

House Bill 485

In The House

January 26, 1981	Introduced and referred to Committee on Business and Industry.
February 13, 1981	Committee recommend bill do pass as amended.
February 14, 1981	Bill printed and placed on members' desks.
February 18, 1981	Correctly engrossed.
February 19, 1981	Third reading passed.

In The Senate

February 20, 1981	Introduced and referred to Committee on Judiciary.
March 5, 1981	Committee recommend bill not concurred.

In The House

March 5, 1981	Returned from Senate not concurred.
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HOUSE BILL NO. 485

INTRODUCED BY Senator Meyer

A BILL FOR AN ACT ENTITLED: "AN ACT IMPOSING LIABILITY ON SURETIES FOR INTEREST ON THE PENALTY AND AN ADDITIONAL PENALTY FOR VEXATIOUS OR BAD FAITH REFUSAL TO PAY OR PERFORM ON AN ASSURED OBLIGATION; AMENDING SECTION 28-11-411, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 28-11-411, MCA, is amended to read:

"28-11-411. Extent of surety's liability. (1) ~~Except as provided in subsection (2), a surety cannot be held beyond the express terms of his contract, and if such contract prescribes a penalty for its breach, he cannot in any case may be held liable for more than the penalty plus interest at a rate of 10% a year until date of payment.~~

~~(2) If the surety has vexatiously or in bad faith refused to perform or pay the obligation assured, he is liable for an additional penalty. The additional penalty shall be imposed by the district court judge, at his discretion, in an amount he sees fit."~~

Section 2. Effective date. This act is effective on passage and approval.

-End-

INTRODUCED BILL  
HB 485

Approved by Committee  
on Business and Industry

1 HOUSE BILL NO. 485  
2 INTRODUCED BY HEMSTAD, MEYER  
3

1 passage and approval.

-End-

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5 SURETIES FOR INTEREST ON THE PENALTY AND AN ADDITIONAL  
6 PENALTY FOR VEXATIOUS OR BAD FAITH REFUSAL TO PAY OR PERFORM  
7 ON AN ASSURED OBLIGATION; AMENDING SECTION 28-11-411, MCA;  
8 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."  
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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 28-11-411, MCA, is amended to read:

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14 beyond the express terms of his contract, and if such  
15 contract prescribes a penalty for its breach, he cannot in  
16 any case may be held liable for more than the penalty plus  
17 interest at a rate of 10% a year until date of payment.

18 (2) If the surety has vexatiously or in bad faith  
19 refused to perform or pay the obligation assured, he is  
20 liable for ~~an additional penalty. The additional penalty~~  
21 ~~shall be imposed by the district court judge at his~~  
22 ~~discretion in an amount he sees fit~~ SUCH DAMAGES AS MAY  
23 RESULT THEREFROM AND FOR SUCH EXEMPLARY DAMAGES AS MAY BE  
24 APPROPRIATE."

25 Section 2. Effective date. This act is effective on

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 2 INTRODUCED BY HEMSTAD, MEYER  
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