

HOUSE BILL NO. 268

INTRODUCED BY HARBIN

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

IN THE HOUSE

January 19, 1985	Introduced and referred to Committee on State Administration.
January 30, 1985	Committee recommend bill do pass. Report adopted. Bill printed and placed on members' desks.
February 2, 1985	Second reading, do pass. Considered correctly engrossed.
February 4, 1985	Third reading, passed. Ayes, 100; Noes, 0. Transmitted to Senate.

IN THE SENATE

February 7, 1985	Introduced and referred to Committee on Business and Industry.
March 8, 1985	Committee recommend bill be concurrent in. Report adopted.
March 11, 1985	Second reading, concurred in.
March 13, 1985	Third reading, concurred in. Ayes, 50; Noes, 0. Returned to House.

IN THE HOUSE

March 14, 1985

Received from Senate.

Sent to enrolling.

Reported correctly enrolled.

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 6 LETTING A CONTRACT AS THE RESPONSIBLE PARTY FOR HOLDING
 7 SECURITIES IN LIEU OF RETAINED PAYMENTS; AMENDING SECTIONS
 8 18-1-301 THROUGH 18-1-303, MCA; AND PROVIDING AN IMMEDIATE
 9 EFFECTIVE DATE."
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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 18-1-301, MCA, is amended to read:
 13 "18-1-301. Contractor withdrawals -- deposit of
 14 obligations. (1) The contractor under any contract made or
 15 awarded by the state of Montana or any department, agency,
 16 or political subdivision thereof, including any contract for
 17 the construction, improvement, maintenance, or repair of any
 18 road or highway or the appurtenances thereto, may, from time
 19 to time, withdraw the whole or any portion of the sums
 20 otherwise due to the contractor under such contract which
 21 are retained by the state of Montana or any department,
 22 agency, or political subdivision thereof pursuant to the
 23 terms of such contract, provided the contractor shall
 24 deposit with the ~~treasurer--of--the--state---of---Montana~~
 25 contracting agency:

1 (a) United States treasury bonds, United States
 2 treasury notes, United States treasury certificates of
 3 indebtedness, or United States treasury bills;

4 (b) bonds or notes of the state of Montana;

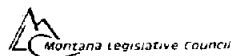
5 (c) bonds of any political subdivision of the state of
 6 Montana of a market value not exceeding par at the time of
 7 deposit; or

8 (d) certificates of deposit drawn and issued by a
 9 national banking association located in the state of Montana
 10 or by any banking corporation incorporated under the laws of
 11 the state of Montana.

12 (2) Deposited obligations shall be at least equal in
 13 value to the amount so withdrawn from payments retained
 14 under such contract."

15 Section 2. Section 18-1-302, MCA, is amended to read:

16 "18-1-302. Servicing of deposited obligations. After
 17 notice to the owner and surety, the ~~treasurer-of-the-state~~
 18 ~~of-Montana~~ contracting agency shall have the power to enter
 19 into a contract or agreement with any national bank, state
 20 bank, trust company, or safe deposit company located in the
 21 state of Montana, designated by the contractor, to provide
 22 for the custodial care and servicing of any obligations
 23 deposited with ~~him~~ it pursuant to this part. Such services
 24 shall include the safekeeping of said obligations and the
 25 rendering of all services required to effectuate the



1 purposes of this part."

2 Section 3. Section 18-1-303, MCA, is amended to read:

3 "18-1-303. Interest or income on deposits to
4 contractor. (1) ~~The treasurer--of--the--state--of--Montana~~
5 contracting agency or any national bank, state bank, trust
6 company, or safe deposit company located in the state of
7 Montana, designated by the contractor to serve as custodian
8 for the obligations pursuant to 18-1-302, shall collect all
9 interest or income when due on the obligations so deposited
10 and shall pay the same, when and as collected, to the
11 contractor who deposited the obligation.

12 (2) If deposited in the form of coupon bonds, the
13 ~~treasurer-of-the-state-of-Montana~~ contracting agency or the
14 designated custodian, pursuant to 18-1-302, shall deliver
15 each such coupon as it matures to the contractor."

16 NEW SECTION. Section 4. Extension of authority. Any
17 existing authority of the department of administration to
18 make rules on the subject of the provisions of this act is
19 extended to the provisions of this act.

20 NEW SECTION. Section 5. Effective date. This act is
21 effective on passage and approval.

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APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

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