Secretary McCulloch:

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 217 (HB 217), "AN ACT GENERALLY REVISING CAMPAIGN FINANCE LAWS; REVISING REPORTING REQUIREMENTS APPLICABLE TO RELIGIOUS ORGANIZATIONS IN ISSUE AND BALLOT ISSUE CAMPAIGNS TO CONFORM WITH COURT DECISIONS PROTECTING THE FREE EXERCISE OF RELIGION AS GUARANTEED BY THE FIRST AMENDMENT OF THE UNITED STATES CONSTITUTION AND ARTICLE II, SECTION 5, OF THE MONTANA CONSTITUTION; REVISING DEFINITIONS RELATED TO CONTRIBUTIONS AND EXPENDITURES; AMENDING SECTION 13-1-101, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

HB 217 exempts 501 (c )(3) religious organizations from regulation under Montana's campaign practices statutes, if compliance with those regulations would burden the organization's religious beliefs and practices. The bill opens a pathway for dark money organizations to influence ballot issue campaigns without any regulation or transparency, and does not take care of the problem at issue in the Canyon Ferry v. Unsworth, 556 F.3d 1021 (9th Cir. 2009) case. Further, the bill may mislead bonafide churches or other organizations into believing they can support or oppose candidates or ballot issues in Montana without complying with the restrictions imposed by their 501 (c )(3) nonprofit status under federal law. HB 217 acts as an invitation to dark money groups and a legal trap for bonafide churches and other organizations.

I had proposed amendments that would have resolved the problem set out in the Canyon Ferry decision and ensure that groups seeking to influence our elections disclose certain information concerning their activities in Montana - an issue that a majority in both houses supported. Unfortunately, the legislative leadership refused to schedule a vote on my amendments and prevented any opportunity for the Senate or House to do what the people of Montana have asked them to do - shine a light on dark money.

For these reasons, I veto HB 217.

Sincerely,

STEVE BULLOCK  
Governor



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May 3, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 Bi1I225 (HB 225), "AN ACT REVISING THE INTEREST THAT MA Y BE A WARDED ON CIVIL JUDGMENTS; AMENDING SECTIONS 25-9-205 AND 27-1210, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

Montana statute establishes interest payments on judgments in civil cases at 10 percent. HB 225 would create a two-tiered system that would treat judgments for injury to person or property differently than other civil judgments. It would also create a fluctuating interest rate based on the prime rate published by the Federal Reserve System on the date of the Judgment.

I proposed amendments to address the inequities in this bill that struck a reasonable balance between competing interests and ensured that there was not a disparity between different types of judgments. Unfortunately, the Legislature rejected those amendments.

Therefore, I now veto HB 225.

Sincerely,

STEVE BULLOCK  
Governor

May 3, 2013  
The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 363 (HB 363), "AN ACT GENERALLY REVISING LAWS RELATED TO THE BOARD OF REALTY REGULATION; ALLOWING THE BOARD TO HIRE ITS OWN STAFF; AMENDING SECTIONS 2-15-1757 AND 37-51-209, MCA; AND PROVIDING AN EFFECTIVE DATE."

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As I have previously stated, finding ways to provide a more effective government for Montana taxpayers is a top priority for my administration. I have asked Lieutenant Governor John Walsh to work with my Cabinet to find areas where we can improve the delivery of services to the public and reduce the costs associated with doing so. HB 363 is contrary to these efforts.

HB 363 creates an administrative structure for the Board of Realty Regulation (Board) that is unlike that of any other board in State government. Rather than taking advantage of already existing staff and resources in the Department of Labor and Industry (DLI), HB 363 would allow the Board to hire an executive director, legal counsel and any other staff it determines necessary. Pursuant to 37-1-134, MCA, statutorily created boards must set fees that are commensurate with their operating costs. To provide funding for the new positions created by HB 363, the Board would necessarily need to increase its fees.

I am committed to making sure that the DLI provides quality service to the various boards it serves. There are approximately 146 administratively attached boards in state government - I do not believe that carving out certain boards for special treatment and growing the size of government best serves the interests of the constituents these boards serve.

For these reasons, I veto HB 363.

Sincerely,

STEVE BULLOCK  
Governor

May 1, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

I hereby sign into law House Bill 478 (HB 478) "AN ACT REVISING LAWS REGARDING TRAFFICKING OF PERSONS FOR COMMERCIAL SEXUAL ACTIVITY; REVISING PROSTITUTION LAWS; REVISING CERTAIN PENALTIES; ESTABLISHING THE OFFENSES OF SEXUAL SERVITUDE OF A CHILD AND PATRONIZING A CHILD; AMENDING SECTIONS 45-5-306, 45-5-601, 45-5-602, 45-5-603, 46-18-111, 46-18-201, 46-18-203, 46-18-205, 46-18-207, 46-18-222, 46-18-231, 46-23-502, AND 46-23-1011, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

HB 478 is an important new law which protects children. As Governor and as a parent, I strongly support this bill and sign it into law. I am submitting this statement to you to clarify the meaning of

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sections 6 and 7 of the bill. These two sections change existing Montana law with regard to the offense of "promoting prostitution." §§ 45-5-602-603, MCA. These sections establish that persons who promote prostitution are guilty of a crime under Montana law, and provide penalties. The intent of HB 478 in these sections is to enhance the penalties imposed upon those guilty of promoting the prostitution of children. As written, however, the enhanced penalties in these sections apply to "patrons" of children who have been forced into prostitution, rather than against those who have forced children into prostitution and who are profiting from that activity.

This is simply a drafting error and the intent of the law is clear. Sections 6 and 7 should be read as providing enhanced penalties against those who promote prostitution when the person engaging in prostitution is a child and patron is over 18 years of age.

Sincerely,

Steve Bullock  
Governor

May 3, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol Helena, MT 59620

Dear Secretary McCulloch:

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 499 (HB 499), "AN ACT CLARIFYING CONVEYANCE EXEMPTIONS FROM SUBDIVISION REGULATIONS; AMENDING SECTION 76-3-204, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

HB 499 is one of two bills that have been passed by the Legislature, meant to address a 2012 Attorney General's opinion concerning subdivisions for lease or rent on a single tract of record. Under current subdivision law, as interpreted by two district courts and followed by the Attorney General's opinion, if there is more than one existing building on a single tract of record, and that building is being leased or rented, the lease or rent of that building must undergo local subdivision review and approval pursuant to the provisions of Title 76, Part 3, MCA. HB 499 provides a "safe harbor" for these uses, where they have not undergone such review and approval, by modifying the language of 76-3-204, MCA. A second bill, SB 324, will repeal section 76-3-204, MCA, and provide a new review process for more than one building for lease or rent on a single tract of record. Under SB 324, up to three existing buildings for lease or rent on a single tract of record will be exempt from the new local review and approval process. However, HB 499 is effective on passage and approval, and SB 324 is effective September 1, 2013.

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If HB 499 were to become law, it would provide for the immediate legalization of an unlimited number of buildings on a tract of record that were being leased or rented in violation of existing law. Further, the immediate effective date of HB 499 would deprive local governments of the time necessary to finalize existing legal processes that are already in place to address existing violations of subdivision law, prior to the effective date of SB 324. SB 324 is compromise legislation supported by the numerous interest groups involved in the issue of subdivision for lease or rent, and the comprehensive provisions therein reflect two years of compromise and negotiation work between these interested parties. Allowing HB 499 to become law would negate the efforts of those groups who came together in supporting SB 324.

For these reasons, I veto HB 499.

Sincerely,

STEVE BULLOCK  
Governor

May 3, 2013  
The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 509 (HB 509), "AN ACT GENERALLY REVISING 9-1-1 FEES; ESTABLISHING HOW 9-1-1 FEES ARE IMPOSED ON PREPAID WIRELESS SERVICES; ESTABLISHING A PROCESS FOR THE COLLECTION OF PREPAID WIRELESS 9-1-1 FEES; ALLOWING A SELLER OF PREPAID WIRELESS SERVICES TO DEDUCT AND RETAIN A PORTION OF THE FEES; DETERMINING HOW PREPAID WIRELESS 9-1-1 FEES ARE APPLIED TO THE BUDGET OF THE 9-1-1 PROGRAM; LIMITING LIABILITY FOR SELLERS THAT ENGAGE IN PREPAID WIRELESS TRANSACTIONS; AMENDING SECTIONS 10-4-101, 10-4-201, 10-4-203, 10-4-204, 10-4-205, 10-4-211, 10-4-212, 10-4-301, AND 10-4-313, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

Montana law imposes certain fees on users of telephone and wireless services to fund 911 services for the State. HB 509 would require Montana retailers to collect the 911 fee associated with the sale of prepaid wireless services. It shifts the responsibility to collect the 911 fee from the provider of prepaid wireless services to the retailers who offer these products for sale.

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By shifting the responsibility for collecting the 911 fee from major corporations to small businesses, HB 509 would adversely affect the drivers of our economy, Montana's Main Streets, by requiring these small businesses to invest in new equipment and additional reporting requirements to collect this tax.

Moreover, HB 509 essentially creates a general sales tax for a single product. If enacted, Montana would be the only state without a sales tax to adopt this model of collection. Montana voters have made their opposition to a sales tax clear and HB 509 runs contrary to their wishes.

For these reason, I am vetoing HB 509.

Sincerely,

STEVE BULLOCK  
Governor

May 3, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 556 (HB 556), "AN ACT DELAYING THE REVERSION TO THE GENERAL FUND OF THE UNRESERVED FUND BALANCE OF THE STATE SPECIAL REVENUE FUND FOR PROVISION OF BASIC LIBRARY SERVICES AND FOR PAYMENT OF THE COSTS OF PARTICIPATING IN REGIONAL AND NATIONAL NETWORKING, CONSERVATION DISTRICTS, AND THE MONTANA GROWTH THROUGH AGRICULTURE ACT; AMENDING SECTION 15-35-108, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

The budget I proposed was balanced, left money in the bank for a rainy day, cut taxes for small businesses and homeowners, and maintained critical services. At the same time I laid out clear and basic expectations for the Legislature while considering the state budget. First, Montana's budget needs to be in structural balance -we cannot spend more than we take in. Second, to ensure sound fiscal management, the Legislature needs to maintain a reserve of \$300 million in ending fund balance. Finally, essential services and long-term liabilities must be addressed before the Legislature creates new programs or tax expenditures. The Legislature's action to date leave

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Montana with an insufficient ending fund balance and spends significantly more than current revenues allow according to the most recent analysis completed by the Legislative Fiscal Division. However well-intentioned HB 556 may be, we simply can't afford it.

Therefore, I veto HB 556.

Sincerely,

STEVE BULLOCK  
Governor

May 3, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 582 (HB 582), "AN ACT GENERALLY REVISING LAWS RELATED TO THE BOARD OF PUBLIC ACCOUNTANTS; PROVIDING THAT THE BOARD MAY HIRE ITS OWN STAFF; AMENDING SECTION 2-15-1756, MCA; AND PROVIDING AN EFFECTIVE DATE."

As I have previously stated, finding ways to provide a more effective government for Montana taxpayers is a top priority for my administration. I have asked Lieutenant Governor John Walsh to work with my Cabinet to find areas where we can improve the delivery of services to the public and reduce the costs associated with doing so. HB 582 is contrary to these efforts.

HB 582 creates an administrative structure for the Board of Public Accountants (Board) that is unlike that of any other board in State government. Rather than taking advantage of already existing staff and resources in the Department of Labor and Industry (DLI), HB 582 would allow the Board to hire an executive director, legal counsel and any other staff it determines necessary. Pursuant to 37-1-134, MCA, statutorily created boards must set fees that are commensurate with their operating costs. To provide funding for the new positions created by HB 582, the Board would necessarily need to increase its fees.

I am committed to making sure that the DLI provides quality service to the various boards it serves. There are approximately 146 administratively attached boards in state government - I do not believe that carving out certain boards for special treatment and growing the size of government best serves the interests of the constituents these boards serve.

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For these reasons, I veto HB 582.

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013

The Honorable Mark Blasdel  
Speaker of the House  
State Capitol  
Helena, MT 59620

Dear Speaker Blasdel:

On Monday, May 6, I signed the following House Bills and delivered them to the Secretary of State:

House Bill 6 - Cook	House Bill 345 - C. Smith
House Bill 10 - Pomnichowski	House Bill 377 - Woods
House Bill 11 - Gibson	House Bill 454 - McChesney
House Bill 13 - Swanson	House Bill 559 - Bangerter
House Bill 97 - Wilmer	House Bill 603 - Zolnikov
House Bill 262 - Hill	House Bill 609 - Connell

I signed House Bill 5 -Ankney into law with the exception of those items which I have line-item vetoed.

I have vetoed the following House Bills:

House Bill 12 - Pease-Lopez	House Bill 301 - Halvorson
House Bill 19 - Hollandsworth	House Bill 408 - Miller
House Bill 100 -Ehli	House Bill 473 - Reichner
House Bill 188 - Regier	House Bill 535 - G. Bennett
House Bill 205 - Kerns	House Bill 564 - Edmunds
House Bill 218 - Ankney	House Bill 604 - C. Smith
House Bill 240 - C. Smith	House Bill 625 - Ankney
House Bill 265 - Fitzpatrick	House Bill 633 - Ehli
House Bill 297 - Howard	

I have returned House Bill 477 - Berry and House Bill 554 - B. Smith to the Secretary of State without signature. House Bill 554 is one of 20 bills passed on 3rd reading by the Senate on April 5, 2013. The manner in which these bills were passed may violate the Montana Constitution.

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While these bills may be subject to a legal challenge, their validity is a question for the judicial branch to ultimately decide. I am, therefore, allowing HB 554 to become law without my signature.

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby deliver to you House Bill 5 (HB 5) "AN ACT APPROPRIATING MONEY FOR CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 2015; PROVIDING FOR OTHER MATTERS RELATING TO THE APPROPRIATIONS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE LONG-RANGE BUILDING PROGRAM ACCOUNT; PROVIDING RULEMAKING AUTHORITY; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE" which, except for one line-item veto, I have signed into law.

HB 5, an appropriations bill which is introduced every legislative session, provides money for capital projects, capital improvements, and land acquisitions, including the Habitat Montana Program (established by sections 87-1-241 and 87-1-242, MCA, and implemented through section 87-1-209, MCA).

The Habitat Montana program has been an extremely effective and popular program, using license dollars paid by hunters to secure important wildlife habitat. Pursuant to authorizing statutes, the Montana Department of Fish, Wildlife and Parks and the Fish, Wildlife and Parks Commission, with the approval of the Board of Land Commissioners, have acquired wildlife habitat by fee title, conservation easement, easement, and lease. While not without controversy, these acquisitions have generally served Montanans well, helping to preserve our world-famous wildlife heritage for future generations to enjoy.

Unfortunately, the Legislature has attempted to use HB 5 as a vehicle for unraveling this important statutory authority, by inserting a "rider" to make a substantive law change unrelated to this appropriations bill. Specifically, in Section 4(1) of HB 5, the Legislature has inserted the following limitation on the Habitat Montana program:



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When considering the acquisition of habitat in accordance with 87-1-241, the Department of Fish, Wildlife and Parks may consider only term agreements.

Remarkably, this language is directly at odds with the preceding sentence in Section 4(1), which authorizes the expenditure of funds for the full range of land acquisition options authorized by statute. Looking back at this legislative session, I can only conclude that attempting to pass such a limitation in a separate single-subject bill would have been extremely controversial and difficult. However, attempting to insert a rider to accomplish this same end is not only prohibited by statute (section 17-8-103(2), MCA) but is unconstitutional (Article V, Section 11(4)).

As Governor, I may line-item veto the following items in an appropriations bill: (1) a specific appropriation contained in the bill; (2) a condition that limits the use to which an appropriation may be put but only if the appropriation to which it is attached is vetoed as well; and (3) a rider. The language set forth above from Section 4(1) of HB 5 is a substantive piece of separate legislation, and has no bearing on the appropriations contained in HB 5 for this biennium. Therefore, under *Cobb v. Schweitzer*, 2006 Mont. Dist. LEXIS 257 and *Cobb v. Schweitzer*, 2006 Mont. Dist. LEXIS 892, this provision is subject to line-item veto.

For these reasons, I sign HB 5 into law with the exception of the second sentence of Section 4(1).

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 12 (HB 12) "AN ACT APPROPRIATING FUNDS FOR ONE-TIME PROVIDER RATE PAYMENTS; RESTRICTING USE OF FUNDS FOR PROVIDER PAYMENTS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

In 2010, former Governor Schweitzer was forced to implement provisions of the Budget Reduction Act (17-7-140, MCA), given the economic conditions of the time and their potential effects on projected ending fund balance. Providers, employees, state agencies, and others all absorbed these necessary statutory reductions at the time. None have sought to replace lost earnings, wages, jobs, or payments to date.

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HB 12, however, seeks to do just that. While state agencies and their contractors absorbed those necessary reductions and moved forward, a select group now seeks compensation for the unavoidable impacts of the downturn in the national economy. This additional one-time payment is in addition to the prospective 2 percent permanent provider rate increase each year of the biennium that I submitted and that was approved by the 63rd Legislature.

Furthermore, the implications of HB 12 are such that the State of Montana would be providing retroactive payments to providers for services already rendered. The different rates were established after extensive public hearings during the 2011 Legislature. Medicaid rates then went through the administrative rule process which included additional public notice and comment periods. After all of this, providers continued to provide services knowing what the compensation would be. HB 12 now seeks to provide a "bonus" for previously provided services despite the fact that the terms and conditions of these contracts have already been performed. This sets a dangerous precedent and infringes on the ability of the Executive to implement the state budget in a responsible and predictable way.

In addition to the fiscal considerations, HB 12 has implementation issues as well. The bill provides a one-time only provider rate increase that must be distributed to providers of medical care, mental health care, foster care, child care, long-term care and assistance with activities of daily living in state fiscal year 2013. The bill appropriates \$6,481,952 from the general fund and provides another \$12,700,000 in federal special revenue. In order to obtain the federal match for Medicaid providers, public and tribal notice would need to be given and state plans would need to be submitted and approved by the Centers on Medicare and Medicaid Services before June 30, 2013. Administrative rules would also need to be written for both Medicaid and non-Medicaid providers. The compressed time frame between now and the end of state fiscal year 2013 make it extremely unlikely that the Department of Public Health and Human Services can comply with the bill.

For these reasons, I veto HB 12.

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013  
The Honorable Linda McCulloch  
Secretary of State  
State Capitol Helena, MT 59620

Dear Secretary McCulloch:

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 19 (HB 19), "AN ACT REVISING CERTAIN PROVISIONS RELATED TO THE ADMINISTRATION OF TAXES; AMENDING PROVISIONS FOR

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THE WAIVER OF INTEREST; REVISING THE UNIFORM PENALTY ASSESSMENTS ON DELINQUENT TAXES; PROVIDING THAT INTEREST ASSESSMENTS ON DELINQUENT INCOME TAXES ARE BASED ONLY ON THE FEDERAL UNDERPAYMENT RATE ASSESSED AGAINST INDIVIDUAL INCOME TAXPAYERS; PROVIDING THAT UNDERPAYMENT INTEREST ON ESTIMATED INDIVIDUAL INCOME TAXES IS NOT REQUIRED UNDER CERTAIN CONDITIONS; PROVIDING THAT THE PENAL TIES FOR SUBSTANTIAL UNDERSTATEMENT OF A TAX OR FOR FILING A FRAUDULENT OR FRIVOLOUS RETURN OR REPORT ARE SIMILAR TO FEDERAL PENAL TIES; CLARIFYING THE TAXATION OF FEDERAL INDIVIDUAL INCOME TAX REFUNDS; AMENDING SECTIONS 15-1-206, 15-1-216, 15-30-2110, 15-30-2341, AND 15-30-2512, MCA; AND PROVIDING EFFECTIVE DATES AND APPLICABILITY DATES."

HB 19 would change the way penalties and interest are levied against delinquent taxpayers. The intent of the bill is to give more discretion to the Department of Revenue in assessing penalties in the collection of delinquent taxes. While I appreciate the Legislature's willingness to consider ways to simplify and streamline Montana's tax system, in light of the Legislature's action on HB 2, the main budget bill for the state, we cannot afford the \$2.6 million cost associated with HB 19 over the biennium.

The budget I proposed was balanced, left money in the bank for a rainy day, cut taxes for small businesses and homeowners, and maintained critical services. At the same time I laid out clear and basic expectations for the Legislature while considering the state budget. First, Montana's budget needs to be in structural balance -we cannot spend more than we take in. Second, to ensure sound fiscal management, the Legislature needs to maintain a reserve of \$300 million in ending fund balance. Finally, essential services and long-term liabilities must be addressed before the Legislature creates new programs or, in this case, tax expenditures. However well-intentioned HB 19 may be, we simply cannot afford it.

For these reasons, I veto HB 19.

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013  
The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Secretary McCulloch:

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 100 (HB 100), "AN ACT CREATING A PILOT PROJECT TO REIMBURSE CERTAIN MEDICAID PROVIDERS BASED ON PERFORMANCE; CREATING A PAY-FOR-PERFORMANCE TASK FORCE; ESTABLISHING THE DUTIES OF THE

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TASK FORCE; PROVIDING FOR PUBLIC PARTICIPATION IN DEVELOPMENT OF A PAY-FOR-PERFORMANCE MODEL; REQUIRING DATA COLLECTION; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

HB 100 provides for the implementation of a pilot project for changes in the provider rates for certain Medicaid funded services and further provides for the establishment of an advisory council to provide direction in that effort. The bill is unnecessary in that the measures in the bill may be effectuated under existing state statutory authorities. The Department of Public Health and Human Services is proceeding under those existing authorities with studies and measures that will serve the purpose of this bill. This bill, in duplicating existing authorities and efforts, would not efficiently serve the public's interests in the services to be studied.

For these reasons, I veto HB 100.

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013  
The Honorable Linda McCulloch  
Secretary of State  
State Capitol Helena, MT 59620

Dear Secretary McCulloch:

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 188 (HB 188), "AN ACT REQUIRING THE PUBLIC SERVICE COMMISSION TO APPROVE RATE SCHEDULES FOR CERTAIN SMALL POWER PRODUCERS; PROHIBITING THE COMMISSION FROM APPROVING RATE SCHEDULES FOR CERTAIN SMALL POWER PRODUCERS; ESTABLISHING CERTAIN PARAMETERS FOR LONG-TERM CONTRACTS BETWEEN SMALL POWER PRODUCTION FACILITIES AND UTILITIES; GRANTING THE COMMISSION RULEMAKING AUTHORITY; AMENDING SECTION 69-3-603, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND APPLICABILITY DATES."

Under the Public Utility Regulatory Policies Act (PURP A), public utilities are required to purchase power from Qualifying Facilities (QFs) and the Montana Public Service Commission (PSC) sets terms and prices, subject to federal sideboards. HB 188 springs from a PSC Administrative Order that set prices, terms and conditions for QFs. The PSC, with the benefit of its highly professional staff of experts, went through months of technical review, days of hearing, months of deliberations, and now lengthy post-order proceedings. In contrast, the legislative process has dedicated perhaps a few hours of time to this matter over 90 days, and in the midst of crafting a state budget and considering more than 1,000 other legislative proposals.

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Since HB 188 was introduced, the PSC has engaged in additional proceedings to specifically act on part of its prior Order that the proponents of HB 188 found so offensive (issuing a stay of the QF purchase cap). Further, the PSC has signaled its intent to engage in additional proceedings and take further action to address the issues raised by HB 188 and make adjustments.

I note that judicial action has also been filed against the PSC and its Order and that action is pending. Other parties are also threatening litigation, not only against HB 188 should it pass, but against the PSC for its recent action in addressing the purchase cap, claiming both violate federal law.

It is not a bright line to decide when a matter is best left to an executive branch agency's expertise and when the Legislature should intervene to set broader policy, but in this case I conclude that this matter is better left to the PSC and its expertise, particularly because the PSC is still actively engaged in the issues addressed by HB 188.

Had this legislation come to me in time, I would have considered amending HB 188 to include a sunset to give the PSC and various parties an opportunity to engage in additional proceedings and conclude their litigation. Unfortunately, the Legislature held this bill for a week and did not send it to me until after adjournment, precluding any amendments.

For these reasons, I veto HB 188.

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol Helena, MT 59620

Dear Secretary McCulloch:

In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby veto HB 205, "AN ACT ELIMINATING A STATE LIMITATION ON THE USE OF SOUND REDUCTION DEVICES ON FIREARMS; AMENDING SECTIONS 87-1-201, 87-1-301, AND 87-6-401, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

HB 205 would allow the use of suppressed weapons while hunting. This use of suppressed weapons was proposed in the 2009 and 2011 Montana legislative sessions. In both sessions, the legislation was defeated. On March 28, 2013, I vetoed HB 27, which would have allowed for the use of suppressed weapons for wolf hunting. Now I affirm that I do not see the need for suppressed

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weapons for hunting. I believe most Montanans agree.

Most hunters are very concerned about the future of hunting in Montana. They know how important it is to conduct themselves in a responsible and ethical manner, through reverence for game animals, practicing fair chase hunting, and close attention to maintaining a positive and respectful public image. Hunting with suppressed weapons adds nothing positive to the hunt, but serves to bolster anti-hunters' efforts to portray hunting in a poor light.

From a law enforcement perspective, suppressors represent a challenge to peace officers as they attempt to ensure compliance with both state law and rules set out by property owners. Enforcing fish and game laws is a demanding job. We should not make a game warden's job that much more difficult by allowing a situation in which he or she cannot readily identify or locate the full sound of gun shots in the field because of the use of a suppressed weapon by an individual who could have less than lawful intentions.

Property owners across Montana deserve the same consideration, as they endeavor to be good neighbors by allowing hunters access to their land. I believe most landowners prefer to hear the full report of a firearm when hunters or others are on or near their property.

For these reasons, and with the protection of Montana's hunting heritage in mind, I veto HB 205.

May 6, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 219 (HB 218), "AN ACT AUTHORIZING THE DEPARTMENT OF COMMERCE TO ISSUE GRANTS TO ASSIST LOCAL GOVERNMENTS WITH INFRASTRUCTURE AND OTHER NEEDS AS A RESULT OF OIL AND GAS IMPACTS; PROVIDING FOR ADMINISTRATION OF THE PROGRAM THROUGH THE DEPARTMENT OF COMMERCE; ESTABLISHING PRIORITIES AND CRITERIA FOR AWARDING GRANTS; GRANTING RULEMAKING AUTHORITY; ESTABLISHING AN OIL AND GAS IMPACT ACCOUNT; PROVIDING AN APPROPRIATION AND A STATUTORY APPROPRIATION; ALLOCATING FEDERAL MINERAL LEASING REVENUE; TRANSFERRING MONEY FROM THE GENERAL FUND TO THE OIL AND GAS IMPACT ACCOUNT; AMENDING SECTIONS 17-3-240 AND 17-7-502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND TERMINATION DATES."

HB 218 is excessive and duplicative. House Bill 11 currently allocates over \$15 million in

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infrastructure assistance to oil and gas producing cities and counties. House Bill S allocates and fully funds the State of Montana's share of the two remaining regional water system projects, both of which serve oil and gas producing cities and counties. Senate Bill 175 allocates additional funds to Eastern Montana schools. These funds, collectively, represent over \$40 million in infrastructure funds and other impact funds in this biennium alone.

As Governor of the State of Montana, I will continue to ensure that we create jobs, improve our schools and have a more effective government. The more than \$40 million in funds already allocated this biennium for infrastructure projects and other needs in Eastern Montana supports these goals, while maintaining the structural balance needed in budgeting.

For these reasons, I veto HB 218.

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013  
The Honorable Linda McCulloch  
Secretary of State  
State Capitol Helena, MT 59620

Dear Secretary McCulloch:

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 240 (HB 240), "AN ACT GENERALLY AFFIRMING AN INDIVIDUAL'S CONSTITUTIONAL GUARANTEES; CREATING THE HIGHER EDUCATION RIGHTS RESTORATION ACT; PROHIBITING THE BOARD OF REGENTS AND UNIVERSITY SYSTEM EMPLOYEES FROM INFRINGING ON AN INDIVIDUAL'S CONSTITUTIONAL RIGHTS; PROHIBITING THE BOARD OF REGENTS AND UNITS OF THE UNIVERSITY SYSTEM FROM REGULATING OR RESTRICTING THE POSSESSION OF FIREARMS ON UNIVERSITY PROPERTY WITH CERTAIN EXCEPTIONS; ALLOWING THE AWARD OF TREBLE DAMAGES FOR CERTAIN VIOLATIONS; AMENDING SECTIONS 453-111 AND 45-8-351, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

HB 240 provides that "the board of regents and units of the university system may not regulate or restrict the possession, transportation, or storage of firearms upon or within university property" by a person who has been issued a concealed weapon permit. The bill would allow students to openly carry weapons on campus and if a university "diminished" that right in any way they could be subject to treble damages.

I have been and will continue to be a strong advocate for the second amendment rights of the citizens of Montana. I am, however, also an advocate of common sense. And I believe that

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common sense dictates that guns and college campuses do not mix.

The U.S. Constitution does not require me to find otherwise. In fact, I fully agreed with and joined a brief in support of a recent U.S. Supreme Court decision, cited by the sponsor of this legislation, which reaffirms that the 2nd amendment reserves to individuals the right to keep and bear arms for self-defense. Even those cases, however, acknowledge that "longstanding prohibitions on the possession of firearms by felons and the mentally ill, or laws forbidding the carrying of firearms in sensitive places such as schools and government buildings, or laws imposing conditions and qualifications on the commercial sale of arms" are not contrary to the rights guaranteed by the 2nd amendment. *District of Columbia v. Heller*, 554 U.S. 570 at pages 54-55 (2008) (Emphasis added).

The Board of Regents currently has a reasonable policy of allowing hunting rifles to be brought on campus and stored in secure campus gun lockers where the weapons can be checked in and out for hunting and target practice off campus. The current policy mirrors that adopted by many private and public campuses across the United States of America. Our campuses have trained security and police officers to protect those on campus. Policies and training exists on our campuses to help keep students safe.

Finally, Article X, Section 9(2)(a) of the Montana Constitution vests the Board of Regents with a high degree of independence and autonomy subject only to the Legislature's power of appropriation. HB 240 may unconstitutionally intrude upon the authority of the Board to set its own common sense safety policies.

Recognizing my responsibility to the families of Montana and as the father of three young children, who will hopefully one day attend a university in Montana, I am vetoing HB 240.

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol Helena, MT 59620

Dear Secretary McCulloch:

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 265 (HB 265), "AN ACT GENERALLY REVISING CAMPAIGN FINANCE LAWS; REVISING WHEN FUNDS RECEIVED BY A CAMPAIGN MUST BE DEPOSITED; RAISING THE LIMITATION ON CONTRIBUTIONS TO A CANDIDATE FROM POLITICAL COMMITTEES AND INDIVIDUALS; RAISING THE LIMITATION ON AGGREGATE



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CONTRIBUTIONS THAT A CANDIDATE MAY RECEIVE FROM POLITICAL PARTY ORGANIZATIONS; REVISING THE DEFINITION OF "ELECTION" FOR THE PURPOSES OF DETERMINING CONTRIBUTION LIMITS; REVISING THE TIME AND TRIGGERING AMOUNT FOR FILING CERTAIN REPORTS OF CONTRIBUTIONS; RAISING THE AMOUNT OF AGGREGATE CONTRIBUTIONS THAT MUST BE RECEIVED FROM A CONTRIBUTOR BEFORE CERTAIN INFORMATION ABOUT THE CONTRIBUTOR MUST BE DISCLOSED; ELIMINATING THE LIMITATION ON AGGREGATE CONTRIBUTIONS THAT CERTAIN CANDIDATES MAY RECEIVE FROM POLITICAL COMMITTEES; AMENDING SECTIONS 13-37-207, 13-37-216, 13-37-226, AND 13-37-229, MCA; AND REPEALING SECTION 13-37-218, MCA."

The Legislature had an opportunity, through Senate Bill 375 (SB 375), to enact meaningful campaign finance reform by clarifying Montana law to shine light on the dark money expenditures that have contaminated elections in Montana. In supporting that bill, I was willing to accept increases in campaign contribution limits as a compromise, believing that it would increase the chances of attracting enough votes to overcome the vested interests of those who wish to protect individuals and groups who operate in the shadows. That compromise did not work; the Legislature failed to enact SB 375.

Without the kinds of reforms included in SB 375, I do not believe HB 265's increases in campaign contribution limits, or the elimination of the aggregate limit on Political Action Committee (PAC) contributions in legislative races, are in the best interests of our State. Candidates for our state and local elections are able to raise sufficient funds to run effective, competitive campaigns. The percentage of donors who contribute the maximum allowable amounts is relatively low, indicating that the vast majority of donors do not feel constrained by current limits. And, the limits are statutorily adjusted for inflation. In short, we in Montana are fortunate that our candidates for public office can still get elected through door-to-door, face-to-face contact with voters. Increasing the amount of money in our elections will only serve to further elevate the importance of fundraising and media campaigns, while diminishing the voices of everyday Montanans who wish to support their chosen candidates.

It would not be good policy to increase contribution limits without also securing the transparency and accountability ensured by effective campaign finance disclosure laws. Because the Legislature refused to strengthen our disclosure laws, I cannot sign HB 265 into law.

For these reasons, I veto HB 265.

Sincerely,

STEVE BULLOCK  
Governor

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May 6, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 297 (HB 297), "AN ACT MAKING EMPLOYMENT OF UNAUTHORIZED ALIENS UNLAWFUL UNDER STATE LAW; REQUIRING EMPLOYERS TO VERIFY EMPLOYMENT ELIGIBILITY; PROVIDING ENFORCEMENT PROCEDURES AND PENALTIES; PROVIDING FOR THE SUSPENSION OF BUSINESS LICENSES OF EMPLOYERS WHO EMPLOY UNAUTHORIZED ALIENS; PROVIDING THAT AN EMPLOYER HAS NOT UNLAWFULLY HIRED AN UNAUTHORIZED ALIEN IF THE EMPLOYER VERIFIES THE ALLEGED UNAUTHORIZED ALIEN'S EMPLOYMENT STATUS THROUGH THE FEDERAL EMPLOYMENT AUTHORIZATION PROGRAM OR OTHER APPLICABLE FEDERAL LAW; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTION 1-1-411, MCA; REPEALING SECTION 39-2-305, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

House Bill 297 creates a process through which the State of Montana Department of Justice must investigate complaints that a Montana business has hired an alien unauthorized to work in the United States, conduct hearings, and in some instances appear in state district court. The bill also establishes penalties for businesses that hire unauthorized aliens, up to and including suspension of their business license for 10 days. The process established by the bill is complex, and is estimated to cost \$139,984 in fiscal year 2014, \$217,845 in fiscal year 2015, \$221,113 in fiscal year 2016, and \$224,429 in fiscal year 2017.

HB 297 is costly, duplicative of existing federal and state law, and likely to harm Montana businesses. Although the bill is estimated to cost nearly \$1 million in the next four years and necessitate the creation of a new bureaucracy within the Montana Department of Justice, the Legislature failed to appropriate any money for its implementation. HB 297 is thus a burdensome and unfunded mandate.

Further, it is the federal government that is tasked with investigating and enforcing the federal laws which already prohibit the hiring of unauthorized aliens. The U.S. Immigrations and Customs Enforcement division of the Department of Homeland Security maintains several offices in Montana, as well as a tip line for those who suspect a business is employing unauthorized aliens. Federal law provides for the investigation and resolution of those claims. The bill would duplicate and may interfere with federal enforcement of federal law. It could also subject businesses to double penalties levied by both the state and federal governments.

Finally, the bill provides that anyone suspecting that a business has hired unauthorized aliens may

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submit a complaint to the Montana Department of Justice. Such complaints could well be groundless based on racial profiling rather than on facts. Baseless complaints can harm the reputation of a business, and require the hiring of legal counsel to defend against. The costs to businesses under this bill could be significant.

State law already prohibits the employment of aliens not authorized to work in the United States, and provides for lawsuits and fines to enforce the law. §39-2-305, MCA. Extensive federal laws and procedures exist for the same purpose. HB 297 is unnecessary and costly to both state government and private businesses.

For these reasons, I veto HB 297.

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013  
The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 301 (HB 301), "AN ACT INCREASING THE DEBT LIMIT FOR AN ELEMENTARY DISTRICT, A K-12 DISTRICT, OR A HIGH SCHOOL DISTRICT; AMENDING SECTIONS 20-9-406 AND 20-9-407, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

HB 301 seeks to increase the debt capacity of school districts by 100 percent. This is in addition to the new debt structures made available as well as the alterations in Guaranteed Tax Base Aid (GTB) payments through the passage of Senate Bill 175 (SB 375).

After listening to proponents, the primary focus of HB 301 was to address impacts associated with new development in and around oil and gas producing school districts as well as to accommodate anticipated future growth. An incremental approach to debt issuance is advisable in order to maintain the strong financial position of the state. It is appropriate to give impacted districts the option to use the new oil and natural gas revenue bonds created in SB 175 and to allow the new reappraisal values required by 15-7III, MCA, to be implemented in the 2015 Legislature before doubling the capacity to create new debt and ask for additional property tax levies. It is only reasonable to ensure that these new debt structures be given time to work prior to the doubling of allowable bonded debt service maximums.

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If these new tools are not sufficient, I am committed to reevaluating a more modest version of this proposal during the 2015 Legislative Session.

For these reasons, I veto HB 301.

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol Helena, MT 59620

Dear Secretary McCulloch:

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 408 (HB 408), "AN ACT REDUCING THE TAX RATE FOR CERTAIN AIR AND WATER POLLUTION CONTROL EQUIPMENT FOR PROPERTY TAX PURPOSES; PROVIDING A REIMBURSEMENT TO LOCAL GOVERNMENTS AND TAX INCREMENT FINANCING DISTRICTS UNDER THE ENTITLEMENT SHARE PAYMENT, TO SCHOOL DISTRICTS THROUGH THE BLOCK GRANT PROGRAM, TO COUNTY SCHOOL RETIREMENT AND COUNTY TRANSPORTATION REIMBURSEMENT, AND TO THE MONTANA UNIVERSITY SYSTEM THROUGH SUPPORT OF PUBLIC EDUCATION INSTITUTIONS FOR THE LOSS OF CLASS FIVE REVENUE; AND AMENDING SECTIONS 15-1-121, 15-6-135, 20-9-501, AND 20-10-146, MCA."

HB 408 reduces the Class 5 tax rate (§ 15-6-135, MCA) for certified air and water pollution control equipment from the current rate of 3 percent to 2 percent in tax year 2015, 1.5 percent in tax year 2016, and 1 percent in tax year 2017. HB 408 also provides for a reimbursement for the local taxes lost as a result of the tax reductions pursuant to § 15-6-135, MCA, that otherwise would have been generated if the tax rate had remained at 3 percent.

If the tax rates for pollution control equipment are reduced as HB 408 proposes, the impact to the state general fund is significant. It is estimated that the reduction associated with the lowering of the tax rate and the reimbursement to local government will cost the general fund \$3,045,108 in FY 2016, \$4,709,266 in FY 2017, and \$6,473,648 in FY 2018. Those reductions, which are likely to grow each fiscal year, will continue into future years and will impair future Legislatures' flexibility in budgeting and may create long-term fiscal imbalance.

HB 408 delays implementation of the tax reductions for pollution control equipment, to begin in tax year 2015. The effect of the delay provides structural balance for this biennium, but saddles future

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Legislatures with potential revenue shortfalls.

The budget I proposed was balanced, left money in the bank for a rainy day, cut taxes for small businesses and homeowners, and maintained critical services. At the same time I laid out clear and basic expectations for the Legislature while considering the state budget. First, Montana's budget needs to be in structural balance -we cannot spend more than we take in. Second, to ensure sound fiscal management, the Legislature needs to maintain a reserve of \$300 million in ending fund balance. Finally, essential services and long-term liabilities must be addressed before the Legislature creates new programs or tax expenditures.

Therefore, for reasons of fiscal responsibility, I veto HB 408.

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol Helena, MT 59620

Dear Secretary McCulloch:

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 473 (HB 473), "AN ACT GENERALLY REVISING HEALTH CARE PROVIDER AND HEALTH CARE FACILITIES LIEN LAWS; EXPANDING LIENS TO INCLUDE OPTOMETRISTS, PODIATRISTS, REHABILITATION FACILITIES, AND LONG-TERM CARE FACILITIES; REQUIRING NOTICE TO ALL KNOWN PAYERS WHEN AN ACTION IS COMMENCED AND A NOTICE OF LIEN IS FILED; AMENDING SECTIONS 71-3-1111, 71-3-1112, 71-3-1114, 71-3-1115, 71-3-1116, 71-3-1117, AND 71-3-1118, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

HB 473 expands Montana's medical lien laws to include optometrists, podiatrists, rehabilitation facilities and long-term care facilities as providers entitled to assert a lien when their patients are injured through the fault of a third party or are the beneficiary of insurance. This aspect of HB 473 is appropriate, and if those changes were the only amendments to the medical lien laws, I would sign HB 473 without hesitation.

Unfortunately, however, HB 473 also includes amendments to Montana's medical lien laws that are inappropriate, unnecessary, and internally inconsistent. When a patient has health insurance, that patient is entitled under Montana law to receive the benefits of that health insurance, even if the patient also has a liability claim against a third party. Medical providers are entitled to assert liens

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for any unpaid medical bills. The amendments in Sections 3 and 5 of HB 473 would inappropriately allow providers to effectively demand direct payment from third party liability insurers. While such direct payments may be appropriate under some circumstances, they are not appropriate in others.

The amendments in sections 3 and 5 of HB 473 are unnecessary. Montana's current lien laws give providers sufficient protection and the ability to enforce their liens.

Finally, section 3 of HB 473 contains internally inconsistent provisions in subsections (2)(b) and (3), with respect to the priority of attorney liens. Subsection (2)(b) provides that direct payment to a provider fully satisfies a lien, including an attorney lien, while subsection (3) provides that an attorney lien has priority over a medical lien. These contradictory provisions are likely to result in unnecessary and counterproductive conflicts and potential litigation.

For these reasons, I veto HB 473.

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 535 (HB 535), "AN ACT GENERALLY REVISING LAWS RELATED TO STATE LAND CABIN AND HOME SITES; REQUIRING THAT VALUATION OF IMPROVEMENTS MUST BE DETERMINED THROUGH AN INDEPENDENT THIRD PARTY APPRAISAL; CLARIFYING THAT THE PROCEEDS FROM ANY SALE OF IMPROVEMENTS MUST GO TO THE OWNER OF RECORD OF THE IMPROVEMENTS; CLARIFYING THAT OWNERSHIP OF THE IMPROVEMENTS ON STATE LAND PROPERTY SOLD OR LEASED MUST REMAIN WITH THE OWNER OF RECORD UNTIL THE IMPROVEMENTS ARE SOLD OR UNTIL THE PROPERTY AND IMPROVEMENTS ARE SOLD TO ANOTHER PERSON; DEFINING "IMPROVEMENTS"; AMENDING SECTIONS 771-208 AND 77-6-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

HB 535 addresses the ownership of improvements on cabin or home sites that are located on State Trust Lands. In the words of the sponsor, the bill "makes the law clear that owners of improvements of state-owned cabin site lots maintain ownership of their improvements until the lots are re-leased

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or sold or therefore the improvements are sold." However laudable this goal may be, as written HB 535 ties the hands of the state in regard to its trust responsibilities and is very likely to lead to litigation by advocates for the interests of trust beneficiaries.

All leases upon State School Trust Lands impose a fiduciary duty upon the state as a trustee to act in the best financial interests of the affected trust beneficiaries. A trustee must act with undivided loyalty to the trust beneficiaries.

HB 535 prevents the state from meeting its trust responsibilities by: limiting the authority of the Department of Natural Resources and Conservation (DNRC) to enforce lease payment requirements by eliminating the consequences of non-payment; allowing privately-owned improvements to trespass on trust land indefinitely with no compensation to the trust, and; limiting the DNRC's ability to manage trust lands responsibly by eliminating authority over structures upon lands leased as a cabin or home site.

For these reasons, I veto HB 535.

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013  
The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 564 (HB 564), "AN ACT REQUIRING A CLAIM AGAINST THE STATE OR A POLITICAL SUBDIVISION TO BE FILED IN THE COUNTY IN WHICH THE CLAIM AROSE; AND AMENDING SECTION 25-2-126, MCA."

HB 564 requires that legal actions filed against the state or its political subdivisions be filed exclusively in the county in which the claim arose. Under current law, such claims may be filed in the county in which the claim arises, or in Lewis and Clark County, the seat of state government in Montana. HB 564 eliminates the option to file suits against the state in Lewis and Clark County, if the claim did not arise there.

This bill is needless and costly. Under current law, nothing prevents a claimant from filing an action against the state in the county in which the claim arose. No showing was made during testimony on this bill that there is any problem with filing actions in Lewis and Clark County. In many instances, it simply makes the most sense to file a claim against the state in Lewis and Clark County, where much of state government is located. Under current law, plaintiffs are able to choose

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their venue in the first instance. Reducing the choices available to plaintiffs in litigation against the state serves no purpose.

Further, this bill comes to my desk without a fiscal note. It is obvious, however, that it will have an immediate and potentially large impact in driving up the costs of defending the state in legal actions.

For these reasons, I veto HB 564.

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 604, "AN ACT PROVIDING FOR A SELECT COMMITTEE ON MEDICAID INNOVATION, REFORM, AND EXPANSION; REQUIRING COMMITTEE REVIEW OF MEDICAID-RELATED LEGISLATIVE PROPOSALS; PROVIDING AN APPROPRIATION; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE."

The 63rd Legislature had multiple opportunities to enact legislation that included provisions to study and implement ways of improving the Medicaid program while expanding access to health care for up to 70,000 Montanans. A majority of legislators demonstrated their support for such legislation, but unfortunately, leadership in both houses and on a key committee prevented meaningful legislation from being enacted.

I have instructed the Department of Public Health and Human Services to immediately begin analyzing ways to improve and enhance the quality of our health care delivery system in the Medicaid program, and to identify ways to control costs. We intend to solicit input and involvement from stakeholders and experts so the state can begin implementing reforms.

The partisan manner in which the members of HB 604's select committee will be appointed does not suggest a constructive or productive process.



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For these reasons, I veto HB 604.

Sincerely,

STEVE BULLOCK  
Governor

May 6, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 625 (HB 625), "AN ACT IMPLEMENTING PROVISIONS OF THE GENERAL APPROPRIATIONS ACT BY INCREASING THE RATE PAID TO PROVIDERS BY THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES; AND PROVIDING AN EFFECTIVE DATE."

This bill seeks to direct, through statute, the Department of Public Health and Human Services implementation of provider rate increases. This is unnecessary. Provider rates are implemented through administrative rules which are adopted only after the Legislature has passed House Bill 2. I have already directed the department to begin processing the two percent rate increase and remain committed to implementing the two percent provider rate increase as proposed in my Executive Budget. There is no need for this legislation now and there is no need to set a precedent such as this. For these reasons, I veto HB 625.

Sincerely,

STEVE BULLOCK  
Governor

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May 6, 2013

The Honorable Linda McCulloch  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary McCulloch:

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 633 (HB 633), "AN ACT PROVIDING FOR A SELECT COMMITTEE ON EFFICIENCY IN GOVERNMENT; PROVIDING FOR MEMBERSHIP AND DUTIES; PROVIDING AN APPROPRIATION; AND PROVIDING EFFECTIVE DATES AND A TERMINATION DATE."

The 2011 Legislature created the first Select Committee on Efficiency in Government Interim Committee (Select Committee) and appropriated \$100,000 for the Select Committee to perform its work. After more than 18 months of meetings and work, the Select Committee introduced just five pieces of substantive legislation and one study bill during the 2013 legislative session. HB 633 proposes to continue the work of the Select Committee and appropriates another \$80,000 for that purpose.

HB 633 faced a bit of a rocky road reaching my desk and was actually tabled in Senate Committee on the basis that the work product of the Select Committee did not justify the associated costs. I tend to agree. A cost of close to \$20,000 per idea is too steep a tab for Montana taxpayers to pick up.

As I have previously stated, finding ways to provide a more effective government for Montana taxpayers is a top priority for my administration. I have asked Lieutenant Governor John Walsh to work with my Cabinet to find areas where we can improve the delivery of services to the public and reduce the costs associated with doing so.

While I appreciate the efforts of the Select Committee in this regard, I think the Lieutenant Governor can accomplish a similar mission at less cost to the State.

Sincerely,

STEVE BULLOCK  
Governor

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May 7, 2013  
The Honorable Mark Blasdel  
Speaker of the House  
State Capitol Helena, MT 59620

Dear Speaker Blasdel:

On Tuesday, May 7, I returned House Bill 184 Fiscus and House Bill 497 White to the Secretary of State without signature.

Sincerely,

STEVE BULLOCK  
Governor