

CHAPTER NO. 85

SENATE BILL NO. 272

INTRODUCED BY LOWE

IN THE SENATE

January 27, 1979	Introduced and referred to Committee on Business and Industry.
February 3, 1979	Committee recommend bill do pass. Report adopted.
February 5, 1979	Printed and placed on members' desks.
February 6, 1979	Second reading, do pass.
February 7, 1979	Considered correctly engrossed.
February 8, 1979	Third reading, passed. Transmitted to second house.

IN THE HOUSE

February 9, 1979	Introduced and referred to Committee on Business and Industry.
March 1, 1979	Committee recommend bill be concurred in. Report adopted.
March 2, 1979	Second reading, concurred in.
March 5, 1979	Third reading, concurred in.

IN THE SENATE

March 6, 1979	Returned from second house. Concurred in. Sent to enrolling. Reported correctly enrolled.
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1 Senate BILL NO. 272
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4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION
5 18-1-202, MCA, TO AMEND THE BID SECURITY REQUIREMENTS FOR A
6 BID FOR THE PURCHASE OF INDEBTEDNESS."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Section 18-1-202, MCA, is amended to read:

10 "18-1-202. Advertisement for bid to specify required
11 security. (1) The advertisement, request, or solicitation
12 for bids or offers shall distinctly specify that all
13 bidders, offerors, tenderers, or contractors shall:

14 (a) in any case where bids are solicited other than
15 for purchase of any forms of indebtedness, expressly
16 covenant in any bid that if the bidder shall be awarded the
17 contract the bidder will, within the time required as stated
18 in the advertisement or solicitation, enter into a formal
19 contract and give a good and sufficient bond to secure the
20 performance of the terms and conditions of the contract;
21 otherwise, the bidder will pay unto the public authority the
22 difference in money between the amount of the bid of the
23 bidder and the amount for which the public authority legally
24 contracts with another party to perform the work or supply
25 the property, commodities, or services, as the case may be,

1 if the latter amount be in excess of the former; or

2 (b) in any case where the bids are solicited for the
3 purchase and sale of any forms of indebtedness of such
4 public authority, expressly covenant that the money or bank
5 instrument accompanying the bid in the sum specified by the
6 public authority shall be kept and retained by the public
7 authority as liquidated damages for failure to consummate
8 the purchase of such forms of indebtedness as may be awarded
9 on acceptance of bid and in compliance with the terms
10 thereof.

11 (2) The public authority shall distinctly specify in
12 the solicitation or advertisement for bids the penal or
13 other sum fixed by statute to be paid by any bidder failing
14 or refusing as aforesaid in any case where such sum or sums
15 are fixed by statute for bid security; otherwise, it shall
16 in all cases specify the sum, but in no case less than 2% of
17 the principal amount of the indebtedness for a bid for the
18 purchase of indebtedness and 10% of the bid price for any
19 other bid, which it may deem reasonably necessary to protect
20 and indemnify the public authority against the failure or
21 refusal of the bidder to enter into the contract or
22 consummate the purchase of indebtedness, as the case may be.

23 (3) The advertisement, request, or other solicitation
24 for bids or offers shall distinctly specify that lawful
25 moneys of the United States or a cashier's check, certified

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1 check, bank money order, or bank draft, in any case drawn
2 and issued by banks as herein specified, payable as
3 aforesaid, or bid bond in any case appropriate therefor
4 shall constitute compliance with the requirement for bid
5 security."

-End-

Approved by Committee
on Business and Industry

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State BILL NO. *272*
Law

INTRODUCED BY _____

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if the latter amount be in excess of the former; or
(b) in any case where the bids are solicited for the purchase and sale of any forms of indebtedness of such public authority, expressly covenant that the money or bank instrument accompanying the bid in the sum specified by the public authority shall be kept and retained by the public authority as liquidated damages for failure to consummate the purchase of such forms of indebtedness as may be awarded on acceptance of bid and in compliance with the terms thereof.
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