

SENATE BILL NO. 441

INTRODUCED BY LENSINK

IN THE SENATE

February 10, 1979	Introduced and referred to Committee on Education.
February 17, 1979	Committee recommend bill do pass as amended. Report adopted.
February 19, 1979	Printed and placed on members' desks.
February 20, 1979	Second reading, do pass.
February 21, 1979	Considered correctly engrossed.
February 22, 1979	Third reading, passed. Transmitted to second house.

IN THE HOUSE

February 23, 1979	Introduced and referred to Committee on Education and Cultural Resources.
March 7, 1979	Committee recommend bill concurred in as amended. Report adopted.
March 8, 1979	Second reading, concurred in.
March 12, 1979	Third reading, concurred in as amended.

IN THE SENATE

March 13, 1979	Returned from second house. Concurred in as amended.
March 14, 1979	Second reading, pass consideration.

March 15, 1979

Second reading, amendments  
adopted.

March 16, 1979

Third reading, amendments  
adopted. Sent to enrolling.

Reported correctly enrolled.

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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE LAW  
5 REGARDING CONFLICTS OF INTEREST OF SCHOOL BOARD TRUSTEES;  
6 AMENDING SECTION 20-9-204, MCA."

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

9 Section 1. Section 20-9-204, MCA, is amended to read:  
10 "20-9-204. Pecuniary Conflicts of interests, letting  
11 contracts, and calling for bids. (1) It is unlawful for any  
12 trustee to:

13 (a) have any pecuniary interest, either directly or  
14 indirectly, in any contract ~~for the erection of any school~~  
15 ~~building or for warming, ventilating, furnishing, or~~  
16 ~~repairing the same~~ made by him in his official capacity or  
17 by the board of trustees of which he is a member;

18 ~~(b) be in any manner connected with the furnishing of~~  
19 ~~supplies for the maintenance and operation of the school;~~  
20 or

21 ~~(c) be employed in any capacity by the school~~  
22 ~~district of which he is trustee.~~

23 (2) For the purposes of subsection (1):

24 (a) "pecuniary interest" does not include holding a  
25 minority interest in a corporation;

1 (b) "contract" does not include:  
2 (i) contracts awarded to the lowest responsible bidder  
3 based on competitive bidding procedures;  
4 (ii) merchandise sold to the highest bidder at public  
5 auctions;  
6 (iii) investments or deposits in financial institutions  
7 which are in the business of loaning or receiving money;  
8 (iv) contracts for professional services; or  
9 (v) contracts for maintenance or repair services which  
10 are not reasonably available from other sources if the  
11 interest of any board member and a determination of such  
12 lack of availability are entered in the minutes of the board  
13 meeting at which the contract is considered.

14 ~~(2)(3)~~ Whenever the estimated cost of any building,  
15 furnishing, repairing, or other work for the benefit of the  
16 district or purchasing of supplies for the district exceeds  
17 the sum of \$4,000, the work done or the purchase made shall  
18 be by contract. Each such contract must be let to the lowest  
19 responsible bidder after advertisement for bids. Such  
20 advertisement shall be published in the newspaper which will  
21 give notice to the largest number of people of the district  
22 as determined by the trustees. Such advertisement shall be  
23 made once each week for 2 consecutive weeks and the second  
24 publication shall be made not less than 5 days or more than  
25 12 days before consideration of bids. A contract not let

1 pursuant to this section shall be void.

2 ~~(3)(4)~~ Whenever bidding is required, the trustees  
3 shall award the contract to the lowest responsible bidder,  
4 except that the trustees may reject any or all bids.

5 ~~(4)(5)~~ With regard to contracting for work or  
6 supplies, the board of trustees of a community college  
7 district are subject to 20-15-104.■

-End-

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22 ~~district of which he is trustee.~~

23 (2) For the purposes of subsection (1):

24 (a) "pecuniary interest" does not include holding a  
25 minority AN interest OF 10% OR LESS in a corporation;

1 (b) "contract" does not include:

2 ~~iii contracts awarded to the lowest responsible bidder~~  
3 ~~based on competitive bidding procedures;~~

4 ~~iiii (I) merchandise sold to the highest bidder at~~  
5 ~~public auctions;~~

6 ~~iiii (II) investments or deposits in financial~~  
7 ~~institutions which are in the business of loaning or~~  
8 ~~receiving money;~~

9 ~~iv (III) contracts for professional services; or~~

10 ~~iv (IV) contracts for maintenance or repair services~~  
11 ~~which are not reasonably available from other sources if the~~  
12 ~~interest of any board member and a determination of such~~  
13 ~~lack of availability are entered in the minutes of the board~~  
14 ~~meeting at which the contract is considered.~~

15 (2) (3) Whenever the estimated cost of any building,  
16 furnishing, repairing, or other work for the benefit of the  
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(a) have any pecuniary interest, either directly or indirectly, in any contract ~~for the erection of any school building or for warming, ventilating, furnishing, or repairing the same~~ made by him in his official capacity or by the board of trustees of which he is a member;

~~(b) be in any manner connected with the furnishing of supplies for the maintenance and operation of the school;~~  
or

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

(2) For the purposes of subsection (1):

(a) "pecuniary interest" does not include holding a minority AN interest OF 10% OR LESS in a corporation;

(b) "contract" does not include:

~~contracts awarded to the lowest responsible bidder based on competitive bidding procedures~~

contracts for the sale of merchandise sold to the highest bidder at public auctions;

investments or deposits in financial institutions which are in the business of loaning or receiving money;

contracts for professional services; or

contracts for maintenance or repair services which are not reasonably available from other sources if the interest of any board member and a determination of such lack of availability are entered in the minutes of the board meeting at which the contract is considered.

(3) Whenever the estimated cost of any building, furnishing, repairing, or other work for the benefit of the district or purchasing of supplies for the district exceeds the sum of \$4,000, the work done or the purchase made shall be by contract. Each such contract must be let to the lowest responsible bidder after advertisement for bids. Such advertisement shall be published in the newspaper which will give notice to the largest number of people of the district as determined by the trustees. Such advertisement shall be made once each week for 2 consecutive weeks and the second

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

(2) For the purposes of subsection (1):

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(b) "contract" does not include:

~~(i) contracts awarded to the lowest responsible bidder based on competitive bidding procedures;~~

~~(ii) merchandise sold to the highest bidder at public auctions;~~

~~(iii) investments or deposits in financial institutions which are in the business of loaning or receiving money WHEN SUCH INVESTMENTS OR DEPOSITS ARE MADE ON A ROTATING OR RATABLE BASIS AMONG FINANCIAL INSTITUTIONS IN THE COMMUNITY OR WHEN THERE IS ONLY ONE FINANCIAL INSTITUTION IN THE COMMUNITY; OR~~

~~(iv) contracts for professional services or (v) contracts for PROFESSIONAL SERVICES OTHER THAN SALARIED SERVICES OR FOR maintenance or repair services OR SUPPLIES WHEN THE SERVICES OR SUPPLIES which are not reasonably available from other sources if the interest of any board member and a determination of such lack of availability are entered in the minutes of the board meeting at which the contract is considered.~~

(2)(2) Whenever the estimated cost of any building, furnishing, repairing, or other work for the benefit of the district or purchasing of supplies for the district exceeds the sum of \$4,000, the work done or the purchase made shall be by contract. Each such contract must be let to the lowest responsible bidder after advertisement for bids. Such

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HOUSE OF REPRESENTATIVES  
MARCH 7, 1979

Education Committee amendments to Senate Bill 441, third reading copy, as follows:

1. Page 2, line 8.

Following: "money"

Insert: "when such investments or deposits are made on a rotating or ratable basis among financial institutions in the community or when there is only one financial institution in the community"

Following: " ; "

Insert: "or"

2. Page 2, line 9.

Following: line 8

Strike: subsection (III) in its entirety

Renumber: subsequent subsection

3. Page 2, line 10.

Following: "for"

Insert: "professional servcies other than salaried services or for"

Following: "services"

Insert: "or supplies when the services or supplies"

4. Page 2, line 11.

Following: line 10

Strike: "which"

AND AS AMENDED,  
BE CONCURRED IN