

OFFICE OF THE GOVERNOR
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



MIKE COONEY
LT. GOVERNOR

April 18, 2019

The Honorable Greg Hertz
Speaker of the House
State Capitol
Helena, MT 59601

The Honorable Scott Sales
President of the Senate
State Capitol
Helena, MT 59601

Dear Speaker Hertz and President Sales:

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 217 (SB 217), " AN ACT REVISING THE TAXATION OF SOCIAL SECURITY BENEFITS; MODIFYING THE FEDERAL CALCULATION FOR TAXATION OF SOCIAL SECURITY BENEFITS ON A STATE RETURN; AMENDING SECTION 15-30-2110, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

The budget I proposed to the Legislature was balanced, maintained a meaningful reserve and made targeted investments in education, infrastructure and critical services. It is the Constitutional obligation of the Legislature to pass a balanced budget, yet with 8 legislative days left, Republicans have bills totaling \$65 million of unfunded spending outside of HB 2, the state's primary budget bill.

Senate Bill 217 would have an immediate \$3 million negative impact in Fiscal Year 2019, increasing to more than a \$36 million impact over the course of the 2021-2022 biennium. A negative impact of this magnitude would jeopardize critical services that Montanans of all ages rely on, including low-income seniors.

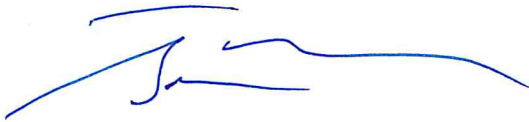
Senate Bill 217 would almost double the exemption for social security income for certain tax filers. Although the sponsor said the intent of the bill was to benefit low-income seniors, SB 217 will disproportionately benefit seniors with higher incomes. The state has an obligation to care for our seniors, especially those living on fixed incomes. Senate Bill 217 could force cuts to programs that allow seniors to live and be cared for at home.

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After the lessons of the 2017 session, I expect the legislature to ensure we have the revenue necessary to prevent cuts to critical services for Montanans. Senate Bill 217 creates an unfunded financial risk for the state that I can not support.

For these reasons, I veto SB 217.

Sincerely,



STEVE BULLOCK
Governor

cc: Legislative Services Division
Secretary Cory Stapleton