

OFFICE OF THE GOVERNOR
STATE OF MONTANA

GREG GIANFORTE
GOVERNOR



KRISTEN JURAS
LT. GOVERNOR

May 16, 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:

The Town of Colstrip has powered Montana and our region with affordable and reliable electricity for decades, playing a vital role in the economic life of our state. The town faces unique, local challenges due to the community's long-standing, beneficial relationship with the Colstrip electric generation facilities. One of those challenges is that the town's water system was built and paid for by the owners of the Colstrip power plant. As a result, in the event of a closure of the plant, the town's water supply would become the town's responsibility.

House Bill 368 aims to provide the Town of Colstrip an ongoing funding source to develop its own water supply system if the power plant is closed. The bill requires the State of Montana to set aside \$2 million every year that Colstrip *may* use, but is not required to, for developing its own water supply system.

Montana's Coal Severance Tax Trust fund was established in 1975 through a constitutional initiative. The Trust provides funding for a host of important programs and initiatives, including economic development, infrastructure projects, loans to local governments and businesses, and education and job training programs. While revenues from the Coal Trust may be used to develop new water infrastructure, House Bill 368 departs from that purpose by providing a town with a \$2 million blank check, every year, that may or may not be used. To put that in context, that's \$8 million over the course of the next two biennia, with \$2 million every year after that.

When allocating funding to local projects, I believe that funding should come with appropriate sideboards and guardrails. Unfortunately, House Bill 368 does not. Given the competing demands on Coal Trust resources, fiscal discipline requires that every dollar must be targeted to limited and specific projects.

I appreciate the sponsor's intent with House Bill 368, and my administration and I can work with him and stakeholders during the biennium to chart a path forward.

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 House Bill 368: "AN ACT PROVIDING ACCESS TO WATER FOR AN ATTENDANT CITY OR TOWN; CREATING THE TOWN OF COLSTRIP WATER INFRASTRUCTURE MITIGATION ACCOUNT; AND AMENDING SECTION 15-35-108, MCA."

Finally, like the residents of Colstrip and all of Montana, I share concerns about the power plant closing, and will continue working to make sure it remains in service throughout its full, useful life.

Sincerely,



Greg Gianforte
Governor

Enclosure

cc: Legislative Services Division
Christi Jacobsen, Secretary of State