OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA

SENATE TAXATION
EXHIBIT NO. 13
DATE 1.13.09
BILL NO. SB37

BRIAN SCHWEITZER
GOVERNOR

CAPITOL BUILDING - P.O. BOX 200802
HELENA, MONTANA 59620-0802

MEMORANDUM

To: Senator Kaufmann
Members of the Taxation Committee

From: David Ewer, Budget Director

Re: Opposition to SB 37, Income tax credits for energy conservation expenditures

Date: January 9, 2009

Dear Senator Kaufmann and members of the committee: Given budget constraints, I respectfully go on record as opposing SB 37 for fiscal reasons. My opposition is not based on any intrinsic merits of SB 37.

The Executive Budget currently has a structural surplus, however, unlike the 2007 Session, which had over $80 million in projected revenues over the Administration's ongoing general fund expenditure proposals, the current budget is very tight. While the Administration insisted on a spending cap to preserve the structural surplus of $80 million, the modification or rejections of some Administration proposals created substantial fiscal 'space' for other legislative priorities).

The Schweitzer Administration fully understands and respects the legislative process and a legislator's prerogative to achieve any legislation he or she so desires. Given that it is very early in the 2009 session and this bill's hearing date, it is certain that the legislature will take later action that will either free up or additionally constrain budget capacity. But again, the importance of maintaining a basic level of public safety, health, and education service levels require this opposition.

This letter is intended to benefit, not impede communications. I am eager for any feed back as to how we can maximize effective communications.

TELEPHONE: (406) 444-3616 FAX: (406) 444-4670