

HOUSE BILL NO. 264

1/18 Introduced
1/18 Referred to Business & Labor
1/22 Hearing
1/24 Committee Report-Bill Pass As Amended
1/26 2nd Reading Pass
1/29 3rd Reading Pass

Transmitted to Senate

1/30 Referred to Business & Industry
2/04 Rereferred to Judiciary
3/07 Hearing
3/07 Adverse Committee Report
3/07 Bill Killed

1 House BILL NO. 264
2 INTRODUCED BY Pistoris

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING CERTAIN
5 BUILDING CONTRACTORS TO PROMPTLY PAY SUBCONTRACTORS AND
6 SUPPLIERS AND PROVIDING A MONETARY PENALTY IF THE CONTRACTOR
7 FAILS TO PAY WITHIN 21 DAYS."

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

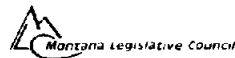
10 Section 1. Contractor's duty to promptly pay
11 subcontractors and suppliers -- exception. (1) If a
12 contractor receives a payment from an owner as defined in
13 71-3-503 for work or labor performed on or materials,
14 machinery, or fixtures furnished to real or immovable
15 property, the contractor shall distribute the amount ratably
16 among the contractor and those who otherwise may have a lien
17 on the property as provided by 71-3-501. If the contractor
18 receives less than full payment, the amount must be divided
19 proportionally among the contractor, subcontractors, and
20 suppliers in relation to work or labor performed or
21 materials and equipment furnished as of the date of payment
22 and the total amount due to the contractor, subcontractor,
23 or supplier.

24 (2) If a contractor without reasonable cause fails to
25 distribute the payment within 21 days of receipt, the

1 contractor shall pay to the subcontractor or supplier, in
2 addition to the payment due, a penalty of 0.5% a day of the
3 amount due; however, the total penalty may not exceed 15% of
4 the amount due.

5 (3) This section does not apply to work or labor
6 performed on or materials, machinery, or fixtures furnished
7 to real property used as a residence.

-End-



APPROVED BY COMM. ON
BUSINESS AND LABOR

1 HOUSE BILL NO. 264
2 INTRODUCED BY PISTORIA

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING CERTAIN
5 BUILDING CONTRACTORS TO PROMPTLY PAY SUBCONTRACTORS AND
6 SUPPLIERS AND PROVIDING A MONETARY PENALTY IF THE CONTRACTOR
7 FAILS TO PAY WITHIN ~~21~~ 30 DAYS."

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22 and the total amount due to the contractor, subcontractor,
23 or supplier.

24 (2) If a contractor without reasonable cause fails to
25 distribute the payment within ~~21~~ 30 days of receipt, the

1 contractor shall pay to the subcontractor or supplier, in
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INTRODUCED BY PISTORIA

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING CERTAIN BUILDING CONTRACTORS TO PROMPTLY PAY SUBCONTRACTORS AND SUPPLIERS AND PROVIDING A MONETARY PENALTY IF THE CONTRACTOR FAILS TO PAY WITHIN ~~21~~ 30 DAYS."

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-End-

