

OFFICE OF THE GOVERNOR
STATE OF MONTANA

GREG GIANFORTE
GOVERNOR



KRISTEN JURAS
LT. GOVERNOR

June 6, 2025

The Honorable Brandon Ler
Speaker of the House
State Capitol
Helena, MT 59620

The Honorable Matt Regier
President of the Senate
State Capitol
Helena, MT 59620

Dear Speaker Ler and President Regier:

Montanans send their hard-earned money to Helena to fund state government. What they pay in income taxes, business taxes, consumption taxes, and natural resources taxes is the source for the state's general fund. The state uses the general fund to pay for functions of state government, including our K-12 and post-secondary education systems, our public health systems, and our public safety systems, including correctional systems, criminal investigators, and highway patrol.

Hardworking Montanans expect us to be good, responsible stewards of their resources as we fund these services that, again, are the responsibility of the state. The state does not fund our national defense, as it is a function of the federal government. Similarly, the state does not fund local law enforcement and local fire departments, as they are functions of local government.

This all brings me to Senate Bill 537, a brazen raid of more than \$141 million from the general fund over the next four years, with a substantial portion dedicated to funding local responsibilities that ought to be paid for by local governments. With a first-year price tag of more than \$33 million and growing each year thereafter in perpetuity, Senate Bill 537 is an unprecedented use of the general fund to pay for functions that belong at the local level.

While putting the state on the hook for local government functions, Senate Bill 537 naturally grows state government at a time when we should be focused on right-sizing government, making it more efficient, more effective, and leaner. Projections indicate the bill will lead three state agencies to hire more full-time employees, who will require office space and equipment to fulfill the responsibilities of their newly created government jobs. Furthermore, the legislation adds more bureaucracy, requiring a state government advisory council to hold a two-day meeting every month at an annual cost to taxpayers of over \$50,000.

While there are elements of Senate Bill 537 that are well intentioned and perhaps necessary, the behemoth nature and massive price tag of the bill do not justify its approval. A more responsible approach is to bring the sounder elements of Senate Bill 537 in separate bills with responsible funding streams that protect taxpayers. I commit my administration to working with legislators and stakeholders on this more responsible approach ahead of the 2027 Legislative Session.

Again, I must turn my attention to the fiscal impact of Senate Bill 537. Senate Bill 537 has a total price tag of more than \$141 million over the next four years.

Our Montana Constitution requires us to balance our budget. In 2021 and 2023, I am proud that we worked together to deliver balanced budgets that not only were fiscally responsible, but also allowed us to seize the opportunity to let hardworking Montanans keep more of what they earn. The budget proposal I sent to the Legislature for the 2025 Legislative Session was fiscally conservative, keeping spending below inflation.

The budget and other bills with hefty price tags that the Legislature passed, however, are not fiscally responsible. Therefore, as I have done to date, I will keenly review the budget and spending bills the Legislature passed, making some difficult decisions to protect taxpayers and their hard-earned resources. Hardworking Montanans expect us to be fiscally responsible. Senate Bill 537 is not.

Therefore, 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 537: "AN ACT GENERALLY REVISING THE DISTRIBUTION OF MARIJUANA TAX REVENUE; ESTABLISHING THE HABITAT LEGACY ACCOUNT; ESTABLISHING THE BIG GAME AND WILDLIFE HIGHWAY CROSSINGS AND ACCOMMODATION ACCOUNT; ESTABLISHING THE LAND AND WILDLIFE STEWARDSHIP STATE SPECIAL REVENUE ACCOUNT; ESTABLISHING THE WILDLIFE HABITAT IMPROVEMENT PROJECT STATE SPECIAL REVENUE ACCOUNT; PROVIDING AN APPROPRIATION; PROVIDING FUNDING FOR LAW ENFORCEMENT USE; PROVIDING FOR HOMELESS SHELTER SUPPORT IN THE HEALING AND ENDING ADDICTION THROUGH RECOVERY AND TREATMENT ACCOUNT; PROVIDING DEFINITIONS; REVISING WILDLIFE HABITAT IMPROVEMENT PROJECTS REQUIREMENTS; AMENDING SECTIONS 1612-111, 16-12-122, 87-5-802, 87-5-803, 87-5-804, 87-5-806, AND 87-5-808, MCA; AND PROVIDING AN EFFECTIVE DATE."

Sincerely,



Greg Gianforte
Governor

Speaker Ler and President Regier
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Enclosure

cc: Legislative Services Division
Christi Jacobsen, Secretary of State