

OFFICE OF THE GOVERNOR  
STATE OF MONTANA

STEVE BULLOCK  
GOVERNOR



MIKE COONEY  
LT. GOVERNOR

May 4, 2017

The Honorable Corey Stapleton  
Secretary of State  
State Capitol  
Helena, MT 59620

Dear Secretary Stapleton:

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 205 (HB 205), "AN ACT REVISING LAWS RELATED TO REVENUE SOURCES FOR HIGHWAY FUNDING; PROVIDING FOR AN ANNUAL ELECTRIC VEHICLE FEE TO BE DEPOSITED IN THE HIGHWAY STATE SPECIAL REVENUE ACCOUNT; PROVIDING FOR A TAX ON LIQUEFIED NATURAL GAS PLACED INTO THE SUPPLY TANK OF A MOTOR VEHICLE; REVISING THE TAX ON COMPRESSED NATURAL GAS AND LIQUEFIED PETROLEUM GAS PLACED INTO THE SUPPLY TANK OF A MOTOR VEHICLE; AMENDING SECTIONS 15-30-2131, 15-50-207, 15-70-401, 15-70-701, 15-70-702, 15-70-703, 15-70-704, 15-70-705, 15-70-706, 15-70-707, 15-70-711, 15-70-712, 15-70-713, 15-70-714, 15-70-715, 15-70-716, 15-70-717, 15-70-718, 61-1-101, 61-3-321, 61-3-456, 61-3-537, AND 61-3-562, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

HB 205 creates a license requirement for dealers that dispense Liquefied Natural Gas (LNG) into motor vehicles, provides for a motor fuel tax on LNG used in motor vehicles, and increases the motor fuel tax on Compressed Natural Gas (CNG) and liquefied petroleum gas to rates comparable to gasoline and diesel. The bill also increases registration fees for electric vehicles to an annual fee of \$95.

This bill targets a narrow section of Montana's transportation sector. There are only 400 electric vehicles in the state, and there are no LNG retail stations located in Montana, nor are there any known LNG powered vehicles that travel in Montana. The Montana Department of Transportation estimates that there will be no LNG fueling stations in Montana within the next five years.

HB 205 sends the wrong message about Montana's interest in new technologies and creates a disincentive for adoption of advanced technology and alternative fuel vehicles. While Montana has been slow to adopt these vehicles, creating a new fee on electric vehicles, a new tax on LNG, and increasing taxes on CNG and propane would further slow that adoption.

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When these technologies achieve significant use in Montana, the legislature should consider how to make sure all drivers pay their fair share of infrastructure needs. Until then, these new fees and taxes are an unnecessary barrier to diversifying our transportation sector.

For these reasons, I veto HB 205.

Sincerely,



STEVE BULLOCK

Governor

cc: Legislative Services Division  
Scott Sales, President of the Senate  
Austin Knudsen, Speaker of the House