

HOUSE BILL 616

IN THE HOUSE

February 5, 1979	On motion rules suspended and bill allowed to be introduced.
February 6, 1979	Introduced and referred to Committee on Local Government.
February 20, 1979	Committee recommend bill, do pass.
February 21, 1979	Second reading, do pass. Considered correctly engrossed.
February 22, 1979	Third reading, passed.

IN THE SENATE

February 22, 1979	Referred to Committee on Local Government.
March 19, 1979	Committee recommend bill, as amended.
March 21, 1979	Second reading, concurred.
March 23, 1979	Third reading, as amended.

IN THE HOUSE

March 24, 1979	Returned from Senate, as amended.
March 26, 1979	On motion consideration passed until the 71st Legislative day.
March 29, 1979	Second reading, pass consideration.
March 30, 1979	Second reading, pass consideration.
March 31, 1979	Second reading, amendments rejected.

CONFERENCE COMMITTEE ACTION

March 31, 1979	On motion Free Conference Committee requested.
April 2, 1979	Free Conference Committee appointed.
April 17, 1979	Reported.
April 18, 1979	Second reading rejected.

1 HOUSE BILL NO. 616  
 2 INTRODUCED BY Meyer Raskie

3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE COUNTIES TO  
 5 SUBMIT PURCHASE AND LEASE AGREEMENTS TO COMPETITIVE BID;  
 6 AMENDING SECTIONS 7-1-2103, 7-5-2301, 7-5-2306, 7-5-2307,  
 7 7-5-4302, 7-5-4304, 7-5-4306, 20-9-204, 20-10-107,  
 8 20-10-109, AND 20-10-110, MCA."

9  
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 7-1-2103, MCA, is amended to read:  
 12 "7-1-2103. County powers. A county has power to:

- 13 (1) sue and be sued;
- 14 (2) purchase and hold lands within its limits;
- 15 (3) ~~make such contracts and purchase and hold~~ enter  
 16 into contracts to purchase or lease such personal property  
 17 as may be necessary to the exercise of its powers;
- 18 (4) make such orders for the disposition or use of its  
 19 property as the interests of its inhabitants require;
- 20 (5) levy and collect such taxes for the purposes under  
 21 its exclusive jurisdiction as are authorized by this code or  
 22 by special statutes."

23 Section 2. Section 7-5-2301, MCA, is amended to read:  
 24 "7-5-2301. Competitive, advertised bidding required  
 25 for certain large purchases or construction contracts. (1)

1 Except as provided in 7-5-2304, no contract for the purchase  
 2 or lease of any vehicle, road machinery, or other machinery,  
 3 apparatus, appliances, or equipment or for any materials or  
 4 supplies of any kind for which must be paid a sum in excess  
 5 of \$10,000 or for the construction of any building, road, or  
 6 bridge for which must be paid a sum in excess of \$10,000  
 7 shall be entered into by a county governing body without  
 8 first publishing a notice calling for bids for furnishing  
 9 the same.

10 (2) The notice must be published in the official  
 11 newspaper of the county at least once a week for 3  
 12 consecutive weeks before the date fixed therein for  
 13 receiving bids.

14 (3) Every such contract shall be let to the lowest and  
 15 best responsible bidder."

16 Section 3. Section 7-5-2306, MCA, is amended to read:  
 17 "7-5-2306. Use of installment purchase contracts. When  
 18 the amount to be paid as the purchase price for any vehicle  
 19 or road machinery of any kind, for any other machinery,  
 20 apparatus, appliance, or equipment, or for any materials or  
 21 supplies of any kind shall exceed \$4,000, the county  
 22 governing body may provide for the payment of such purchase  
 23 price in installments extending over a period of not more  
 24 than 5 I years, provided that at the time of entering into  
 25 the agreement for such purchase, there shall be an

1 unexpended balance of appropriation in the budget for the  
 2 then-current fiscal year available and sufficient to meet  
 3 and take care of such portion of the purchase price as is  
 4 payable during the then-current fiscal year and the budget  
 5 for each following year in which any portion of such  
 6 purchase price is to be paid shall contain an appropriation  
 7 for the purpose of paying the same."

8 Section 4. Section 7-5-2307, MCA, is amended to read:  
 9 "7-5-2307. Treatment of rental-purchase and  
 10 ~~lease-purchase~~ contracts. Every contract entered into for  
 11 the rental or lease of machinery, equipment, apparatus,  
 12 appliances, materials, or supplies of any kind which shall  
 13 provide for payment of rental by the county and that, after  
 14 a certain fixed amount has been paid as rental, the property  
 15 shall become the property of the county or any other similar  
 16 provisions or conditions shall be deemed and construed to be  
 17 a contract for sale of such property, and all of the  
 18 provisions of this part shall apply thereto and govern and  
 19 control the same. Bids must be taken on the basis of the  
 20 gross receivables due over the term of the rental-purchase  
 21 or lease-purchase agreement."

22 Section 5. Section 7-5-4302, MCA, is amended to read:  
 23 "7-5-4302. Competitive, advertised bidding required  
 24 for certain purchase, end construction, and lease contracts.  
 25 (1) Except as provided in 7-5-4303, all contracts for the

1 purchase or lease of any automobile, truck, other vehicle,  
 2 road machinery, other machinery, apparatus, appliances, or  
 3 equipment, for any materials or supplies of any kind, or for  
 4 construction for which must be paid a sum exceeding \$4,000  
 5 must be let to the lowest responsible bidder after  
 6 advertisement for bids.

7 (2) Such advertisement shall be made in the official  
 8 newspaper of the city or town if there be such official  
 9 newspaper, and if not, it shall be made in a daily newspaper  
 10 of general circulation published in the city or town if  
 11 there be such and, otherwise, by posting in three of the  
 12 most public places in the city or town. Such advertisement,  
 13 if by publication in a newspaper, shall be made once each  
 14 week for 2 consecutive weeks, and the second publication  
 15 shall be made not less than 5 days or more than 12 days  
 16 before the consideration of bids. If such advertisement is  
 17 made by posting, 15 days must elapse, including the day of  
 18 posting, between the time of the posting of such  
 19 advertisement and the day set for considering bids.

20 (3) The council may postpone action as to any such  
 21 contract until the next regular meeting after bids are  
 22 received in response to such advertisement and may reject  
 23 any and all bids and readvertise as provided herein."

24 Section 6. Section 7-5-4304, MCA, is amended to read:  
 25 "7-5-4304. Certain contracts to be submitted to

1 voters. No contract shall be let extending over a period of  
 2 5 ~~1~~ years or more without first submitting the question to a  
 3 vote of the taxpaying electors of said city or town. Bids  
 4 on lease agreements will be taken on the basis of the gross  
 5 receivables due over the term of the agreement."

6 Section 7. Section 7-5-4306, MCA, is amended to read:

7 "7-5-4306. Use of installment purchase contract. (1)  
 8 Subject to the requirements of subsection (2), when the  
 9 amount to be paid under any such contract shall exceed  
 10 \$4,000, the council may provide for the payment of such an  
 11 amount in installments or lease payments extending over a  
 12 period of not more than 5 ~~1~~ years; provided that at the time  
 13 of entering into such contract, there shall be an unexpended  
 14 balance of appropriation in the budget for the then-current  
 15 fiscal year available and sufficient to meet and take care  
 16 of such portion of the contract price as is payable during  
 17 the then-current fiscal year and the budget for each  
 18 following year in which any portion of such purchase price  
 19 is to be paid shall contain an appropriation for the purpose  
 20 of paying the same.

21 (2) When such amount is extended over a term of 2  
 22 years, at least 40% thereof shall be paid the first year and  
 23 the remainder the second year. When such amount is extended  
 24 over a term of 3 years, at least one-third thereof shall be  
 25 paid each year. If such amount is extended over a term of 4

1 years, at least one-fourth is to be paid each year. If such  
 2 amount is extended over a term of 5 years, at least  
 3 one-fifth is to be paid each year. If such amount is  
 4 extended over a term of 6 years, at least one-sixth is to be  
 5 paid each year. If such amount is extended over a term of 7  
 6 years, at least one-seventh is to be paid each year."

7 Section 8. Section 20-9-204, MCA, is amended to read:

8 "20-9-204. Pecuniary interests, letting contracts, and  
 9 calling for bids. (1) It is unlawful for any trustee to:

10 (a) have any pecuniary interest, either directly or  
 11 indirectly, in any contract for the erection of any school  
 12 building or for warming, ventilating, furnishing, or  
 13 repairing the same;

14 (b) be in any manner connected with the furnishing of  
 15 supplies for the maintenance and operation of the schools;  
 16 or

17 (c) be employed in any capacity by the school district  
 18 of which he is trustee.

19 (2) Whenever the estimated cost of any building,  
 20 furnishing, repairing, or other work for the benefit of the  
 21 district or purchasing or leasing of supplies or equipment  
 22 for the district exceeds the sum of \$4,000, the work done or  
 23 the purchase or lease made shall be by contract. Each such  
 24 contract must be let to the lowest responsible bidder after  
 25 advertisement for bids. If the equipment is to be leased,

1 ~~bids on lease agreements will be taken on the basis of the~~  
 2 ~~gross receivables due over the term of the agreement.~~ Such  
 3 advertisement ~~Advertisement~~ shall be published in the  
 4 newspaper which will give notice to the largest number of  
 5 people of the district as determined by the trustees. Such  
 6 advertisement shall be made once each week for 2 consecutive  
 7 weeks and the second publication shall be made not less than  
 8 5 days or more than 12 days before consideration of bids. A  
 9 contract not let pursuant to this section shall be void.

10 (3) Whenever bidding is required, the trustees shall  
 11 award the contract to the lowest responsible bidder, except  
 12 that the trustees may reject any or all bids.

13 (4) With regard to contracting for work or supplies,  
 14 the board of trustees of a community college district are  
 15 subject to 20-15-104."

16 Section 9. Section 20-10-107, MCA, is amended to read:

17 "20-10-107. Power of trustees. The trustees of any  
 18 district shall have the power to:

19 (1) purchase, ~~lease~~, or rent a school bus;

20 (2) purchase, ~~lease~~, or rent a two-way radio for a  
 21 school bus when the trustees authorize a two-way radio as  
 22 standard equipment in a school bus because such bus is  
 23 operated where weather and road conditions may constitute a  
 24 hazard to the safety of the school pupil passengers;

25 (3) provide for the operation, maintenance, and

1 insurance of a school bus or a two-way radio owned, ~~leased~~,  
 2 or rented by the district; or

3 (4) contract with a private party for the  
 4 transportation of eligible transportees, and such contract  
 5 shall not exceed the term of 5 ] years."

6 Section 10. Section 20-10-109, MCA, is amended to  
 7 read:

8 "20-10-109. Liability insurance for school bus.  
 9 Whenever a bus is owned ~~or leased~~ and operated by a district  
 10 or the bus is operated by a private party under a contract  
 11 but no condition of such contract requires the private party  
 12 to carry liability insurance, the trustees shall carry  
 13 automobile bodily injury and liability insurance in an  
 14 amount not less than \$10,000 per person and \$100,000 for  
 15 each accident for each bus operated by or under contract  
 16 with the district."

17 Section 11. Section 20-10-110, MCA, is amended to  
 18 read:

19 "20-10-110. School bus purchase -- contract -- bids.  
 20 When a district purchases a school bus, the trustees may  
 21 purchase such school bus under an installment contract ~~or~~  
 22 ~~lease-purchase agreement~~ which will be completely--executed  
 23 ~~completed~~ within 3 years from the date of the purchase  
 24 ~~execution~~. The trustees also may purchase ~~or lease~~ a school  
 25 bus without advertising for bids under the provisions of

LC 1460/01

1 20-9-204.\*

-End-

HB 616

-9-

1 HOUSE BILL NO. 616  
 2 INTRODUCED BY Meyer Radtke  
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- 14 (2) purchase and hold lands within its limits;
- 15 (3) ~~make such contracts and purchase and hold~~ enter  
 16 into contracts to purchase or lease such personal property  
 17 as may be necessary to the exercise of its powers;
- 18 (4) make such orders for the disposition or use of its  
 19 property as the interests of its inhabitants require;
- 20 (5) levy and collect such taxes for the purposes under  
 21 its exclusive jurisdiction as are authorized by this code or  
 22 by special statutes."

23 Section 2. Section 7-5-2301, MCA, is amended to read:

24 "7-5-2301. Competitive, advertised bidding required  
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1 Except as provided in 7-5-2304, no contract for the purchase  
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 4 supplies of any kind for which must be paid a sum in excess  
 5 of \$10,000 or for the construction of any building, road, or  
 6 bridge for which must be paid a sum in excess of \$10,000  
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 12 consecutive weeks before the date fixed therein for  
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 15 best responsible bidder."

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17 "7-5-2306. Use of installment purchase contracts. When  
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 19 or road machinery of any kind, for any other machinery,  
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 21 supplies of any kind shall exceed \$4,000, the county  
 22 governing body may provide for the payment of such purchase  
 23 price in installments extending over a period of not more  
 24 than 5 I years, provided that at the time of entering into  
 25 the agreement for such purchase, there shall be an



1 unexpended balance of appropriation in the budget for the  
 2 then-current fiscal year available and sufficient to meet  
 3 and take care of such portion of the purchase price as is  
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 8 newspaper of the city or town if there be such official  
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1 voters. No contract shall be let extending over a period of  
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 18 following year in which any portion of such purchase price  
 19 is to be paid shall contain an appropriation for the purpose  
 20 of paying the same.

21 (2) When such amount is extended over a term of 2  
 22 years, at least 40% thereof shall be paid the first year and  
 23 the remainder the second year. When such amount is extended  
 24 over a term of 3 years, at least one-third thereof shall be  
 25 paid each year. If such amount is extended over a term of 4

1 years, at least one-fourth is to be paid each year. If such  
 2 amount is extended over a term of 5 years, at least  
 3 one-fifth is to be paid each year. If such amount is  
 4 extended over a term of 6 years, at least one-sixth is to be  
 5 paid each year. If such amount is extended over a term of 7  
 6 years, at least one-seventh is to be paid each year."

7 Section 8. Section 20-9-204, MCA, is amended to read:

8 "20-9-204. Pecuniary interests, letting contracts, and  
 9 calling for bids. (1) It is unlawful for any trustee to:

10 (a) have any pecuniary interest, either directly or  
 11 indirectly, in any contract for the erection of any school  
 12 building or for warming, ventilating, furnishing, or  
 13 repairing the same;

14 (b) be in any manner connected with the furnishing of  
 15 supplies for the maintenance and operation of the schools;  
 16 or

17 (c) be employed in any capacity by the school district  
 18 of which he is trustee.

19 (2) Whenever the estimated cost of any building,  
 20 furnishing, repairing, or other work for the benefit of the  
 21 district or purchasing or leasing of supplies or equipment  
 22 for the district exceeds the sum of \$4,000, the work done or  
 23 the purchase or lease made shall be by contract. Each such  
 24 contract must be let to the lowest responsible bidder after  
 25 advertisement for bids. If the equipment is to be leased,

1 ~~bids on lease agreements will be taken on the basis of the~~  
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 3 advertisement Advertisement shall be published in the  
 4 newspaper which will give notice to the largest number of  
 5 people of the district as determined by the trustees. Such  
 6 advertisement shall be made once each week for 2 consecutive  
 7 weeks and the second publication shall be made not less than  
 8 5 days or more than 12 days before consideration of bids. A  
 9 contract not let pursuant to this section shall be void.

10 (3) Whenever bidding is required, the trustees shall  
 11 award the contract to the lowest responsible bidder, except  
 12 that the trustees may reject any or all bids.

13 (4) With regard to contracting for work or supplies,  
 14 the board of trustees of a community college district are  
 15 subject to 20-15-104."

16 Section 9. Section 20-10-107, MCA, is amended to read:

17 "20-10-107. Power of trustees. The trustees of any  
 18 district shall have the power to:

19 (1) purchase, ~~lease~~ or rent a school bus;

20 (2) purchase, ~~lease~~ or rent a two-way radio for a  
 21 school bus when the trustees authorize a two-way radio as  
 22 standard equipment in a school bus because such bus is  
 23 operated where weather and road conditions may constitute a  
 24 hazard to the safety of the school pupil passengers;

25 (3) provide for the operation, maintenance, and

1 insurance of a school bus or a two-way radio owned, ~~leased~~  
 2 or rented by the district; or

3 (4) contract with a private party for the  
 4 transportation of eligible transportees, and such contract  
 5 shall not exceed the term of 5 [ ] years."

6 Section 10. Section 20-10-109, MCA, is amended to  
 7 read:

8 "20-10-109. Liability insurance for school bus.  
 9 Whenever a bus is owned or leased and operated by a district  
 10 or the bus is operated by a private party under a contract  
 11 but no condition of such contract requires the private party  
 12 to carry liability insurance, the trustees shall carry  
 13 automobile bodily injury and liability insurance in an  
 14 amount not less than \$10,000 per person and \$100,000 for  
 15 each accident for each bus operated by or under contract  
 16 with the district."

17 Section 11. Section 20-10-110, MCA, is amended to  
 18 read:

19 "20-10-110. School bus purchase -- contract -- bids.  
 20 When a district purchases a school bus, the trustees may  
 21 purchase such school bus under an installment contract or  
 22 ~~lease-purchase agreement~~ which will be ~~completely--executed~~  
 23 ~~completed~~ within 3 years from the date of the ~~purchase~~  
 24 ~~execution~~. The trustees also may purchase or lease a school  
 25 bus without advertising for bids under the provisions of

LC 1460/01

1 20-9-204.\*

-End-

HB 616

## HOUSE BILL NO. 616

INTRODUCED BY MEYER, ROSKIE

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE COUNTIES TO SUBMIT PURCHASE AND LEASE AGREEMENTS TO COMPETITIVE BID; AMENDING SECTIONS 7-1-2103, 7-5-2301, 7-5-2306, 7-5-2307, 7-5-4302, 7-5-4304, 7-5-4306, 20-9-204, 20-10-107, 20-10-109, AND 20-10-110, MCA."

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Section 1. Section 7-1-2103, MCA, is amended to read:

"7-1-2103. County powers. A county has power to:

(1) sue and be sued;

(2) purchase and hold lands within its limits;

(3) ~~make--such--contracts--and-purchase-and-hold~~ enter into contracts to purchase or lease such personal property as may be necessary to the exercise of its powers;

(4) make such orders for the disposition or use of its property as the interests of its inhabitants require;

(5) levy and collect such taxes for the purposes under its exclusive jurisdiction as are authorized by this code or by special statutes."

Section 2. Section 7-5-2301, MCA, is amended to read:

"7-5-2301. Competitive, advertised bidding required for certain large purchases or construction contracts. (1)

Except as provided in 7-5-2304, no contract for the purchase or lease of any vehicle, road machinery, or other machinery, apparatus, appliances, or equipment or for any materials or supplies of any kind for which must be paid a sum in excess of \$10,000 or for the construction of any building, road, or bridge for which must be paid a sum in excess of \$10,000 shall be entered into by a county governing body without first publishing a notice calling for bids for furnishing the same.

(2) The notice must be published in the official newspaper of the county at least once a week for 3 consecutive weeks before the date fixed therein for receiving bids.

(3) Every such contract shall be let to the lowest and best responsible bidder EXCEPT THAT CONTRACTS ENTERED INTO WITH PUBLIC UTILITIES ARE EXEMPT FROM THIS PART IF THE CONTRACT IS FOR GOODS OR SERVICES WHOSE PRICES ARE REGULATED BY THE PUBLIC SERVICE COMMISSION OR OTHER GOVERNMENTAL AUTHORITY."

Section 3. Section 7-5-2306, MCA, is amended to read:

"7-5-2306. Use of installment purchase contracts. When the amount to be paid as the purchase price for any vehicle or road machinery of any kind, for any other machinery, apparatus, appliance, or equipment, or for any materials or supplies of any kind shall exceed \$4,000, the county

1 governing body may provide for the payment of such purchase  
 2 price in installments extending over a period of not more  
 3 than 5 ~~3~~ years, provided that at the time of entering into  
 4 the agreement for such purchase, there shall be an  
 5 unexpended balance of appropriation in the budget for the  
 6 then-current fiscal year available and sufficient to meet  
 7 and take care of such portion of the purchase price as is  
 8 payable during the then-current fiscal year and the budget  
 9 for each following year in which any portion of such  
 10 purchase price is to be paid shall contain an appropriation  
 11 for the purpose of paying the same."

12 Section 4. Section 7-5-2307, MCA, is amended to read:  
 13 "7-5-2307. Treatment of rental-purchase ~~and~~  
 14 ~~lease-purchase~~ contracts. Every contract entered into for  
 15 the rental ~~or lease~~ of machinery, equipment, apparatus,  
 16 appliances, materials, or supplies of any kind which shall  
 17 provide for payment of rental by the county and that, after  
 18 a certain fixed amount has been paid as rental, the property  
 19 shall become the property of the county or any other similar  
 20 provisions or conditions shall be deemed and construed to be  
 21 a contract for sale of such property, and all of the  
 22 provisions of this part shall apply thereto and govern and  
 23 control the same. ~~Bids must be taken on the basis of the~~  
 24 ~~gross receivables due over the term of the rental-purchase~~  
 25 ~~or lease-purchase agreement."~~

1 Section 5. Section 7-5-4302, MCA, is amended to read:  
 2 "7-5-4302. Competitive, advertised bidding required  
 3 for certain purchase~~s~~ and construction~~s~~ ~~and lease~~ contracts.  
 4 (1) Except as provided in 7-5-4303, all contracts for the  
 5 purchase ~~or lease~~ of any automobile, truck, other vehicle,  
 6 road machinery, other machinery, apparatus, appliances, or  
 7 equipment, for any materials or supplies of any kind, or for  
 8 construction for which must be paid a sum exceeding \$4,000  
 9 must be let to the lowest responsible bidder after  
 10 advertisement for bids ~~EXCEPT THAT GOODS OR SERVICES~~  
 11 ~~PURCHASED OR LEASED FROM PUBLIC UTILITIES ARE EXEMPT FROM~~  
 12 ~~THIS PART IF THE PRICES OF THE GOODS OR SERVICES ARE~~  
 13 ~~REGULATED BY THE PUBLIC SERVICE COMMISSION OR OTHER~~  
 14 ~~GOVERNMENTAL AUTHORITY.~~

15 (2) Such advertisement shall be made in the official  
 16 newspaper of the city or town if there be such official  
 17 newspaper, and if not, it shall be made in a daily newspaper  
 18 of general circulation published in the city or town if  
 19 there be such and, otherwise, by posting in three of the  
 20 most public places in the city or town. Such advertisement,  
 21 if by publication in a newspaper, shall be made once each  
 22 week for 2 consecutive weeks, and the second publication  
 23 shall be made not less than 5 days or more than 12 days  
 24 before the consideration of bids. If such advertisement is  
 25 made by posting, 15 days must elapse, including the day of

1 posting, between the time of the posting of such  
2 advertisement and the day set for considering bids.

3 (3) The council may postpone action as to any such  
4 contract until the next regular meeting after bids are  
5 received in response to such advertisement and may reject  
6 any and all bids and readvertise as provided herein."

7 Section 6. Section 7-5-4304, MCA, is amended to read:

8 "7-5-4304. Certain contracts to be submitted to  
9 voters. No contract shall be let extending over a period of  
10 5  $\frac{1}{2}$  years or more without first submitting the question to  
11 a vote of the taxpaying electors of said city or town. Bids  
12 on lease agreements will be taken on the basis of the gross  
13 receivables due over the term of the agreement."

14 Section 7. Section 7-5-4306, MCA, is amended to read:

15 "7-5-4306. Use of installment purchase contract. (1)  
16 Subject to the requirements of subsection (2), when the  
17 amount to be paid under any such contract shall exceed  
18 \$4,000, the council may provide for the payment of such an  
19 amount in installments or lease payments extending over a  
20 period of not more than 5  $\frac{1}{2}$  years; provided that at the  
21 time of entering into such contract, there shall be an  
22 unexpended balance of appropriation in the budget for the  
23 then-current fiscal year available and sufficient to meet  
24 and take care of such portion of the contract price as is  
25 payable during the then-current fiscal year and the budget

1 for each following year in which any portion of such  
2 purchase price is to be paid shall contain an appropriation  
3 for the purpose of paying the same.

4 (2) When such amount is extended over a term of 2  
5 years, at least 40% thereof shall be paid the first year and  
6 the remainder the second year. When such amount is extended  
7 over a term of 3 years, at least one-third thereof shall be  
8 paid each year. ~~if such amount is extended over a term of 4~~  
9 ~~years, at least one-fourth is to be paid each year. if such~~  
10 ~~amount is extended over a term of 5 years, at least~~  
11 ~~one-fifth is to be paid each year. if such amount is~~  
12 ~~extended over a term of 6 years, at least one-sixth is to be~~  
13 ~~paid each year. if such amount is extended over a term of 7~~  
14 ~~years, at least one-seventh is to be paid each year."~~

15 Section 8. Section 20-9-204, MCA, is amended to read:

16 "20-9-204. Pecuniary interests, letting contracts, and  
17 calling for bids. (1) It is unlawful for any trustee to:

18 (a) have any pecuniary interest, either directly or  
19 indirectly, in any contract for the erection of any school  
20 building or for warming, ventilating, furnishing, or  
21 repairing the same;

22 (b) be in any manner connected with the furnishing of  
23 supplies for the maintenance and operation of the schools;  
24 or

25 (c) be employed in any capacity by the school district

1 of which he is trustee.

2 (2) Whenever the estimated cost of any building,  
3 furnishing, repairing, or other work for the benefit of the  
4 district or purchasing ~~or leasing~~ of supplies ~~or equipment~~  
5 for the district exceeds the sum of \$4,000, the work done or  
6 the purchase ~~or lease~~ made shall be by contract. Each such  
7 contract must be let to the lowest responsible bidder after  
8 advertisement for bids. ~~If the equipment is to be leased,~~  
9 ~~bids on lease agreements will be taken on the basis of the~~  
10 ~~gross receivables due over the term of the agreement.~~ Such  
11 advertisement ~~Advertisement~~ shall be published in the  
12 newspaper which will give notice to the largest number of  
13 people of the district as determined by the trustees. Such  
14 advertisement shall be made once each week for 2 consecutive  
15 weeks and the second publication shall be made not less than  
16 5 days or more than 12 days before consideration of bids. A  
17 contract not let pursuant to this section shall be void.

18 (3) Whenever bidding is required, the trustees shall  
19 award the contract to the lowest responsible bidder, except  
20 that the trustees may reject any or all bids ~~AND EXCEPT THAT~~  
21 ~~PURCHASES OR LEASES FROM A PUBLIC UTILITY ARE EXEMPT FROM~~  
22 ~~THE COMPETITIVE BIDDING REQUIREMENT IF THE PRICES OF THE~~  
23 ~~GOODS OR SERVICES ARE REGULATED BY THE PUBLIC SERVICE~~  
24 ~~COMMISSION OR OTHER GOVERNMENTAL AUTHORITY.~~

25 (4) With regard to contracting for work or supplies,

1 the board of trustees of a community college district are  
2 subject to 20-15-104."

3 Section 9. Section 20-10-107, MCA, is amended to read:

4 "20-10-107. Power of trustees. The trustees of any  
5 district shall have the power to:

6 (1) purchase, ~~lease,~~ or rent a school bus;

7 (2) purchase, ~~lease,~~ or rent a two-way radio for a  
8 school bus when the trustees authorize a two-way radio as  
9 standard equipment in a school bus because such bus is  
10 operated where weather and road conditions may constitute a  
11 hazard to the safety of the school pupil passengers;

12 (3) provide for the operation, maintenance, and  
13 insurance of a school bus or a two-way radio owned, ~~leased,~~  
14 or rented by the district; or

15 (4) contract with a private party for the  
16 transportation of eligible transportees, and such contract  
17 shall not exceed the term of 5 [ ] years."

18 Section 10. Section 20-10-109, MCA, is amended to  
19 read:

20 "20-10-109. Liability insurance for school bus.  
21 Whenever a bus is owned ~~or leased~~ and operated by a district  
22 or the bus is operated by a private party under a contract  
23 but no condition of such contract requires the private party  
24 to carry liability insurance, the trustees shall carry  
25 automobile bodily injury and liability insurance in an



1 amount not less than \$10,000 per person and \$100,000 for  
2 each accident for each bus operated by or under contract  
3 with the district."

4 Section 11. Section 20-10-110, MCA, is amended to  
5 read:

6 "20-10-110. School bus purchase -- contract -- bids.  
7 When a district purchases a school bus, the trustees may  
8 purchase such school bus under an installment contract or  
9 lease-purchase agreement which will be completely-executed  
10 completed within 3 years from the date of the--purchase  
11 execution. The trustees also may purchase or lease a school  
12 bus without advertising for bids under the provisions of  
13 20-9-204."

-End-

March 19, 1979

SENATE STANDING COMMITTEE REPORT  
(Local Government)

That House Bill No. 616, third reading bill, be amended as follows:

1. Page 2, line 15.  
Following: "bidder"  
Insert: "except that contracts entered into with public utilities are exempt from this part if the contract is for goods or services whose prices are regulated by the Public Service Commission or other governmental authority."
2. Page 2, line 24.  
Following: "than"  
Strike: "7"  
Insert: "3"
3. Page 4, line 6.  
Following: "bids"  
Insert: "except that goods or services purchased or leased from public utilities are exempt from this part if the prices of the goods or services are regulated by the Public Service Commission or other governmental authority."
4. Page 5, line 2.  
Following: line 1  
Strike: "7"  
Insert: "3"
5. Page 5, line 12.  
Following: "than"  
Strike: "7"  
Insert: "3"
6. Page 5, line 25.  
Following: "year."  
Strike: remainder of line 25 through line 6 on page 6 in their entirety.
7. Page 7, line 12.  
Following: "bids"  
Insert: "and except that purchases or leases from a public utility are exempt from the competitive bidding requirement if the prices of the goods or services are regulated by the Public Service Commission or other governmental authority."