HOUSE BILL NO. 263

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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 S	ENATE
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

April 3, 1985

Second reading, amendments concurred in.

Third reading, amendments concurred in.

Sent to enrolling.

Reported correctly enrolled.

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HOUSE BILL NO. 263 INTRODUCED BY Pistonia 1 2 3 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LOCAL 4 5 GOVERNMENTS AND SCHOOL DISTRICTS TO PAY INTEREST ON OVERDUE ACCOUNTS." 6 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 8 9 Section 1. Definitions relating to interest assessment. As used in [sections 2 and 3], the following 10 definitions apply: 11 (1) "Services" means the furnishing of labor, time, or 12 effort, including construction services, purchased or 13 14 contracted for by a county or a municipality. (2) "Supplies" means all personal property purchased, 15 leased, or contracted for by a county or municipality, 16 including leases of equipment. The term also includes 17 leases of buildings or other real property by a county or 18 19 municipality. Section 2. Interest assessed on amounts due. 20 (1) Except as provided in [section 3], a county or 21 municipality shall pay simple interest at the rate of 0.05% 22 each day on amounts due for supplies and services received 23 if the county or municipality fails to make timely payment. 24 (2) For purposes of this section, payment is timely if 25

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

9 Section 3. Exemptions. [Section 2] does not apply to10 the following:

11 (1) interagency or intergovernmental transactions;

claims subject to a good faith dispute;

12

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

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

(5) wages due and payable to county or municipal
employees or payments from any retirement system created
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

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effort, including construction services, purchased or
 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.

(2) For purposes of this section, payment is timely if 12 a warrant is mailed or is otherwise made available to the 13 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 of the supplies or services by the school district, 19 whichever is later. 20

21 Section 6. Exemptions. [Section 5] does not apply to22 the following:

(1) interdistrict or intergovernmental transactions;
(2) claims subject to a good faith dispute;
(3) delinguencies due to natural disasters,

disruptions in postal or delivery service, work stoppage due to labor disputes, power failures, or any other cause resulting from circumstances clearly beyond the control of the district; (4) contracts entered into before October 1, 1985; or (5) wages due and payable to school district employees

7 or payments from any retirement system created pursuant to8 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.

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APPROVED BY COMM. On Local government

1	HOUSE BILL NO. 263	1	a warrant is
2	INTRODUCED BY PISTORIA	2	payee when
З		3	applicable co
4	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LOCAL	4	the applicabl
5	GOVERNMENTS AND SCHOOL DISTRICTS TO PAY INTEREST ON OVERDUE	5	paid within
6	ACCOUNTS."	6	invoice, addr
7		7	receipt of
8	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	8	municipality,
9	Section 1. Definitions relating to interest	9	Section
10	assessment. As used in [sections 2 and 3], the following	10	the following
11	definitions apply:	11	(1) int
12	(1) "Services" means the furnishing of labor, time, or	12	(2) cla
13	effort, including construction services, purchased or	13	(3) del
14	contracted for by a county or a municipality.	14	disruptions i
15	(2) "Supplies" means all personal property purchased,	15	to labor dis
16	leased, or contracted for by a county or municipality,	16	resulting fr
17	including leases of equipment. The term also includes	17	the county or
18	leases of buildings or other real property by a county or	18	(4) con
19	municipality.	19	(5) wag
20	Section 2. Interest assessed on amounts due.	20	employees or
21	(1) Except as provided in (section 3), a county or	21	pursuant to T
22	municipality shall pay simple interest at the rate of 0.05%	22	Section
23	each day on amounts due for supplies and services received	23	assessment. A
24	if the county or municipality fails to make timely payment.	24	definitions a
25	(2) For purposes of this section, payment is timely if	25	(l) "Se

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 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.

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

(1) interagency or intergovernmental transactions;

(2) claims subject to a good faith dispute;

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

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

"Services" means the furnishing of labor, time, or



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SECOND READING

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effort, including construction services, purchased or
 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.

(2) For purposes of this section, payment is timely if 12 a warrant is mailed or is otherwise made available to the 13 payee when due and for the amount specified in the 14 15 applicable contract or agreement. If no date is specified in the applicable contract or agreement, payment is timely if 16 paid within 30 45 days after receipt of a properly completed 17 18 invoice, addressed to the payer school district, or receipt the supplies or services by the school district, 19 of 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,

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

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

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

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.

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1	HOUSE BILL NO. 263	1	a warrant is mailed or is otherwise made available to the
2	INTRODUCED BY PISTORIA	2	payee when due and for the amount specified in the
3		3	applicable contract or agreement. If no date is specified in
4	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LOCAL	4	the applicable contract or agreement, payment is timely if
5	GOVERNMENTS AND SCHOOL DISTRICTS TO PAY INTEREST ON OVERDUE	5	paid within 30 35 days after receipt of a properly completed
б	ACCOUNTS."	6	invoice, addressed to the payer county or municipality, or
7		7	receipt of the supplies or services by the county or
8	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	8	municipality, whichever is later.
9	Section 1. Definitions relating to interest	9	Section 3. Exemptions. [Section- 2] does not apply to
10	assessment. As used in [sections 2 and 3], the following	10	the following:
11	definitions apply:	11	 interagency or intergovernmental transactions;
12	(1) "Services" means the furnishing of labor, time, or	12	(2) claims subject to a good faith dispute;
13	effort, including construction services, purchased or	13	(3) delinquencies due to natural disasters,
14	contracted for by a county or a municipality.	14	disruptions in postal or delivery service, work stoppage due
15	(2) "Supplies" means all personal property purchased,	15	to labor disputes, power failures, or any other cause
16	leased, or contracted for by a county or municipality,	16	resulting from circumstances clearly beyond the control of
17	including leases of equipment. The term also includes	17	the county or municipality;
18	leases of buildings or other real property by a county or	18	(4) contracts entered into before October 1, 1985; or
19	municipality.	19	(5) wages due and payable to county or municipal
20	Section 2. Interest assessed on amounts due.	20	employees or payments from any retirement system created
21	(1) Except as provided in [section 3], a county or	21	pursuant to Title 19.
22	municipality shall pay simple interest at the rate of 0.05%	22	Section 4. Definitions relating to interest
23	each day on amounts due for supplies and services received	23	assessment. As used in [sections 5 and 6], the following
24	if the county or municipality fails to make timely payment.	24	definitions apply:
25	(2) For purposes of this section, payment is timely if	25	(1) "Services" means the furnishing of labor, time, or
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THIRD READING

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

21 Section 6. Exemptions. [Section 5] does not apply to22 the following:

(1) interdistrict or intergovernmental transactions;(2) claims subject to a good faith dispute;

25 (3) delinquencies due to natural disasters,

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disruptions in postal or delivery service, work stoppage due to labor disputes, power failures, or any other cause resulting from circumstances clearly beyond the control of 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-

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STANDING COMMITTEE REPORT

	MARCH 9	
MR. PRESIDENT		
We, your committee on LOCAL GOVERNMENT		
having had under considerationHOUSE BILL		No263
THIRD reading copy (<u>BLUE</u>) color		
LOCAL GOVERNMENTS AND SCHOOL DISTRICT OVERDUE ACCOUNTS	S TO PAY INTEREST ON	1
HOUSE BILL	•••••••••••••••••••••••••••••••••••••••	
be amended as follows: 1. Page 3, line 23. Following: line 22 Insert: "(1) third class sc trustees does not mee		e the board of
Renumber: subsequent subsec		

ND AS AMENDED BE CONCURRED IN

SENATE

Senator Dave Fuller Chairman.

XXXXXXX

REACTORION

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25	(2) For purposes of this section, payment is timely if	25	(1) "Services" means the furnishing of labor, time, or REFERENCE BILL
24	if the county or municipality fails to make timely payment.	24	definitions apply:
23	each day on amounts due for supplies and services received	23	assessment. As used in [sections 5 and 6], the following
22	municipality shall pay simple interest at the rate of 0.05%	22	Section 4. Definitions relating to interest
21	(1) Except as provided in [section 3], a county or	21	pursuant to Title 19.
20	Section 2. Interest assessed on amounts due.	20	employees or payments from any retirement system created
19	municipality.	19	(5) wages due and payable to county or municipal
18	leases of buildings or other real property by a county or	18	(4) contracts entered into before October 1, 1985; or
17	including leases of equipment. The term also includes	17	the county or municipality;
16	leased, or contracted for by a county or municipality,	16	resulting from circumstances clearly beyond the control of
15	(2) "Supplies" means all personal property purchased,	15	to labor disputes, power failures, or any other cause
14	contracted for by a county or a municipality.	14	disruptions in postal or delivery service, work stoppage due
13	effort, including construction services, purchased or	13	(3) delinguencies due to natural disasters,
12	(1) "Services" means the furnishing of labor, time, or	12	(2) claims subject to a good faith dispute;
11	definitions apply:	11	 interagency or intergovernmental transactions;
10	assessment. As used in [sections 2 and 3], the following	10	the following:
9	Section 1. Definitions relating to interest	9	Section 3. Exemptions. [Section 2] does not apply to
8	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	8	municipality, whichever is later.
7		7	receipt of the supplies or services by the county or
6	ACCOUNTS."	6	invoice, addressed to the payer county or municipality, or
5	GOVERNMENTS AND SCHOOL DISTRICTS TO PAY INTEREST ON OVERDUE	5	paid within 30 35 days after receipt of a properly completed
4	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING LOCAL	4	the applicable contract or agreement, payment is timely if
3		3	applicable contract or agreement. If no date is specified in
2	INTRODUCED BY PISTORIA	2	payee when due and for the amount specified in the
1	HOUSE BILL NO. 263	1	a warrant is mailed or is otherwise made available to the

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effort, including construction services, purchased or
 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.

Section 5. Interest assessed on amounts due.
(1) Except as provided in [section 6], a school district
shall pay simple interest at the rate of 0.05% each day on
amounts due for supplies and services received if the
district fails to make timely payment.

12 (2) For purposes of this section, payment is timely if a warrant is mailed or is otherwise made available to the 13 payee when due and for the amount specified in the 14 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 of the supplies or services by the school district, 19 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 (1)(2) interdistrict or intergovernmental

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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
12 pursuant to Title 19.

13 Section 7. Codification instruction. Sections 4 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 16 sections 4 through 6.

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