

**SENATE JOURNAL
64TH LEGISLATURE**

ADDENDUM

Helena, Montana
2015

Senate Chambers
State Capitol

BILLS AND JOURNALS

Signed by the Speaker at 11:30 a.m., April 28, 2015: **SB 138, SB 171, SB 233, SB 252, SB 260, SB 261, SB 272, SB 283, SB 316, SB 336, SB 354, SB 385, SB 389, SB 396, SB 410, SB 411, SB 418, SJ 2.**

Delivered to the Secretary of State at 12:16 p.m., April 28, 2015: **SJ 2.**

Delivered to the Governor at 12:12 p.m., April 28, 2015: **SB 138, SB 171, SB 233, SB 252, SB 260, SB 261, SB 272, SB 283, SB 316, SB 336, SB 354, SB 385, SB 389, SB 396, SB 410, SB 411, SB 418.**

MESSAGES FROM THE GOVERNOR

April 27, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, Montana 59620

Dear President Barrett:

On Monday, April 27, 2015, I signed the following bills:

Senate Bill 112 - D. Ankney
Senate Bill 123 - B. Tutvedt
Senate Bill 176 - J. Pomnichowski
Senate Bill 191 - R. Driscoll
Senate Bill 213 - F. Thomas
Senate Bill 216 - R. Webb
Senate Bill 229 - B. Tutvedt
Senate Bill 230 - C. Vincent
Senate Bill 232 - F. Moore
Senate Bill 318 - N. Swandal
Senate Bill 335 - B. Tutvedt
Senate Bill 347 - T. Facey
Senate Bill 368 - M. Rosendale
Senate Bill 379 - G. Vance

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These bills were delivered to the Secretary of State's Office today.

I have returned **Senate Bill 356** - J. Fielder to the Secretary of State without signature.

I have vetoed **Senate Bill 126** - R. Webb, **Senate Bill 148** - C. Smith, **Senate Bill 149** - M. Rosendale, **Senate Bill 248** - J. Brenden, **Senate Bill 276** - R. Webb and **Senate Bill 376** - J. Brenden.

Sincerely,

STEVE BULLOCK
Governor

April 27, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

The Honorable Austin Knudsen
Speaker of the House
State Capitol
Helena, MT 59620

Dear President Barrett and Speaker Knudsen:

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 126** (SB 126), "AN ACT REVISING RESIDENTIAL LANDLORD AND TENANT LAWS; REVISING WHAT CONSTITUTES NOTICE TO INCLUDE THE RECEIPT BY TENANTS OR LANDLORDS OF INFORMATION BY ELECTRONIC MAIL; PROHIBITING THAT AN ELECTRONIC MAIL ADDRESS BE REQUIRED AS A CONDITION OF ENTERING INTO A RENTAL AGREEMENT; AND AMENDING SECTIONS 70-24-108 AND 70-24-202, MCA."

SB 126 allows both landlords and tenants to provide email addresses in their rental agreement. If an email address is provided, legal notice under landlord tenant law can be achieved via email.

Unfortunately, SB 126 does not require a landlord to notify a tenant that by providing an email address in the rental agreement, the tenant is consenting to legal notices being delivered via email, including eviction notices.

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Just as troubling, SB 126 provides that a legal notice delivered via email is considered "complete upon transmission." In other words, if the emails gets misdirected to a spam folder or if the receiving party is temporarily without internet or does not regularly check email, he or she may be effectively given legal notice without ever having received actual notice.

Legal actions in landlord tenant cases can have serious consequences for both parties involved. Although I support efforts to increase ease of communication between landlords and tenants, as written, SB 126 does not provide adequate protections for either party.

For these reasons, I veto SB 126.

Sincerely,

STEVE BULLOCK
Governor

April 27, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

The Honorable Austin Knudsen
Speaker of the House
State Capitol
Helena, MT 59620

Dear President Barrett and Speaker Knudsen:

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 148** (SB 148), "AN ACT ESTABLISHING PROCEDURES FOR PREVENTING FRAUD IN PUBLIC ASSISTANCE PROGRAMS; ESTABLISHING VERIFICATION REQUIREMENTS FOR INFORMATION SUBMITTED BY APPLICANTS FOR AND RECIPIENTS OF PUBLIC ASSISTANCE; REQUIRING THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES TO CONTRACT FOR A VERIFICATION SYSTEM; PROVIDING RULEMAKING AUTHORITY; AND AMENDING SECTIONS 53-2-101 AND 53-2-201, MCA."

SB 148 requires the Department of Public Health and Human Services (Department) to enter into a contract with a third party vendor for a computerized eligibility verification system that duplicates the Department's existing systems for verifying eligibility for the Medicaid, Healthy Montana Kids (HMK), Temporary Assistance to Needy Families (TANF) and Supplemental

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Nutrition Assistance Program (SNAP) programs. This contract could cost as much as \$7.9 million dollars in the next biennium to pay vendors for work that is already done by Department employees.

SB 148 increases the administrative costs of public assistance by increasing payment to government contractors while reducing essential services. It is premised on the unfounded assumptions that applicants for public assistance routinely engage in fraud and that Department employees do not accurately determine eligibility. These assumptions are refuted by the fact that Montana has a very low Payment Error Rate Measurement (PERM) for eligibility determinations. Montana's PERM rate is 0.40% (.004) compared to the national PERM of 2.67 percent.

The Department already requires written verification from reliable sources of all factors on which eligibility is based, such as identity citizenship, income and resources. The Department does not accept self-declarations by applicants as verification except when this is required by federal law, such as in the case of presumptive eligibility for Children's Health Insurance Program (CHIP).

SB 148 also puts the Department in the untenable position of attempting to comply with conflicting federal and state laws. Section 3 of SB 148 requires the Department to verify applicants' and recipients' identity information against a number of state and federal databases. Federal law restricts the use of some federal databases for specific purposes.

Perhaps the most troubling problem with SB 148 is that it unfairly stigmatizes our fellow Montanans who are elderly, disabled and poor. Instead of striving for cost savings from more efficient and effective program administration, SB 148 makes it more difficult for Montana's most vulnerable citizens to apply for and understand our programs that exist to assist them.

SB 148 is an expensive solution to a problem that does not exist. For these reasons, I veto SB 148.

Sincerely,

STEVE BULLOCK
Governor

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April 27, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

The Honorable Austin Knudsen
Speaker of the House
State Capitol
Helena, MT 59620

Dear President Barrett and Speaker Knudsen:

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 149** (SB 149), "AN ACT AUTHORIZING DIRECT PRIMARY CARE PROVIDER PLANS; ESTABLISHING REQUIREMENTS FOR DIRECT PRIMARY CARE PROVIDER PLANS; ESTABLISHING THAT DIRECT PRIMARY CARE PROVIDER PLANS ARE NOT HEALTH INSURANCE; MAKING DIRECT PRIMARY CARE PROVIDER PLANS SUBJECT TO CONSUMER PROTECTION LAWS; AND AMENDING SECTIONS 30-14-102, 33-1-102, 33-1-201, 33-1-207, 33-22-140, 33-30-101, AND 33-31-102, MCA."

SB 149 authorizes "direct primary care provider plans," under which physicians charge patients prepaid fees for primary health care instead of billing claims under the patient's insurance policy. The bill exempts these plans from the Insurance Code and includes certain disclosures the provider must make.

Direct primary care provider plans offer little or no added value to most consumers. They charge fees for treatments already covered by a consumer's health insurance, such as preventative care that insurance covers at no out-of-pocket cost to the consumer. Moreover, many insurance policies already offer flat-fee office visits similar to what SB 149 contemplates.

SB 149 has been touted as cutting insurance-related administrative expenses. Yet the bill does not prevent providers from selling these plans to some patients while accepting insurance for others -meaning the provider carries the same insurance-related overhead, but receives another income stream at the consumer's expense. SB 149 is bad for Montanans, because it allows providers to charge unnecessary fees for service already covered by insurance and fails to deliver the administrative savings it promises.

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For these reasons, I veto SB 149.

Sincerely,

STEVE BULLOCK
Governor

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

The Honorable Austin Knudsen
Speaker of the House
State Capitol
Helena, MT 59620

Dear President Barrett and Speaker Knudsen:

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 248** (SB 248), "AN ACT REQUIRING THAT CERTAIN INDIVIDUALS PROVIDING PUBLIC COMMENT TO A LEGISLATOR OR LEGISLATIVE COMMITTEE MUST PROVIDE THE INDIVIDUAL'S NAME, CITY OF RESIDENCE, AND STATE OF RESIDENCE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

SB 248 requires that individuals providing written, oral or electronic comment to state legislators or to a state legislative committee provide their name, city of residence, and state of residence. If any of this information is missing, the comment may not be accepted or considered by the legislator or legislative committee.

As Governor I receive public comment every day -- via email, phone, letter, on the street and in the grocery store. The ability of citizens to express their opinions freely to their government leaders is at the core of American democracy. We may sometimes disagree with what we hear, but I believe it is our obligation as elected leaders to listen. I cannot sign into law a bill which would prohibit the elected members of our Legislature from accepting or considering the public comment of our fellow citizens.

For these reasons, I veto SB 248.

Sincerely,

STEVE BULLOCK
Governor

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The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

The Honorable Austin Knudsen
Speaker of the House
State Capitol
Helena, MT 59620

Dear President Barrett and Speaker Knudsen:

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 276** (SB 276), "AN ACT ESTABLISHING A DIRECTORY OF PROVIDERS OF CERTAIN PERSONAL ASSISTANCE OR ATTENDANT SERVICES OR SUPPORTS; PROHIBITING THE COLLECTION OF CERTAIN INFORMATION; AND PROVIDING THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES WITH RULEMAKING AUTHORITY TO CREATE AND MAINTAIN THE DIRECTORY."

I support the creation of a voluntary online directory of publicly-funded in-home health care agencies. In fact, the Department of Public Health and Human Services (DPHHS) recently promulgated new Community First Choice rules that will allow Montana to provide additional information to consumers about both agency-directed and self-directed in-home health care services. DPHHS plans to develop an online directory that will assist Montanans in making informed decisions about service options for themselves and their family members. SB 276 is not necessary for the creation of such a directory.

Unfortunately, New Section 1(5) of SB 276 would prohibit the DPHHS from collecting information about workers who provide these publicly-funded services. This prohibition mirrors the prohibition contained in Senate Bill 277 (SB 277), which I vetoed on April 10, 2015.

The state has an interest in adequately assessing and evaluating the quality, stability and sustainability of the workforce providing publicly-funded in-home services. An important first step in understanding this vital workforce is gathering basic information about the people who provide such services and determining whether background checks have been conducted. Montana is one of only nine states that do not currently require background checks for home health care workers. While our state's rules do not go that far, they are a modest first step in better understanding this vital segment of our workforce and in helping to protect both the families being served and the workers themselves. The prohibition in SB 276 on collecting information about persons who provide in-home care for aging Montanans would prevent the state from fulfilling this important interest.

I remain committed to evaluating workforce availability and sustainability, enhancing comparative information available to consumers, and improving the consistency and quality of

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care available to Montanans. SB 276 inhibits rather than supports the state's ability to advance these goals.

For these reasons, I veto SB 276.

Sincerely,

STEVE BULLOCK
Governor

April 27, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, Montana 59602

The Honorable Austin Knudsen
Speaker of the House
State Capitol
Helena, Montana 59602

Dear President Barrett and Speaker Knudsen:

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 376** (SB 376), "AN ACT RESTRICTING THE USES OF RECOVERED AGENCY INDIRECT COSTS; AMENDING SECTION 17-1-106, MCA; AND PROVIDING AN EFFECTIVE DATE."

SB 376 provides that state agencies may use recovered indirect costs for operating expenses, such as infrastructure and maintenance, but may not use recovered funds for compensation increases or bonuses outside the legislatively authorized pay plan. Current law requires that state agencies receiving non-general funds negotiate reimbursement for indirect costs. Indirect costs are the costs for services that benefit more than one agency or program and that are not readily assignable to the agency or program specifically benefitting.

The bill allows for the use of indirect costs for "operating expenses, such as infrastructure and maintenance." This is problematic because while certain operating costs are allowable, capital expenses for infrastructure are not typically allowed as an indirect cost according to federal cost principles. The bill could put state government in conflict with federal requirements when negotiating indirect cost reimbursement amounts and methodologies. Further, the bill could create pay inequities for employees doing the same work but who are paid from an indirect cost plan as opposed to the general fund or some other source.

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For these reasons, I veto SB 376.

Sincerely,

STEVE BULLOCK
Governor

April 28, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

Dear President Barrett:

I have vetoed **Senate Bill 99** - J. Cohenour.

Sincerely,

STEVE BULLOCK
Governor

April 27, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

The Honorable Austin Knudsen
Speaker of the House
State Capitol
Helena, MT 59620

Dear President Barrett and Speaker Knudsen:

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 99** ("SB 99"), "AN ACT GENERALLY REVISING LAWS RELATED TO THE SMALL BUSINESS HEALTH INSURANCE POOL TO REMOVE

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THE PURCHASING POOL; ELIMINATING THE BOARD OF DIRECTORS OF THE SMALL BUSINESS HEALTH INSURANCE POOL; SHIFTING THE AUTHORITY OF THE BOARD OF DIRECTORS OF THE SMALL BUSINESS HEALTH INSURANCE POOL TO THE INSURANCE COMMISSIONER; REMOVING AUTHORITY TO SEEK A FEDERAL WAIVER FOR MEDICAID MATCHING FUNDS; APPROPRIATING 9% OF PREMIUM TAX TO FUND THE INSURE MONTANA PROGRAM; AMENDING SECTIONS 33-2-708, 33-22-1815, 33-22-1816, 33-22-2001, 33-22-2002, 33-22-2005, 33-22-2006, 33-22-2007, 33-22-2008, 33-22-2009, 53-2-217, AND 53-6-1201, MCA; REPEALING SECTIONS 33-22-2003, 33-22-2004, AND 53-2-216, MCA; AND PROVIDING EFFECTIVE DATES.”

SB 99 would fund the small business health insurance program with \$20 million of general fund dollars. Simply put, SB 99 spends too much to cover too few Montanans. As Governor, I manage the state’s tax dollars with an eye toward fiscal responsibility, not unlike Montana’s small business owners. SB 99 is fiscally irresponsible when other options are available for employers and employees to procure health insurance. Insure Montana currently provides subsidies to a little over 1,000 businesses at a cost of approximately \$10 million per year, which comes to approximately \$10,000 per business.

The program is administered on a first-come, first-served basis – benefiting the businesses that were first in line but leaving others to manage health care costs on their own.

The program has not expanded its waiting list for years, and this bill does nothing to address clearing the waiting list. In fact, by changing the eligibility criteria to participate from businesses with up to nine employees to those with up to 25 employees, SB 99 will actually increase the number of businesses on the waiting list.

SB 99 is not a wise use of taxpayer dollars and provides a benefit to a very small percentage of businesses. As introduced, SB 99 would have created a Montana solution to helping small businesses afford health insurance. However, the amendments placed on the bill removed a new, dedicated source of funding to continue and expand the program to more businesses without using general fund dollars for the program. It is unfortunate the original version of SB 99 did not make it to my desk. Through the State’s budget bill, HB 2, I have worked out a bi-partisan compromise, agreed to by both Democrats and Republicans, which will continue coverage for those participating in the program through December of 2015.

In 2016, small businesses and employees on the program can join the thousands of other Montana small businesses and employees who already have the option of finding health insurance coverage and tax credits on Montana’s health insurance marketplace.

For these reasons, I veto SB 99.

Sincerely,

STEVE BULLOCK
Governor

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April 28, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

Dear President Barrett:

On Tuesday, April 28, 2015, I signed the following bills:

Senate Bill 47 - J. Pomnichowski

Senate Bill 52 - J. Cohenour

Senate Bill 54 - Dick Barrett

Senate Bill 66 - D. Sands

Senate Bill 91 - F. Thomas

Senate Bill 102 - D. Ankney

Senate Bill 169 - B. Hamlett

Senate Bill 192 - R. Driscoll

Senate Bill 249 - J. Cohenour

Senate Bill 367 - J. Taylor

These bills were delivered to the Secretary of State's Office today.

I have returned **Senate Bill 181** - E. Arntzen, **Senate Bill 298** - J. Fielder and **Senate Bill 350** - C. Smith to the Secretary of State without signature.

I have also delivered **Senate Bill 224** - C. Wolken to the Secretary of State's Office since the sponsor concurred with my line item veto.

Sincerely,

STEVE BULLOCK
Governor

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April 29, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

Dear President Barrett:

On Wednesday, April 29, 2015, I signed the following bills:

Senate Bill 7 - R. Webb
Senate Bill 93 - P. Connell
Senate Bill 128 - K. Hansen
Senate Bill 136 - B. Hamlett
Senate Bill 157 - B. Tutvedt
Senate Bill 193 - B. Tutvedt
Senate Bill 195 - M. Caferro
Senate Bill 258 - B. Hoven
Senate Bill 259 - B. Tutvedt
Senate Bill 308 - J. Fielder
Senate Bill 364 - J. Cohenour
Senate Bill 405 - E. Buttrey

These bills were delivered to the Secretary of State today.

I have vetoed **Senate Bill 217** - K. Hansen, **Senate Bill 280** - F. Moore, **Senate Bill 288** - B. Tutvedt, **Senate Bill 349** - C. Smith, **Senate Bill 371** - M. Blasdel. These bills and veto messages have been delivered to the Secretary of State

Sincerely,

STEVE BULLOCK
Governor

SENATE JOURNAL
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April 29, 2015

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 law of the State of Montana, I hereby veto **Senate Bill 217** (SB 217), "AN ACT REVISING VITAL STATISTICS LAWS; REQUIRING THAT FORMS FOR THE COLLECTION OF VITAL STATISTICS CLEARLY STATE WHICH INFORMATION IS REQUIRED AND WHICH INFORMATION IS OPTIONAL; CLARIFYING THAT CERTAIN INFORMATION ON BIRTH CERTIFICATES IS OPTIONAL AND REQUIRING A PARENT'S CONSENT BEFORE THAT INFORMATION IS PROVIDED ON THE PARENT'S BEHALF; AND AMENDING SECTIONS 50-15-124 AND 50-15-221, MCA"

The State of Montana, as do all 50 states, follows the National Center for Health Statistics recommendations regarding data elements collected in birth records. In so doing, we assure uniformity of vital record information collected across the United States. While little of the information gathered by these forms is specifically required by state or federal law, DPHHS has been able to rely upon data from multiple sources in order ensure accurate monitoring of a variety of health topics to:

- ! Document the health status of Montana residents and selected subgroups.
- ! Track the impact of major policy initiatives and offer quantitative support of those programs.
- ! Identify disparities in health status and use of health care by race/ethnicity, socio-economic status, and other population characteristics and geographic regions.
- ! Monitor trends in health indicators.

This activity has allowed DPHHS to identify preventable risks and adverse conditions among mothers and infants statewide, and implement and evaluate prevention actions to address these risks and adverse conditions. Aggregate data from the birth records is also used by local and Tribal Health Departments, clinical providers, and hospitals to identify and implement public health and clinical actions to improve the health of mothers and infants served in local areas.

The introduction of an affirmative consent requirement to gather health and demographic in birth record forms and emphasizing the optional nature of data fields in other forms, anecdotal evidence tells us that the quality of larger body of information we amass will be detrimentally impacted. This impact can be particularly troublesome in conducting public health surveillance of rare conditions and other indicators that implicate small sample sets.

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SB 217 would require that affirmative consent be obtained in order to gather certain data from birth records. By becoming the only state in the union that does not track the National Center for Health Statistics recommendations regarding data elements collected in birth records, we jeopardize our ability to accurately monitor and address the ever-changing health needs of our population.

Because SB 217 potentially reduces our ability to protect public health, I respectfully request that you sustain my veto.

Sincerely,

STEVE BULLOCK
Governor

April 29, 2015

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 **Senate Bill 280** (SB 280), "AN ACT REVISING LAWS REGARDING THE LIABILITY OF REGULATED LENDERS FOR CERTAIN TRANSACTIONS CONDUCTED THROUGH WRITTEN DOCUMENTS; AND AMENDING SECTION 31-1-116, MCA."

SB 280 is one of two bills that were promulgated in response to a Montana Supreme Court decision holding Bank of America liable for fraudulent statements to struggling homeowners, *Morrow v. Bank of America*, 2014 MT 117. As I stated in my veto letter for the companion bill, Senate Bill 281, as Attorney General, I participated in litigation against five of the biggest banks, including Bank of America, that alleged that these institutions routinely violated state and federal law and engaged in deceptive practices. In February of 2012, I joined a landmark agreement that held these banks financially liable and imposed national standards to protect consumers from future abuse. In the process, my office handled hundreds of complaints by Montana homeowners who had been mistreated and deceived by the large, national banks. I also heard from Montana bankers who were frustrated by the way some of their borrowers were treated by the national banks, after their home loans were sold on the secondary mortgage market.

I recognize that SB 280 was amended to narrow its scope and impact; it does not apply to loans

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secured solely by a trust indenture on a single family residential real property that is owned and occupied by the borrower. However, there are many other types of secured loans, some of which are secured by a trust indenture. These include, for example, small business properties, rental properties, agricultural lands, timberlands, manufactured homes, homes on more than 40 acres, loans for purchases of high cost vehicles or equipment, operating lines of credit, or other business loans. For all of these types of loans, SB 280 would prohibit any action in tort or contract that is not based on a writing signed by a regulated lender.

As with respect to its companion bill, SB 280 sweeps too broadly. The bill's proponents misapprehend the effect of the Supreme Court's decision in *Morrow*. I do not believe that Montana banks and credit unions engage in the type of conduct that was at issue in the *Morrow* case, and there was no evidence introduced in the legislative process that would suggest that to be the case. The changes proposed by 280 are, therefore, not necessary to protect Montana lenders.

For these reasons, I veto SB 280.

Sincerely,

STEVE BULLOCK
Governor

April 29, 2015

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 **Senate Bill 288** (SB 288), "AN ACT PROVIDING THAT A WORKERS' COMPENSATION INSURER HAS FULL SUBROGATION RIGHTS AGAINST AN AT-FAULT THIRD PARTY FOR MEDICAL CLAIMS REGARDLESS OF WHETHER DAMAGE AWARDS EXCEED A COMBINATION OF WORKERS' COMPENSATION BENEFITS AND THIRD-PARTY SETTLEMENTS; AMENDING SECTION 39-71-414, MCA; AND PROVIDING AN EFFECTIVE DATE."

SB 288 changes the law governing subrogation in workers compensation cases where the injured worker recovers damages in a third-party liability case. The bill would allow the workers compensation insurer to recover medical payments made on behalf of the injured worker, regardless of whether the injured worker suffers damages in excess of the workers

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compensation benefits and third party recovery combined.

The effect of SB 288 in many cases would be to cause harm to a worker who has suffered serious, life-altering injuries. And, even in cases involving less serious injuries, given the low limits of our mandatory insurance liability law, an injured worker will often be left undercompensated for their injuries and damages due to the effects of SB 288's changes in subrogation law.

The primary concern expressed by proponents of SB 288 is the effect that high cost injuries have on their "mod factor" - the modification factor used to calculate employers' premium rates. The mod factors may also adversely affect employers' abilities to get contracts with some companies and governmental entities. While these are serious and legitimate concerns, SB 288 does not directly address those concerns. I believe efforts should be made in the coming interim to identify ways to address the legitimate concerns of employers, without inequitably harming the rights of injured employees to obtain full legal redress for their injuries. Therefore, I will direct the Commissioner of Labor and Industries and other members of my administration to work with the Labor Management Advisory Council and other stakeholders to identify possible alternative ways of addressing the concerns underlying SB 288.

For these reasons, I veto SB 288.

Sincerely,

STEVE BULLOCK
Governor

April 29, 2015

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 **Senate Bill 349** (SB 349), "AN ACT REQUIRING AN ISSUER WHO OFFERS HEALTH INSURANCE COVERAGE THAT INCLUDES ELECTIVE ABORTION COVERAGE TO ALSO SELL HEALTH INSURANCE COVERAGE THAT DOES NOT INCLUDE ELECTIVE ABORTION COVERAGE; REQUIRING NOTICE; AND PROVIDING AN EFFECTIVE DATE."

As a father, husband, and son, I stand firmly opposed to restrictions on a woman's ability to

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make deeply personal medical decisions in consultation with her medical provider, family members, and spiritual leaders. As elected officials, we should all be working together to expand access to health care services in Montana. Unfortunately, SB 349 and several other bills proposed this session seek to do just the opposite.

Instead of focusing on solutions that help women and families in Montana, SB 349 attempts to score political and ideological points at the expense of women's health. Currently, insurance policies on the exchange offer a wide range of reproductive and pregnancy-related services, including medically necessary abortions. SB 349 forces insurance companies to offer plans that exclude abortion services except in extraordinary circumstances when the life of the mother is endangered. A women's health care coverage should be comprehensive; in consultation with her doctor, she is legally entitled to make determinations about health risks associated with her pregnancy.

Although SB 349 supporters would like to claim that consumers should have a choice between plans that cover medically necessary abortions and those that do not, the truth is that it is impossible for families to anticipate in advance unforeseen and unexpected events. Under this bill, a woman could be faced with any number of medical emergencies and find herself without the coverage she needs to make the best decision for herself and her family.

Furthermore, SB 349 would create additional administrative burdens and costs for insurance companies, potentially doubling the number of insurance products on the exchange, and ultimately leading to increased costs for consumers.

Montana's elected officials have no business substituting their personal beliefs for the sound medical judgment of our healthcare professionals or the deeply personal medical decisions of their constituents.

For these reasons, I veto SB 349.

Sincerely,

STEVE BULLOCK
Governor

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April 29, 2015

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 **Senate Bill 371** (SB 371), "AN ACT REVISING TENANT NONCOMPLIANCE AND TERMINATION LAWS; REVISING NOTICE REQUIREMENTS FOR A LANDLORD TO TERMINATE AN AGREEMENT; DETERMINING WHEN A TENANCY IS A PURPOSEFUL HOLDOVER BASED ON TERMINATION OF AN AGREEMENT; ALLOWING A LANDLORD TO COLLECT CERTAIN PENALTIES AND TREBLE DAMAGES WHEN AGREEMENTS ARE TERMINATED; REVISING HOLDOVER REMEDIES; REDUCING THE TIME FOR FILING AN ANSWER; ALLOWING A LANDLORD DEFAULT JUDGMENT UNDER CERTAIN CIRCUMSTANCES; AND AMENDING SECTIONS 70-24-422, 70-24-429, 70-33-422, 70-33-429, AND 70-33-433, MCA."

SB 371 makes several changes to landlord-tenant law which could result in unjust outcomes for tenants facing unexpected or difficult circumstances. Under existing law, landlords have the right to terminate a rental agreement for a variety of reasons. In some instances, landlords are entitled to treble damages. SB 371 adds to the reasons a landlord may terminate an agreement, including failure to pay any fees and penalties that a landlord may stack on top of the rent and utility obligations of a tenant. The bill provides for automatic termination of a rental agreement if rent, fees, penalties or utility bills are not paid within 3 days of notice of nonpayment from the landlord, and deems the tenant a purposeful holdover for the purpose of allowing treble damages. The bill also shortens the time for a tenant to answer a landlord's legal action for possession from 10 days to three days. Further, SB 371 eliminates the requirement that a landlord notice of noncompliance to a tenant explicitly state the date the rental agreement will terminate if the tenant does not come into compliance. The elimination of this language from a notice of noncompliance makes it more likely a tenant will be subject to fees, penalties, and actions for eviction.

SB 371 is simply too harsh. A tenant who loses a job or has a medical emergency could swiftly find themselves looking at treble damages in addition to penalties and fees in excess of any late rent payment. The provision for automatic termination of rental agreements, followed by an action for treble damages, will invariably result in great injustice in certain circumstances. Automatic termination also deprives landlords of flexibility in working out resolutions with tenants who find themselves in unexpected and difficult circumstances. The shortening of the response times to landlord actions for possession is further designed to ensure default decisions and eviction.

Existing law provides adequate recourse for landlords against holdover tenants. SB 371

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unreasonably favors landlords and will result in unjust outcomes for tenants.

For these reasons, I veto SB 371.

Sincerely,

STEVE BULLOCK
Governor

April 30, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

Dear President Barrett:

On Thursday, April 30, 2015, I signed the following bills:

Senate Bill 234 – F. Thomas
Senate Bill 325 – J. Keane (see signing statement)
Senate Bill 345 – E. Arntzen

These bills were delivered to the Secretary of State today.

I have vetoed **Senate Bill 160** – D. Ankney. This bill and veto message has been delivered to the Secretary of State.

Sincerely,

STEVE BULLOCK
Governor

April 30, 2015

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

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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 **Senate 160** (SB 160), "AN ACT PROVIDING ADDITIONAL DEFINITIONS OF A NATURAL CONDITION OF A STREAM; AND AMENDING SECTION 75-5-306, MCA."

Section 75-5-306 of the water quality act generally provides that the Department of Environmental Quality (DEQ) may not require the treatment of effluent to a condition that is purer than the natural condition of the receiving stream. It also defines the term "natural." SB 160 adds to that definition as a separate category of natural the "nonanthropogenic condition" of the stream. The express concern to be addressed by SB 160 is to clarify that "nonanthropogenic condition" is a subset of "natural."

Today I'm signing Senate Bill 325 (SB 325). I do so in the firm belief that this bill will strengthen the ability of DEQ to protect water quality. In this context, SB 325 does two things: first, SB 325 requires that the water quality standard for a stream may not be more stringent than the nonanthropogenic condition of that stream; second, and for those streams where the nonanthropogenic condition of the stream is the water quality standard, the bill expressly requires DEQ to act to protect downstream water quality, which by definition includes downstream uses.

I am vetoing SB 160 for three reasons. First, the sponsor's purpose in introducing SB 160, which was to place in the Montana Water Quality Act a provision that more closely tracks the federal Clean Water Act, is achieved by passage of SB 325.

Second, under SB 325, when the existing standard is more stringent than the "nonanthropogenic condition" of the receiving stream, that condition becomes the standard. However, that is just the starting point. If more stringent limits are necessary to protect downstream water quality standards, DEQ must impose those more stringent limits in the permitting process. Thus, whether or not the "nonanthropogenic condition" is part of "natural" is irrelevant, and SB 160 is unnecessary.

Furthermore, passage of both SB 160 and SB 325 would confuse the law. SB 325 deals very specifically with situations in which a water quality standard is more stringent than the nonanthropogenic condition of the stream. Section 75-5-306, which SB 160 amends, is a more general statute that deals with a broader range of situations. To expressly include nonanthropogenic conditions in Section 75-5-306 would create confusion as to how nonanthropogenic condition standards are to be implemented.

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For these reasons, I veto SB 160.

Sincerely,

STEVE BULLOCK
Governor

April 30, 2015

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

Dear Secretary McCulloch:

I hereby sign into law **Senate Bill 325**, "AN ACT REVISING THE BOARD OF ENVIRONMENTAL REVIEW PROCESS FOR ADOPTING WATER QUALITY REGULATIONS MORE STRINGENT THAN FEDERAL REGULATIONS; REVISING IMPLEMENTATION OF WATER QUALITY STANDARDS THAT ARE PURER THAN A NATURAL CONDITION OF A WATERCOURSE OR WATER SOURCE; REVISING THE PROCESS FOR RECLASSIFYING WATER QUALITY STANDARDS; REVISING THE PROCESS FOR ADOPTING SITE-SPECIFIC WATER QUALITY STANDARDS; PROVIDING A DEFINITION; AMENDING SECTION 75-5-203, MCA; AND REPEALING SECTION 75-5-309, MCA.

I do so in the firm belief that this bill will strengthen the ability of the Department of Environmental Quality (DEQ) to protect water quality. SB 325 does three things:

First, SB 325 requires that the water quality standard for a stream may not be more stringent than the condition of that stream as it existed without human disturbance ("nonanthropogenic condition"). This not only makes sense, but provides clarity as well.

Second, and for those streams where SB 325 is applicable, the bill expressly requires DEQ to protect downstream water quality: "The department shall implement the standard in a manner that provides for the attainment and the maintenance of the water quality standards for downstream waters." By definition, water quality standards protect uses, so protecting those standards downstream will protect the uses downstream.

This language also clarifies current law. As it stands now, a discharger could argue that a permit cannot require treatment purer than the nonanthropogenic condition even if that is necessary to protect downstream water quality. SB 325 expressly eliminates that argument.

Third, SB 325 allows DEQ to issue to a discharger a temporary variance when a receiving

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stream exceeds water quality standards due to upstream pollution, rather than forcing cleanup by downstream parties not responsible for that pollution. This will fix a significant problem faced by many communities across the state.

It is worth noting that none of this will happen without extensive public involvement, as the Board of Environmental Review sets out to determine the nonanthropogenic condition of streams, and DEQ proceeds to consider discharge permits for those waterways. SB 325 provides more clarity and direction, strengthening DEQ's hand to protect both water quality and downstream water users.

Sincerely,

STEVE BULLOCK
Governor

May 4, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

Dear President Barrett:

On Monday, May 4, 2015, I signed and delivered the following bills to the Secretary of State's Office:

Senate Bill 20 – C. Vincent
Senate Bill 175 – C. Wolken
Senate Bill 188 – C. Vincent
Senate Bill 306 – E. Arntzen
Senate Bill 309 – J. Hinkle
Senate Bill 312 – M. Phillips
Senate Bill 326 – J. Hinkle
Senate Bill 375 – S. Sales
Senate Bill 380 – C. Larsen
Senate Bill 386 – J. Cohenour
Senate Bill 393 – E. Arntzen
Senate Bill 409 – C. Vincent

I have returned **Senate Bill 293** – B. Hamlett to the Secretary of State without signature.

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I have vetoed **Senate Bill 171** – B. Tutvedt, **Senate Bill 245** – D. Kary, **Senate Bill 284** – J. Brenden, **Senate Bill 334** – J. Fielder. These bills and veto messages have been delivered to the Secretary of State.

Sincerely,

STEVE BULLOCK
Governor

May 4, 2015

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 **Senate Bill 171** (SB 171), "AN ACT GENERALLY REVISING TAXATION OF INCOME, INCLUDING THE CORPORATE INCOME TAX; REQUIRING THE TAXATION OF INDIVIDUALS, PARTNERSHIPS, AND SUBCHAPTER S. CORPORATIONS, INCLUDING TRUSTS AND ESTATES, TO RELATE THE STATE INDIVIDUAL INCOME TAX TO FEDERAL TAXABLE INCOME; PROVIDING ADJUSTMENTS TO FEDERAL TAXABLE INCOME TO INCLUDE CERTAIN INCOME; PROVIDING ADJUSTMENTS TO FEDERAL TAXABLE INCOME TO EXCLUDE CERTAIN INCOME; ELIMINATING MOST INDIVIDUAL INCOME TAX DEDUCTIONS; ELIMINATING CERTAIN INDIVIDUAL INCOME TAX CREDITS; REVISING CERTAIN INDIVIDUAL INCOME TAX CREDITS; ELIMINATING CERTAIN CORPORATE INCOME TAX DEDUCTIONS AND CREDITS; REVISING INDIVIDUAL INCOME TAX RATES SUBJECT TO A REDUCTION FOR NET CAPITAL GAIN INCOME; PROVIDING A TRANSITION FOR CREDITS THAT ARE SUBJECT TO A CARRYFORWARD; PROVIDING A TRANSITION FOR DIFFERENCES IN FEDERAL AND MONTANA INCOME TAX LAWS; REENACTING THE BIG SKY ON THE BIG SCREEN ACT AND MAKING PERMANENT THE AVAILABILITY AND USE OF TAX CREDITS; PROMOTING THE MOTION PICTURE AND TELEVISION INDUSTRIES AND RELATED MEDIA IN MONTANA BY PROVIDING TAX INCENTIVES FOR FILMING AND FOR DEVELOPING MAGAZINE ADVERTISING IN MONTANA; ALLOWING A PRODUCTION COMPANY A TAX CREDIT FOR EMPLOYING MONTANA RESIDENTS; ALLOWING A PRODUCTION COMPANY A TAX CREDIT FOR QUALIFYING EXPENDITURES MADE IN MONTANA; REQUIRING A PRODUCTION COMPANY TO APPLY TO THE DEPARTMENT OF COMMERCE FOR STATE CERTIFICATION OF A PRODUCTION TO QUALIFY FOR THE TAX CREDITS; REQUIRING AN APPLICATION AND AN APPLICATION FEE FOR A PRODUCTION COMPANY TO CLAIM

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TAX CREDITS FOR A STATE-CERTIFIED PRODUCTION; REQUIRING THAT THE APPLICATION FEE BE USED FOR ADMINISTERING THE TAX CREDITS; PROVIDING A STATUTORY APPROPRIATION; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTIONS 2-18-1312, 7-14-1133, 7-14-1636, 7-34-2416, 15-30-2101, 15-30-2102, 15-30-2103, 15-30-2104, 15-30-2113, 15-30-2151, 15-30-2153, 15-30-2328, 15-30-2329, 15-30-2337, 15-30-2341, 15-30-2501, 15-30-2512, 15-30-2602, 15-30-2605, 15-30-2606, 15-30-2618, 15-30-2364, 15-30-3003, 15-30-3004, 15-30-3005, 15-30-3312, 15-31-125, 15-31-127, 15-31-131, 15-31-162, 15-32-104, 15-32-106, 15-61-202, 15-61-203, 15-62-208, 15-63-202, 17-7-502, 19-2-1004, 19-17-407, 19-18-612, 19-19-504, 19-20-706, 19-21-212, 33-22-2006, 33-27-101, 33-27-102, 33-27-103, 37-4-104, 53-2-211, 67-11-303, 70-9-803, 75-2-103, 75-5-103, 87-2-102, AND 87-2-105, MCA; REPEALING SECTIONS 7-21-3701, 7-21-3702, 7-21-3703, 7-21-3704, 7-21-3710, 7-21-3715, 15-30-2110, 15-30-2111, 15-30-2114, 15-30-2115, 15-30-2116, 15-30-2117, 15-30-2119, 15-30-2131, 15-30-2132, 15-30-2133, 15-30-2141, 15-30-2142, 15-30-2143, 15-30-2144, 15-30-2152, 15-30-2301, 15-30-2319, 15-30-2320, 15-30-2356, 15-31-124, 15-31-134, 15-31-137, 15-31-163, 15-31-172, 15-32-109, 15-32-115, 15-32-201, 15-32-202, 15-32-203, 15-32-301, 15-32-302, 15-32-303, 15-32-401, 15-32-402, 15-32-404, 15-32-405, 15-32-406, 15-32-407, 15-32-501, 15-32-502, 15-32-503, 15-32-504, 15-32-505, 15-32-506, 15-32-507, 15-32-508, 15-32-509, 15-32-510, 15-32-701, 15-32-702, 15-32-703, 15-62-207, AND 33-2-724, MCA; AND PROVIDING EFFECTIVE DATES, APPLICABILITY DATES, AND A TERMINATION DATE.”

SB 171 is a significant rewrite of the Montana system of income taxation. Simplification is a laudable goal, but unfortunately SB 171 raises more issues than it resolves. Montana’s system of income taxation is generally recognized as stable, progressive, and fair. Montana’s tax system also receives high marks for being fair and business friendly when compared with other states. And, while it certainly can be improved, we need to ensure that changes minimize any harm. In my view that standard is not met by SB 171.

First, SB 171 will raise income taxes for approximately 17 percent or 75,000 of Montana’s income taxpayers. Second, the bill sunsets the Energy Conservation Credit, the Geothermal Heating System Credit and the Alternative Energy System Credit, which are widely used and play an important role in encouraging taxpayers to reduce fossil fuel reliance and meet air quality standards. This elimination is partially justified by a promise of replacing these credits with a grant program in the next legislative session. This promise, however, is dependent upon future legislative action that may not come to pass. Finally, at a cost of close to 30 million over the next two years, SB 171 will have a significant negative effect on balancing our budget and maintaining a sound ending fund balance.

For these reasons I veto SB 171.

Sincerely,

STEVE BULLOCK
Governor

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May 4, 2015

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 **Senate Bill 245** (SB 245), "AN ACT PROVIDING FOR POSTSEASON ELK POPULATION MANAGEMENT THROUGH AN ANTLERLESS ELK HUNT; CLARIFYING THE DUTIES OF THE FISH AND WILDLIFE COMMISSION AND THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS; REQUIRING ANNUAL REPORTS FROM THE DEPARTMENT OF FISH, WILDLIFE, AND PARKS REGARDING SUSTAINABLE POPULATION NUMBERS FOR BIG GAME AND THE POSTSEASON HUNTS; AMENDING SECTIONS 87-1-201, 87-1-301, 87-1-321, 87-1-323, 87-1-324, 87-1-325, 87-2-501, AND 87-2-513, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

SB 245 is unnecessary. The Fish and Wildlife Commission (Commission) currently possesses the authority to implement the sort of elk harvest management option represented in SB 245. Placing such a provision in statute may inadvertently constrain new harvest management options, and interfere with an ongoing, comprehensive review and implementation of new tools for addressing elk population concerns.

The Department of Fish, Wildlife and Parks (FWP) and the Commission understand the concerns over elk populations that are exceeding established objectives. They are also fully mindful that the current season structure has not been as effective as is necessary. In response to my mandate for improving landowner, agency, and sportsmen relationships, FWP has initiated a comprehensive effort to assess the current elk harvest tools available, to review and apply lessons from management experience and research to date, and to develop new and innovative tools to better address over objective populations. This ongoing constituent and landowner-based effort to identify better options (including "shoulder seasons" where appropriate) is the preferred method for reaching a full understanding of both public and landowner needs and expectations.

I am very sensitive to balancing the interests of landowners and sportsmen, which are unfortunately too often portrayed as a zero sum game. Working in good faith with landowners, sportsmen, and other stakeholders associated with our wildlife resources is a critical component of providing effective wildlife management in our state. I am directing FWP to step up its efforts to work with affected landowners to mitigate impacts and allow for greater elk harvest and public opportunity, and will ask the Private Lands/Public Wildlife Council to work with FWP and the Commission to take up this issue for further public discussion and to assist in providing recommendations. I also fully expect that FWP will keep the interim Environmental Quality Council apprised of these efforts and their measured effectiveness.

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For these reasons, I veto SB 245.

Sincerely,

STEVE BULLOCK
Governor

May 4, 2015

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 **Senate Bill 284** (SB 284), "AN ACT AN ACT REQUIRING AUTHORIZATION OF THE BOARD OF COUNTY COMMISSIONERS BEFORE WILD BUFFALO OR WILD BISON ARE RELEASED INTO A COUNTY; REQUIRING RELEASE OF WILD BUFFALO OR WILD BISON TO MEET CERTAIN CONDITIONS; AMENDING SECTIONS 7-1-111, 76-1-605, 81-2-120, AND 87-1-216, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

SB 284 sets a dangerous precedent by supplanting the state's management of its fish and wildlife with county regulation. Montana's wildlife is held in trust for all citizens of the state, not just those citizens of a particular county. Management by political boundary may have little connection to how fish and wildlife actually use a landscape or waterway. This is reflected in current statutes, such as section 7-1-111(12), MCA.

By statute, the Department of Fish, Wildlife and Parks (FWP) is required to follow a thorough, comprehensive, and very public process in determining if and where brucellosis-free bison could be transplanted or relocated within the state. Many of the concerns and issues that are to be expressly considered and addressed by FWP (and the state veterinarian) in any management plan include those same concerns that county commissions would be charged with addressing under SB 284. In addition, FWP is required, at a minimum, to hold a public hearing in the affected county or counties. There is nothing in those statutes that prohibits an affected county from engaging in additional processes as it sees fit, and providing FWP with its recommendations. But an absolute veto right over FWP's determinations renders the state law provisions meaningless.

To further the public engagement around these issues I have asked FWP to make deliberate efforts to go well beyond the statutory requirements to engage interested stakeholders, and I

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believe that this approach is providing valuable opportunities for Montanans to have meaningful dialogue.

We have successfully relocated brucellosis-free Yellowstone bison to tribal lands managed by the Fort Peck Assiniboine and Sioux Tribes, and the Fort Belknap Assiniboine and Gros Ventre Tribes, and I am proud of those efforts. This legislation does not include any tribal consultation, which may impact those Tribes who have established their own herds. Tribal governments are sovereign nations, with broad authority over the lands and wildlife within their boundaries. Any comparison to county governments, which are political subdivisions of the state, misses the mark.

Nevertheless, if and when FWP finds that relocating bison to a particular place is appropriate, it would be reasonable to expect FWP to work closely with any affected county to consider the county's concerns.

I vetoed a similar bill in 2013 and requested that FWP do more to work cooperatively with Montana counties and tribes. I believe the department is working hard to meet that expectation.

For these reasons, I veto SB 284.

Sincerely,

STEVE BULLOCK
Governor

May 4, 2015

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 **Senate Bill 334** (SB 334), "AN ACT REVISING THE DEFINITION OF 'GAME ANIMAL' TO INCLUDE GAME BIRDS AND FURBEARERS; REVISING THE DEFINITION OF 'PREDATORY ANIMAL'; AND AMENDING SECTIONS 7-3-1105, 7-3-1222, 7-31-4110, 50-50-401, 87-1-293, 87-2-101, 87-2-520, 87-2-702, 87-2-803, 87-3-128, 87-4-406, 87-4-414, 87-4-418, 87-4-427, 87-6-101, 87-6-202, 87-6-204, 87-6-205, 87-6-206, 87-6-207, 87-6-208, 87-6-214, 87-6-215, 87-6-301, 87-6-304, 87-6-305, 87-6-401, 87-6-403, 87-6-404, 87-6-405, 87-6-411, AND 87-6-904, MCA."

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SB 334, by changing the definition of game animal, has the potential to alter the very foundation of wildlife management in Montana. The reach of this bill goes deep into administrative regulations and policies that have been embedded in wildlife management for decades. A change like that proposed by SB 334 deserves a comprehensive conversation involving professionals and constituents alike that focuses on the necessity of such a fundamental shift, viewed against the existing substantive management by the Montana Department of Fish, Wildlife and Parks.

Because that conversation did not occur, unintended consequences to existing management practices were discovered late in the process, requiring multiple lengthy amendments. These amendments further complicated the real intent and value of this legislation. It is likely that other unintended consequences will be discovered if SB 334 becomes law.

For these reasons, I veto SB 334.

Sincerely,

STEVE BULLOCK
Governor

May 5, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

Dear President Barrett:

On Tuesday, May 5, 2015, I signed and delivered the following bills to the Secretary of State's Office:

Senate Bill 83 – C. Kaufmann
Senate Bill 100 – C. Larsen
Senate Bill 180 – B. Hoven
Senate Bill 211 – E. Buttrey
Senate Bill 252 – L. Jones
Senate Bill 260 – F. Moore
Senate Bill 378 – E. Arntzen
Senate Bill 399 – F. Thomas
Senate Bill 401 – M. Caferro
Senate Bill 418 – L. Jones

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I have signed **Senate Bill 390** – E. Arntzen into law with the exception of Section 2, which I have line-item vetoed.

Sincerely,

STEVE BULLOCK
Governor

May 5, 2015

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 **Senate Bill 390** (SB 390), "AN ACT REQUIRING THE ECONOMIC AFFAIRS INTERIM COMMITTEE TO CONDUCT AN INTERIM STUDY OF FEES ASSESSED BY THE DEPARTMENT OF LABOR AND INDUSTRY AND PROFESSIONAL LICENSING BOARDS; PROVIDING AN APPROPRIATION; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE," which, except for one line-item veto, I have signed into law.

SB 390 requires the Economic Affairs Interim Committee to conduct a study of the fees charged by the Department of Labor and Industry to licensing boards. The study must include all fees incurred, calculated or charged that are related to licensing and renewals; compliance, inspections and audits; legal and enforcement efforts; and direct costs, indirect costs and legal costs. The study will determine if the costs are commensurate for the services provided and if the services provided add value to the work of the boards and contribute to public safety.

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. My line-item veto strikes the \$7,000 appropriation from SB 390, because the Legislature has the resources needed to support the interim study without increased funding. Under HB 2, \$1.3 million is appropriated to support legislative committees and activities during the interim, including studies of the kind required under SB 390.

For these reasons, I sign SB 390 into law with the exception of Section 2.

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Sincerely,

STEVE BULLOCK
Governor

May 6, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

Dear President Barrett:

On Wednesday, May 6, 2015, I signed and delivered **Senate Bill 272** – J. Windy Boy and **Senate Bill 411** – M. Caferro to the Secretary of State's Office.

I have returned the following bills to the Secretary of State without signature:

Senate Bill 122 – M. Rosendale
Senate Bill 212 – S. Sales
Senate Bill 387 – C. Smith

Sincerely,

STEVE BULLOCK
Governor

May 7, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

Dear President Barrett:

On Thursday, May 7, 2015, I signed and delivered **Senate Bill 261** – B. Hamlett to the Secretary of State.

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Sincerely,

STEVE BULLOCK
Governor

May 8, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

Dear President Barrett:

On Friday, May 8, 2015, I signed and delivered the following bills to the Secretary of State's Office:

Senate Bill 233 – M. Caferro
Senate Bill 283 – J. Brenden
Senate Bill 336 – B. Keenan
Senate Bill 385 – R. Webb
Senate Bill 389 – B. Hamlett
Senate Bill 396 – E. Buttrey

I have returned **Senate Bill 410** – L. Jones to the Secretary of State without signature.

I have vetoed **Senate Bill 138** – B. Hoven, **Senate Bill 316** – R. Webb and **Senate Bill 354** – R. Ripley. These bills and veto messages have been delivered to the Secretary of State.

Sincerely,

STEVE BULLOCK
Governor

May 8, 2015

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

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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 **Senate Bill 138** (SB 138), "AN ACT PROVIDING CERTAIN LEGAL PROTECTIONS FOR PRIVATE EMPLOYERS, EDUCATIONAL PROGRAMS OR INSTITUTIONS, AND PRIVATE LANDLORDS REGARDING EMPLOYMENT OF, ENROLLMENT OF, OR RENTAL TO INDIVIDUALS WHO HAVE CRIMINAL BACKGROUNDS; PROVIDING FOR A REHABILITATION CERTIFICATE AS A PRESUMPTION OF REHABILITATION; AMENDING SECTION 37-1-203, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

SB 138 extends liability protection to private employers, educational institutions and landlords that hire, accept, or rent to individuals with criminal records, if certain requirements are met. The purpose of the bill is to reduce recidivism by making it easier for individuals convicted of an offense to re-enter society.

While I support the intent of this bill, it creates immunities that are too sweeping and leaves basic questions unanswered about its implementation. The immunity conferred to educational institutions and landlords is very broad, and arguably applies to any acts committed by a student or tenant regardless of whether the educational institution or landlord knew or should have known an individual would commit a tortious act. Further, I am concerned by a grant of immunity from liability that follows from accepting false or incomplete information about someone's criminal background. Under this bill, an employer, landlord or school official that has specific knowledge about a person, but who obtains false or incomplete information from that person as to their criminal background, is completely immunized from any liability due to that person's subsequent conduct. Further, it is unclear who is responsible for responding to an individual's petition for a rehabilitation certificate. There is also no guidance as to what constitutes a valid certificate of completion from a correctional institution. What constitutes an offense "not related to the employment" is very ambiguous.

I agree with the supporters of this bill that we need to take steps to reduce recidivism and encourage the successful re-entry of offenders into society. However, SB 138 is too broad in its scope, and too general in its language for successful implementation.

For these reasons, I veto SB 138.

Sincerely,

STEVE BULLOCK
Governor

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May 8, 2015

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 **Senate Bill 316** (SB 316), "AN ACT GENERALLY REVISING LAWS GOVERNING WHEN CERTAIN INDIVIDUALS MAY BE TRANSFERRED TO A CORRECTIONAL FACILITY; ESTABLISHING A REVIEW AND HEARING PROCESS THAT MUST BE COMPLETED BEFORE A PERSON SENTENCED TO THE CUSTODY OF THE DIRECTOR OF THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES MAY BE TRANSFERRED FROM A MENTAL HEALTH, RESIDENTIAL, OR DEVELOPMENTAL DISABILITIES FACILITY TO A CORRECTIONAL FACILITY; ALLOWING A PERSON WHO IS TRANSFERRED TO A CORRECTIONAL FACILITY AFTER A REVIEW AND HEARING PROCESS TO APPEAL THE DECISION TO A DISTRICT COURT JUDGE; REQUIRING THAT CERTAIN MENTAL HEALTH TREATMENT BE PROVIDED TO A PERSON TRANSFERRED TO A CORRECTIONAL FACILITY; REQUIRING THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES TO TRANSFER A PERSON BACK TO A MENTAL HEALTH, RESIDENTIAL, OR DEVELOPMENTAL DISABILITIES FACILITY IF CERTAIN PROFESSIONALS DETERMINE THAT THE PERSON'S PLACEMENT IN A CORRECTIONAL FACILITY IS NOT BEST MEETING THE PERSON'S CUSTODY, CARE, AND TREATMENT NEEDS; AND AMENDING SECTION 46-14-312, MCA."

Senate Bill 316 creates a new hearing process for the transfer to a correctional facility of guilty but mentally ill (GBMI) inmates who have been committed to the custody of the state. This bill attempts to "fix" a process that is rarely used and when it is, has been determined by the courts to be legal and fair. It puts procedures in place that put the safety of staff and patients in these health care facilities at risk and fails to recognize the recommendations and expertise of treatment professionals. If SB 316 became law, Montana would be the only state in the country to provide an additional hearing in order to place GBMI patients and inmates into a correctional facility when acute care is no longer clinically required.

Under current law, while the Department of Public Health and Human Services (DPHHS) director has statutory authority over placement and transfer of GBMI inmates, the director makes these decisions only after considering the recommendations of professionals who evaluate and treat the inmates, including a forensic psychiatrist. If they feel a transfer is indicated, the treatment team makes a recommendation to the Forensic Review Board (FRB), a panel of professionals not directly involved with the inmate's care. If the FRB concurs with the recommendation, it will send a detailed report to the director that includes information about the inmate's history, evaluations, hospital course and justification for the transfer recommendation. Only after this process can the director make the decision to transfer a GBMI inmate to a

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correctional facility. This is a rare event – in fact, over the last five years, it has happened an average of three times per year.

The few instances of transfers to correctional facilities from the Montana State Hospital (MSH) and even fewer instances of transfers back to MSH are an indication that the current system is resulting in placements that are legal, fair and based on the treatment and custody needs of the inmate. SB 316 adds an additional and costly taxpayer-funded hearing to second guess the recommendations of the inmate treating professionals. It gives GBMI inmates special rights after they have already received full due process of law when they were found guilty, sentenced and had the right to appeal.

SB 316 also places the patients and MSH staff at risk by giving prisoners 30 days' notice of the proposed transfer hearing and copies of the evidence relied on to support the transfer, including names of the team members who may have recommended their transfer. Furthermore, there are currently 55 inmates in a forensic wing built for 32. Unfortunately, despite my recommendations, the Legislature did not address this crisis. Given the capacity issues and the environment of the forensic wing at MSH, this is a significant safety risk and one that I am not willing to take on behalf of the staff and patients there. When a convicted patient's treatment team, an independent panel of professionals, and the DPHHS director all agree that an individual no longer needs acute-level mental health treatment, that individual can and should return to the appropriate correctional institution for the completion of their sentence.

For these reasons, I veto SB 316.

Sincerely,

STEVE BULLOCK
Governor

May 8, 2015

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 **Senate Bill 354** (SB 354), "AN ACT CREATING THE BUILD MONTANA PROGRAM WITHIN THE COAL SEVERANCE TAX TRUST FUND; ESTABLISHING A JOINT INTERIM SUBCOMMITTEE TO REVIEW PRIORITIZED LISTS OF RECOMMENDED INFRASTRUCTURE PROJECTS FOR FUNDING BY THE BUILD

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MONTANA PROGRAM; REQUIRING THE DEPARTMENT OF COMMERCE AND THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION TO PROVIDE A LIST OF RECOMMENDED PROJECTS TO THE SUBCOMMITTEE; ALLOWING OTHER ORGANIZATIONS TO PROVIDE A LIST OF RECOMMENDED PROJECTS TO THE SUBCOMMITTEE; REQUIRING THE SUBCOMMITTEE TO ISSUE ONE LIST OF RECOMMENDED INFRASTRUCTURE PROJECTS FOR FUNDING TO THE LEGISLATURE; ALLOCATING AND TRANSFERRING COAL SEVERANCE TAX FUNDS TO THE BUILD MONTANA FUND; CREATING A STATE SPECIAL REVENUE ACCOUNT; REVISING THE ALLOCATION OF COAL SEVERANCE TAXES; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTIONS 17-5-703 AND 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE.”

Montana’s coal trust and coal sub-trusts are the result of thoughtful and deliberate financial planning to provide for the long-term fiscal stability of the State of Montana. The trust is a financial legacy set in our Constitution with the benefits dedicated to all Montanans to share forever. While I can appreciate the intent of SB 354 to leverage existing trust resources for infrastructure investment, the bill is unworkable for both financial and operational reasons and does not offer any funding assistance until 2017.

Financially, SB 354 diverts ongoing money for several years from the Montana Public Employee Retirement System, which was made actuarially sound during the 2013 legislative session without raising taxes. It also permanently diverts earnings from the state’s general fund with the loss growing exponentially every year, impacting essential services.

Operationally, SB 354 creates new deadlines for local and state entities to adhere to and it fails to leverage existing resources contained within the current trust- supported programs of the Departments of Commerce and Natural Resources and Conservation. Further, SB 354 would create legislative review requirements which are duplicative and inefficient. Even more problematic, the bill would put politicians with their own agendas in charge of ranking infrastructure projects, rather than civil servants ranking projects in an apolitical and unbiased manner based on need. Finally, the bill does not provide for immediate funding assistance and does not address Montana’s urgent infrastructure needs.

The Legislature had no appetite for the “Build Montana” program proposed in my executive budget. Knowing the critical importance of a comprehensive infrastructure bill for Montana, I continued to work with a bi-partisan coalition to develop a proposal that would garner the support of the Legislature and begin addressing the pressing infrastructure needs throughout the state. A handful of House members did not join me or their fellow legislators in supporting our compromise bill SB 416, instead voting to block its passage. SB 354 is not an acceptable substitute for SB 416.

I commend Senator Ripley for attempting to develop a long-term plan for infrastructure development. However, SB 354 does not meet Montana’s immediate needs, undoes our pension fix, and drains the general fund.

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For these reasons, I veto SB 354.

Sincerely,

STEVE BULLOCK
Governor

May 8, 2015

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 10** (HB10), "AN ACT REVISING LAWS RELATED TO INFORMATION TECHNOLOGY CAPITAL PROJECTS; APPROPRIATING MONEY FOR INFORMATION TECHNOLOGY CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 2017; PROVIDING FOR MATTERS RELATING TO THE APPROPRIATIONS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE GENERAL FUND TO THE LONG-RANGE INFORMATION TECHNOLOGY PROGRAM ACCOUNT; PROVIDING FOR THE DEVELOPMENT AND ACQUISITION OF NEW INFORMATION TECHNOLOGY SYSTEMS FOR THE DEPARTMENT OF ADMINISTRATION, THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES, THE DEPARTMENT OF TRANSPORTATION, AND THE JUDICIAL BRANCH; AND PROVIDING EFFECTIVE DATES," which, except for one line-item veto, I have signed into law.

The executive budget that I recommended to the 2015 Legislature was developed through many months of working with state agencies, listening to constituents, and balancing the available resources of state government with a long list of requests. I presented a budget, including my initial version of HB 10, that provided for the most pressing needs and highest priorities while living within available revenues.

"Enterprise electronic content management" was not an item included in my executive budget. The Legislature added \$1 million in appropriation authority into Section 2 of the bill to support enterprise electronic content management services. I am directing the Department of Administration to leverage existing resources to accomplish the goals of electronic content management.

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

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may be put but only if the appropriation to which it is attached is vetoed as well; and (3) a rider. I am striking from HB 10 the \$1 million appropriation for enterprise electronic content management, because it is unnecessary and outside of the constraints of a responsible budget.

For these reasons, I sign HB 10 into law with the exception of this one line-item veto.

Sincerely,

STEVE BULLOCK
Governor