

OFFICE OF THE GOVERNOR
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



ANGELA MCLEAN
LT. GOVERNOR

April 1, 2015

The Honorable Debby Barrett
President of the Senate
State Capitol
Helena, MT 59620

The Honorable Austin Knudsen
Speaker of the House
State Capitol
Helena, MT 59620

Dear President Barrett and Speaker Knudsen:

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 241 (SB 241), "AN ACT PROHIBITING POLITICAL SUBDIVISIONS FROM REQUIRING EMPLOYERS TO PROVIDE WAGES AND BENEFITS THAT ARE INCONSISTENT WITH STATE AND FEDERAL LAW; AMENDING SECTION 7-1-111, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Montana is a state of great economic diversity: from the oil boom in the East, to the Main Streets of our cities, to the active tourism and natural resource industries in the West. Our local governments regularly respond to the demands of their communities and work to foster an economic environment that meets the needs of their region.

I trust local governments to balance the interests of workers and Main Street businesses and to make decisions that will ensure that their economies grow and thrive. By prohibiting political subdivisions from enacting minimum wage ordinances, SB 241 would constrain the flexibility of local governments to respond to the unique economic needs of their communities.

While I understand the concerns expressed by the proponents of SB 241, I do not believe that allowing local governments to make these types of decision will negatively impact Montana's business climate. In fact, the national experience on this issue has demonstrated that businesses are able to adapt to varying minimum wage laws.

Businesses already accommodate differences between the federal minimum wage and those enacted by States. Additionally, according to a National Employment Law Project report published in 2014, at least 20 U.S. cities have adopted local minimum wage ordinances (*City Minimum Wage Laws*:

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Recent Trends and Economic Evidence on Local Minimum Wage, National Employment Law Project, 2014). That same report found that “the economic evidence regarding the higher city minimum wages that have been enacted in U.S. cities to date indicates that they have boosted earnings without evidence of slowed job growth or business relocations.”

To date, no city in Montana has attempted to adopt a local minimum wage. However, I cannot support a bill that would remove that option for local governments who are in the best position to look at local conditions and needs in evaluating whether their community should enact ordinances that strengthen their local economy. I have been an advocate for a living wage throughout my career and I do not believe protecting that option for locally elected governments will cause harm to Montana’s business climate.

For these reasons, I veto SB 241.

Sincerely,



STEVE BULLOCK
Governor

cc: Legislative Services Division
Secretary of State