

April 13, 2011

The Honorable Jim Peterson  
President of the Senate  
State Capitol  
Helena, MT 59620

The Honorable Mike Milburn  
Speaker of the House  
State Capitol  
Helena, MT 59620

Dear President Peterson and Speaker Milburn:

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 No. 324 (SB 324), **“AN ACT REVISING THE LAWS GOVERNING THE DISPOSITION OF CIVIL FINES, SETTLEMENT PROCEEDS, COSTS, AND FEES RECOVERED IN CONSUMER PROTECTION ACTIONS; DIRECTING THE ADOPTION OF PROCEDURES FOR DISTRIBUTION OF SETTLEMENT PROCEEDS RECEIVED ON BEHALF OF CONSUMERS TO THE CONSUMERS ON WHOSE BEHALF THE SETTLEMENT IS MADE; AMENDING SECTIONS 30-14-143 AND 30-14-226, MCA; AND PROVIDING AN EFFECTIVE DATE.”**

The consumer protection powers vested in the Attorney General exist to protect Montana citizens from unfair and deceptive business practices. The settlements targeted by SB 324 are often the result of litigation against multi-national corporations that have engaged in business practices that harm consumers across the state, and the terms of these settlements in these cases routinely restrict the recovered funds so as to benefit the consumers who were harmed. Senate Bill 324 would divert these restricted settlement funds to the general fund, calling into question the state's ability to continue to participate effectively in settlements that dictate that money recovered must be used on behalf of vulnerable consumers.

The Office of Consumer Protection receives no general fund money and operates entirely on the basis of funds it is able to recover through litigation on behalf of Montana consumers. The money at issue in SB 324 is not taxpayer dollars, it is money recovered from businesses that violate Montana's consumer protection laws. Pursuant to § 17-8-101, MCA, under current law, money recovered in these cases that is expressly restricted by the terms of a settlement agreement is not subject to legislative appropriation.

A single, small state like Montana may not be able to influence or alter the terms of multi-state settlements. Often, the best use of this money is to educate consumers, help the class of consumers harmed, and continue the state's consumer protection efforts. I disagree with the policy expressed in SB 324 that establishes a “one size all” approach for the direction of money recovered by the State of Montana in all consumer protection cases.

For these reasons, I respectfully ask that you sustain my veto of SB 324.

Sincerely,

BRIAN SCHWEITZER  
GOVERNOR

cc: Legislative Services Division