

OFFICE OF THE GOVERNOR
STATE OF MONTANA

GREG GIANFORTE
GOVERNOR



KRISTEN JURAS
LT. GOVERNOR

May 20, 2021

The Honorable Wylie Galt
Speaker of the House
State Capitol
Helena, MT 59601

The Honorable Mark Blasdel
President of the Senate
State Capitol
Helena, MT 59601

Dear Speaker Galt and President Blasdel:

In accordance with the power vested in me as the Governor by the Constitution and the laws of the State of Montana, I hereby veto House Bill 188 "AN ACT GENERALLY REVISING ELECTRIC VEHICLE LAWS; DEFINING ELECTRIC VEHICLE; PROVIDING FOR AN ANNUAL FEE ON ELECTRIC VEHICLES REGISTERED IN THE STATE; PROVIDING FOR A FEE ON ELECTRIC VEHICLES OPERATED IN THE STATE ITINERANTLY; PROVIDING FOR DISPOSITION OF THE FEES; AMENDING SECTIONS 61-1-101, 61-3-317, 61-3-321, AND 61-10-211, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE."

HB 188 would impose annual fees on different types of all-electric vehicles, including light vehicles, heavy trucks, and motor homes. The fee would be in addition to the personal property registration fee paid annually by vehicle owners.

While I support the intent of the bill to require electric vehicle owners to pay what is essentially a user fee into the state's highway trust fund, as do other vehicle owners that consume gasoline, HB 188 would establish some of the highest fees in the nation. The automobile industry is poised to offer more electric options and these fees would discourage the purchase of these vehicles in Montana.

Specifically, the \$195 annual fee for light vehicles would be higher than most states that have adopted these types of fees. Only a handful of the 28 states that have annual fees for electric vehicles that are higher than what is proposed in HB 188 – most range from \$50 to \$150. HB 188 initially recommended \$100 for electric vehicles weighing less than 6,000 pounds or with a capacity of one ton or less, and \$150 for those weighing more than 6,000 pounds or with a capacity of more than one ton. I would have supported these basic fees.

I am particularly concerned about the \$375 annual fee for “heavy trucks” with “a capacity in excess of one ton and a gross vehicle weight of 26,000 pounds or less.” Montana code does not define “heavy truck.” Moreover, the term “capacity” is not defined in either this legislation or Montana code, and could conflict with or be interpreted differently than the more accepted term “payload.” Based on the language in the bill, many all-electric models of light-duty electric trucks – e.g. Ford F-Series, Toyota Tundras, Dodge Rams, Chevy Silverados, and GMC Sierras to name a few – would pay this higher fee because they may have payloads in excess of one ton. All-electric options for these popular trucks and others are slated for the automobile market and a fee of \$375 would be the highest in the nation by almost double.

I applaud the work of the sponsor to address the unfairness of electric vehicle owners not paying their fair share to fund the state’s road infrastructure. However, supporting such high fees goes against my plan to ensure that Montana maintains a competitive tax environment and is open for business. My recommendation is for the Legislature to bring a proposal next session that adopts a reasonable fee that better aligns with the fees of a majority of the other 28 states that have adopted them.

For these reasons, I veto HB 188.

Sincerely,



Greg Gianforte
Governor

cc: Legislative Services Division
Secretary of State Christi Jacobson