## 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 concurred 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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A BILL FOR AN ACT ENTITLED: "AN ACT TO DESIGNATE THE AGENCY LETTING A CONTRACT AS THE RESPONSIBLE PARTY FOR HOLDING SECURITIES IN LIEU OF RETAINED PAYMENTS; AMENDING SECTIONS 18-1-301 THROUGH 18-1-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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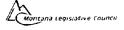
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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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



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- (a) United States treasury bonds, United States 1 treasury notes. United States treasury certificates of indebtedness, or United States treasury bills;
  - (b) bonds or notes of the state of Montana:
- (c) bonds of any political subdivision of the state of Montana of a market value not exceeding par at the time of deposit; or
- (d) certificates of deposit drawn and issued by a national banking association located in the state of Montana or by any banking corporation incorporated under the laws of 10 11 the state of Montana.
- (2) Deposited obligations shall be at least equal in 12 value to the amount so withdrawn from payments retained 13 14 under such contract."

Section 2. Section 18-1-302, MCA, is amended to read: 15 16 "18-1-302. Servicing of deposited obligations. After notice to the owner and surety, the treasurer-of-the-state of-Montana contracting agency shall have the power to enter 18 19 into a contract or agreement with any national bank, state bank, trust company, or safe deposit company located in the 20 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 rendering of all services required to effectuate the 25

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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 company, or safe deposit company located in the state of 7 Montana, designated by the contractor to serve as custodian 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 contractor who deposited the obligation. 11

- (2) If deposited in the form of coupon bonds, the treasurer-of-the-state-of-Montana contracting agency or the designated custodian, pursuant to 18-1-302, shall deliver each such coupon as it matures to the contractor."
- NEW SECTION. Section 4. Extension of authority. Any existing authority of the department of administration to make rules on the subject of the provisions of this act is extended to the provisions of this act.
- NEW SECTION. Section 5. Effective date. This act is effective on passage and approval.

HOUSE BILL NO. 268

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BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO DESIGNATE THE AGENCY LETTING A CONTRACT AS THE RESPONSIBLE PARTY FOR HOLDING SECURITIES IN LIEU OF RETAINED PAYMENTS; AMENDING SECTIONS 18-1-301 THROUGH 18-1-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 18-1-301, MCA, is amended to read:

"18-1-301. Contractor withdrawals -- deposit of obligations. (1) The contractor under any contract made or awarded by the state of Montana or any department, agency, or political subdivision thereof, including any contract for the construction, improvement, maintenance, or repair of any road or highway or the appurtenances thereto, may, from time to time, withdraw the whole or any portion of the sums otherwise due to the contractor under such contract which are retained by the state of Montana or any department, agency, or political subdivision thereof pursuant to the terms of such contract, provided the contractor shall deposit with the treasurer--of--the--state---of---Montana contracting agency:

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Montana	Legislative	Council

- 1 (a) United States treasury bonds, United States
  2 treasury notes, United States treasury certificates of
  3 indebtedness, or United States treasury bills;
  - (b) bonds or notes of the state of Montana;

- (c) bonds of any political subdivision of the state of Montana of a market value not exceeding par at the time of 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."
  - Section 2. Section 18-1-302, MCA, is amended to read:

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

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

3 "18-1-303. Interest or income on deposits to

contractor. (1) The treasurer-of-the-state-of-Montana

contracting agency or any national bank, state bank, trust

company, or safe deposit company located in the state of

Montana, designated by the contractor to serve as custodian

for the obligations pursuant to 18-1-302, shall collect all

interest or income when due on the obligations so deposited

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."

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

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

contracting agency:

States treasury bonds, United States

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7	SECURITIES IN LIEU OF RETAINED PAYMENTS; AMENDING SECTIONS
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9	EFFECTIVE DATE."
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1	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
.2	Section 1. Section 18-1-301, MCA, is amended to read:
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4	obligations. (1) The contractor under any contract made or
.5	awarded by the state of Montana or any department, agency,
.6	or political subdivision thereof, including any contract for
7	the construction, improvement, maintenance, or repair of any
8	road or highway or the appurtenances thereto, may, from time
9	to time, withdraw the whole or any portion of the sums
0	otherwise due to the contractor under such contract which
1	are retained by the state of Montana or any department,
2	agency, or political subdivision thereof pursuant to the
3	terms of such contract, provided the contractor shall
4	deposit with the treasurerofthestateofMontana

4	treasury notes, united States treasury certificates of
3	indebtedness, or United States treasury bills;
4	<ul><li>(b) bonds or notes of the state of Montana;</li></ul>
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
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12	(2) Deposited obligations shall be at least equal in
13	value to the amount so withdrawn from payments retained
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15	Section 2. Section 18-1-302, MCA, is amended to read:
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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 $h \neq m$ it pursuant to this part. Such services
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(2) If deposited in the form of coupon bonds, the treasurer-of-the-state-of-Montana contracting agency or the designated custodian, pursuant to 18-1-302, shall deliver each such coupon as it matures to the contractor."

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HB 0268/02

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