

1 HOUSE BILL NO. 419
 2 INTRODUCED BY LYNCH, BRAND, KIMBLE, MENAHAN,
 3 KANDUCH, HARRINGTON, HUENNEKENS, DUSSAULT
 4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION
 6 45-608, R.C.M. 1947, TO REQUIRE LIEN HOLDERS ASSERTING
 7 PRIORITY OVER A WAGE CLAIM TO HOLD A SURETY BOND TO
 8 GUARANTEE PAYMENT OF WAGES."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 11 Section 1. Section 45-608, R.C.M. 1947, is amended to
 12 read as follows:

13 "45-608. Certain encumbrances -- when not affected --
 14 surety bond. Nothing in this chapter shall be construed so
 15 as to affect any lien, encumbrance, or mortgage held by any
 16 creditor of such employer prior to ~~said~~ the four (4) months.
 17 However, in order to assert such priority, the lien holder,
 18 encumbrancer, or mortgagor must have in its possession a
 19 security bond or other type of surety as approved by the
 20 department of labor and industry which guarantees payment of
 21 the employer's wages in an amount that is equal to 4 months
 22 of the employer's average payroll. The average payroll shall
 23 be determined on the basis of the 4 months in the year
 24 preceding taking of the lien, encumbrance, or mortgage in
 25 which the employer had the largest payroll or, if the

1 employer was not in business for a sufficient length of time
 2 to determine an average payroll, the amount shall be based
 3 on four times the amount of the employer's largest monthly
 4 payroll during the time the employer was conducting a
 5 business."

-End-

Approved by Committee
on Labor & Employment
Relations

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SECOND READING

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