

HOUSE BILL NO. 724

INTRODUCED BY NEUMAN, LEE, FABREGA, CONROY

IN THE HOUSE

February 12, 1981	Introduced and referred to Committee on State Administration.
February 18, 1981	Committee recommend bill do pass. Report adopted.
February 19, 1981	Bill printed and placed on members' desks.
February 21, 1981	Second reading, do pass.
February 23, 1981	Considered correctly engrossed.
February 24, 1981	Third reading, passed. Ayes, 93; Noes, 5. Transmitted to Senate.

IN THE SENATE

March 2, 1981	Introduced and referred to Committee on Local Government.
March 26, 1981	Committee recommend bill be concurred in as amended. Report adopted.
March 28, 1981	Motion pass consideration.
March 30, 1981	Motion pass consideration.
March 31, 1981	Second reading, concurred in.  On motion rules suspended. Bill placed on calendar for third reading this day and allowed to be transmitted on 71st legislative day. Motion adopted.  Third reading, concurred in as amended. Ayes, 43; Noes, 6.

IN THE HOUSE

April 1, 1981

Returned from Senate with amendments.

April 9, 1981

Second reading, amendments concurred in.

On motion rules suspended and bill placed on third reading this day.

Third reading, amendments concurred in. Ayes, 87; Noes, 2. Sent to enrolling.

Reported correctly enrolled.



Approved by Committee  
on State Administration

1 HOUSE BILL NO. 724  
2 INTRODUCED BY M. Newman Lee  
3 Conroy

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND CONFLICTS OF  
5 INTEREST PROVISIONS TO ALLOW CONTRACTS WHENEVER GEOGRAPHICAL  
6 RESTRICTIONS WOULD MAKE A CONTRACT OTHERWISE UNAVAILABLE TO  
7 A LOCAL GOVERNMENT; AMENDING SECTION 2-2-201, MCA."

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

10 Section 1. Section 2-2-201, MCA, is amended to read:

11 "2-2-201. Public officers, employees, and former  
12 employees not to have interest in contracts. Members of the  
13 legislature, state, county, city, town, or township officers  
14 or any deputy or employee thereof must not be interested in  
15 any contract made by them in their official capacity or by  
16 any body, agency, or board of which they are members or  
17 employees. A former employee may not, within 6 months  
18 following the termination of his employment, contract or be  
19 employed by an employer who contracts with the state or any  
20 of its subdivisions involving matters with which he was  
21 directly involved during his employment. In this section the  
22 term:

23 (1) "be interested in" does not include holding a  
24 minority interest in a corporation;

25 (2) "contract" does not include:

- 1 (a) contracts awarded to the lowest responsible bidder
- 2 based on competitive bidding procedures;
- 3 (b) merchandise sold to the highest bidder at public
- 4 auctions;
- 5 (c) investments or deposits in financial institutions
- 6 which are in the business of loaning or receiving money;
- 7 ~~(d) a contract with an interested party if, because of~~
- 8 ~~geographic restrictions, a local government could not~~
- 9 ~~otherwise reasonably afford itself of the subject of the~~
- 10 ~~contract."~~

-End-



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- 6 which are in the business of loaning or receiving money;
- 7 (d) a contract with an interested party if, because of
- 8 geographic restrictions, a local government could not
- 9 otherwise reasonably afford itself of the subject of the
- 10 contract. IT SHALL BE PRESUMED THAT A LOCAL GOVERNMENT COULD
- 11 NOT OTHERWISE REASONABLY AFFORD ITSELF OF THE SUBJECT OF A
- 12 CONTRACT IF THE ADDITIONAL COST TO THE LOCAL GOVERNMENT IS
- 13 GREATER THAN 10% OF A CONTRACT WITH AN INTERESTED PARTY OR
- 14 IF THE CONTRACT IS FOR SERVICES THAT MUST BE PERFORMED
- 15 WITHIN A LIMITED TIME PERIOD AND NO OTHER CONTRACTOR CAN
- 16 PROVIDE THOSE SERVICES WITHIN THAT TIME PERIOD."

-End-

March 26, 1981

SENATE STANDING COMMITTEE REPORT  
(Local Government)

That House Bill No. 724 be amended as follows:

1. Page 2, line 10.

Following: "contract."

Insert: "It shall be presumed that a local government could not otherwise reasonably afford itself of the subject of a contract if the additional cost to the local government is greater than 10% of a contract with an interested party or if the contract is for services that must be performed within a limited time period and no other contractor can provide those services within that time period."