

HOUSE BILL NO. 263
INTRODUCED BY PISTORIA

IN THE HOUSE

January 18, 1985	Introduced and referred to Committee on Local Government.
January 19, 1985	Rereferred to Committee on Business and Labor.
January 24, 1985	Committee recommend bill do pass as amended. Report adopted.
January 25, 1985	Bill printed and placed on members' desks.
January 26, 1985	Second reading, do pass as amended.
January 28, 1985	Correctly engrossed.
January 29, 1985	Third reading, passed. Transmitted to Senate.

IN THE SENATE

January 30, 1985	Introduced and referred to Committee on Local Government.
March 11, 1985	Committee recommend bill be concurred in as amended. Report adopted.
March 13, 1985	Second reading, concurred in.
March 15, 1985	Third reading, concurred in. Ayes, 46; Noes, 2. Returned to House with amendments.

IN THE HOUSE

March 16, 1985

Received from Senate.

April 2, 1985

Second reading, amendments
concurrent in.

April 3, 1985

Third reading, amendments
concurrent in.

Sent to enrolling.

Reported correctly enrolled.

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3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LOCAL
5 GOVERNMENTS AND SCHOOL DISTRICTS TO PAY INTEREST ON OVERDUE
6 ACCOUNTS."

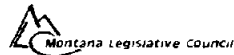
7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
9 Section 1. Definitions relating to interest
10 assessment. As used in [sections 2 and 3], the following
11 definitions apply:

12 (1) "Services" means the furnishing of labor, time, or
13 effort, including construction services, purchased or
14 contracted for by a county or a municipality.

15 (2) "Supplies" means all personal property purchased,
16 leased, or contracted for by a county or municipality,
17 including leases of equipment. The term also includes
18 leases of buildings or other real property by a county or
19 municipality.

20 Section 2. Interest assessed on amounts due.
21 (1) Except as provided in [section 3], a county or
22 municipality shall pay simple interest at the rate of 0.05%
23 each day on amounts due for supplies and services received
24 if the county or municipality fails to make timely payment.

25 (2) For purposes of this section, payment is timely if



1 a warrant is mailed or is otherwise made available to the
2 payee when due and for the amount specified in the
3 applicable contract or agreement. If no date is specified in
4 the applicable contract or agreement, payment is timely if
5 paid within 30 days after receipt of a properly completed
6 invoice, addressed to the payer county or municipality, or
7 receipt of the supplies or services by the county or
8 municipality, whichever is later.

9 Section 3. Exemptions. [Section 2] does not apply to
10 the following:

- 11 (1) interagency or intergovernmental transactions;
- 12 (2) claims subject to a good faith dispute;
- 13 (3) delinquencies due to natural disasters,
14 disruptions in postal or delivery service, work stoppage due
15 to labor disputes, power failures, or any other cause
16 resulting from circumstances clearly beyond the control of
17 the county or municipality;
- 18 (4) contracts entered into before October 1, 1985; or
- 19 (5) wages due and payable to county or municipal
20 employees or payments from any retirement system created
21 pursuant to Title 19.

22 Section 4. Definitions relating to interest
23 assessment. As used in [sections 5 and 6], the following
24 definitions apply:

25 (1) "Services" means the furnishing of labor, time, or

1 effort, including construction services, purchased or
2 contracted for by a school district.

3 (2) "Supplies" means all personal property purchased,
4 leased, or contracted for by a school district, including
5 leases of equipment. The term also includes leases of
6 buildings or other real property by a school district.

7 Section 5. Interest assessed on amounts due.

8 (1) Except as provided in [section 6], a school district
9 shall pay simple interest at the rate of 0.05% each day on
10 amounts due for supplies and services received if the
11 district fails to make timely payment.

12 (2) For purposes of this section, payment is timely if
13 a warrant is mailed or is otherwise made available to the
14 payee when due and for the amount specified in the
15 applicable contract or agreement. If no date is specified in
16 the applicable contract or agreement, payment is timely if
17 paid within 30 days after receipt of a properly completed
18 invoice, addressed to the payer school district, or receipt
19 of the supplies or services by the school district,
20 whichever is later.

21 Section 6. Exemptions. [Section 5] does not apply to
22 the following:

- 23 (1) interdistrict or intergovernmental transactions;
24 (2) claims subject to a good faith dispute;
25 (3) delinquencies due to natural disasters,

1 disruptions in postal or delivery service, work stoppage due
2 to labor disputes, power failures, or any other cause
3 resulting from circumstances clearly beyond the control of
4 the district;

5 (4) contracts entered into before October 1, 1985; or

6 (5) wages due and payable to school district employees
7 or payments from any retirement system created pursuant to
8 Title 19.

9 Section 7. Codification instruction. Sections 4
10 through 6 are intended to be codified as an integral part of
11 Title 20, chapter 9, and the provisions of Title 20 apply to
12 sections 4 through 6.

-End-

APPROVED BY COMM.
ON LOCAL GOVERNMENT

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9 shall pay simple interest at the rate of 0.05% each day on
10 amounts due for supplies and services received if the
11 district fails to make timely payment.

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13 a warrant is mailed or is otherwise made available to the
14 payee when due and for the amount specified in the
15 applicable contract or agreement. If no date is specified in
16 the applicable contract or agreement, payment is timely if
17 paid within ~~30~~ 45 days after receipt of a properly completed
18 invoice, addressed to the payer school district, or receipt
19 of the supplies or services by the school district,
20 whichever is later.

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22 the following:

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4 the district;

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

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Section 2. Interest assessed on amounts due.

(1) Except as provided in [section 3], a county or municipality shall pay simple interest at the rate of 0.05% each day on amounts due for supplies and services received if the county or municipality fails to make timely payment.

(2) For purposes of this section, payment is timely if

a warrant is mailed or is otherwise made available to the payee when due and for the amount specified in the applicable contract or agreement. If no date is specified in the applicable contract or agreement, payment is timely if paid within 30 35 days after receipt of a properly completed invoice, addressed to the payer county or municipality, or receipt of the supplies or services by the county or municipality, whichever is later.

Section 3. Exemptions. [Section 2] does not apply to the following:

- (1) interagency or intergovernmental transactions;
- (2) claims subject to a good faith dispute;
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- (5) wages due and payable to county or municipal employees or payments from any retirement system created pursuant to Title 19.

Section 4. Definitions relating to interest assessment. As used in [sections 5 and 6], the following definitions apply:

(1) "Services" means the furnishing of labor, time, or



1 effort, including construction services, purchased or
2 contracted for by a school district.

3 (2) "Supplies" means all personal property purchased,
4 leased, or contracted for by a school district, including
5 leases of equipment. The term also includes leases of
6 buildings or other real property by a school district.

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14 payee when due and for the amount specified in the
15 applicable contract or agreement. If no date is specified in
16 the applicable contract or agreement, payment is timely if
17 paid within ~~30~~ 45 days after receipt of a properly completed
18 invoice, addressed to the payer school district, or receipt
19 of the supplies or services by the school district,
20 whichever is later.

21 Section 6. Exemptions. [Section 5] does not apply to
22 the following:

- 23 (1) interdistrict or intergovernmental transactions;
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- 25 (3) delinquencies due to natural disasters,

1 disruptions in postal or delivery service, work stoppage due
2 to labor disputes, power failures, or any other cause
3 resulting from circumstances clearly beyond the control of
4 the district;

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7 or payments from any retirement system created pursuant to
8 Title 19.

9 Section 7. Codification instruction. Sections 4
10 through 6 are intended to be codified as an integral part of
11 Title 20, chapter 9, and the provisions of Title 20 apply to
12 sections 4 through 6.

-End-

SENATE STANDING COMMITTEE REPORT

MARCH 9 1985

MR. PRESIDENT

We, your committee on LOCAL GOVERNMENT

having had under consideration HOUSE BILL No. 263

THIRD reading copy (BLUE color)

LOCAL GOVERNMENTS AND SCHOOL DISTRICTS TO PAY INTEREST ON OVERDUE ACCOUNTS

Respectfully report as follows: That HOUSE BILL No. 263

be amended as follows:

- 1. Page 3, line 23. Following: line 22 Insert: "(1) third class school districts where the board of trustees does not meet monthly;"

Renumber: subsequent subsections.

AND AS AMENDED BE CONCURRED IN

XXXXXX

XXXXXXXXXX

Senator Dave Fuller Chairman

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a warrant is mailed or is otherwise made available to the payee when due and for the amount specified in the applicable contract or agreement. If no date is specified in the applicable contract or agreement, payment is timely if paid within ~~30~~ 35 days after receipt of a properly completed invoice, addressed to the payer county or municipality, or receipt of the supplies or services by the county or municipality, whichever is later.

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REFERENCE BILL



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19 of the supplies or services by the school district,
20 whichever is later.

21 Section 6. Exemptions. [Section 5] does not apply to
22 the following:

23 (1) THIRD-CLASS SCHOOL DISTRICTS WHERE THE BOARD OF
24 TRUSTEES DOES NOT MEET MONTHLY;

25 ~~††~~(2) interdistrict or intergovernmental

1 transactions;

2 †2(3) claims subject to a good faith dispute;

3 †3(4) delinquencies due to natural disasters,
4 disruptions in postal or delivery service, work stoppage due
5 to labor disputes, power failures, or any other cause
6 resulting from circumstances clearly beyond the control of
7 the district;

8 †4(5) contracts entered into before October 1, 1985;
9 or

10 †5(6) wages due and payable to school district
11 employees or payments from any retirement system created
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14 through 6 are intended to be codified as an integral part of
15 Title 20, chapter 9, and the provisions of Title 20 apply to
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