SENATE BILL NO. 138

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INTRODUCED BY MOHAR, HAFFEY, HARBIN

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

IN THE SENATE

January 18, 1985	Introduced and referred to Committee on State Administration.
January 29, 1985	Committee recommend bill do pass. Report adopted.
January 30, 1985	Bill printed and placed on members' desks.
January 31, 1985	Second reading, do pass.
February 1, 1985	Considered correctly engrossed.
February 2, 1985	On motion, taken from third reading and referred to second reading on 25th Legislative Day. Motion carried.
February 4, 1985	Second reading, do pass as amended.
February 5, 1985	Correctly engrossed.
February 6, 1985	Third reading, passed. Ayes, 47; Noes, 1.
	Transmitted to House.
IN	THE HOUSE
February 27, 1985	Introduced and referred to Committee on State Administration.

March	12,	1985	Committee recommend bill be concurred in. Report adopted.
March	14,	1985	Second reading, concurred in.
March	16,	1985	Third reading, concurred in.
		Returned to Senate.	

IN THE SENATE

March 16, 1985	Received from House.
March 18, 1985	Sent to enrolling.
	Reported correctly enrolled.

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Senate BILL NO. 138 1 INTRODUCED BY 2 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION 3 4 "AN ACT TO ELIMINATE THE A BILL FOR AN ACT ENTITLED: 5 PROVISION ALLOWING INDIVIDUAL SURETIES FOR PUBLIC WORKS 6 PROJECTS; AMENDING SECTION 18-2-201, MCA; AND PROVIDING AN 7 IMMEDIATE EFFECTIVE DATE." 8 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 10 Section 1. Section 18-2-201, MCA, is amended to read: 11 "18-2-201. Bonding requirements. (1) Whenever any 12 board, council, commission, trustees, or body acting for the 13 state or any county, municipality, or any public body shall 14 contract with any person or corporation to do any work for 15 the state, county, or municipality or other public body, 16 city, town, or district, such board, council, commission, 17 trustees, or body shall require the corporation, person, or 18 persons with whom such contract is made to make, execute, 19 and deliver to such board, council, commission, trustees, or 20

21 body a good and sufficient bond with-two-or-more-sureties 22 acceptable-to-the-governmental-body-letting-the-contract;-or 23 with a licensed surety company as surety, conditioned that

24 such corporation, person, or persons shall:

(a) faithfully perform all of the provisions of such



1 contract;

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2 (b) pay all laborers, mechanics, subcontractors, and3 materialmen; and

4 (c) pay all persons who shall supply such corporation,
5 person or persons, or subcontractors with provisions,
6 provender, material, or supplies for the carrying on of such
7 work.

8 (2) A copy of such bond shall be filed with the county 9 clerk and recorder of the county where such work is 10 performed or improvement made or, if to be performed in more 11 than one county, then with the county clerk of either 12 county, except in cases of cities and towns, in which case 13 such bond shall be filed with the city or town clerk 14 thereof.

(3) Notwithstanding the provisions of (1) and (2) 15 16 above, the state or other governmental entity may, in lieu 17 of a surety bond, permit the deposit with the contracting governmental entity or agency the following securities in an 18 19 amount at least equal to the contract sum to guarantee the faithful performance of the contract and the payment of all 20 21 laborers, suppliers, materialmen, mechanics, and 22 subcontractors:

(a) lawful money of the United States; or

(b) a cashier's check, certified check, bank moneyorder, or bank draft, drawn or issued by any banking

-2- INTRODUCED BILL 53/38

corporation incorporated under the laws of the state of
 Montana or by a national banking association located in
 Montana; or

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4 (c) certificates of deposit or money market 5 certificates issued by any bank or savings and loan 6 association licensed to do business in Montana."

NEW SECTION. Section 2. 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 3. Effective date. This act is
 effective on passage and approval.

-End-

49th Legislature

LC 0685/01 APPROVED BY COMMITTEE ON STATE ADMINISTRATION

Senate BILL NO. 138 1 INTRODUCED BY 11/ 2 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION 3

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE THE 6 PROVISION ALLOWING INDIVIDUAL SURETIES FOR PUBLIC WORKS 7 PROJECTS; AMENDING SECTION 18-2-201, MCA; AND PROVIDING AN 8 IMMEDIATE EFFECTIVE DATE."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 10 11 Section 1. Section 18-2-201, MCA, is amended to read: "18-2-201, Bonding requirements. (1) Whenever any 12 13 board, council, commission, trustees, or body acting for the state or any county, municipality, or any public body shall 14 15 contract with any person or corporation to do any work for the state, county, or municipality or other public body, 16 city, town, or district, such board, council, commission, 17 18 trustees, or body shall require the corporation, person, or 19 persons with whom such contract is made to make, execute, 20 and deliver to such board, council, commission, trustees, or 21 body a good and sufficient bond with-two-or-more-sureties acceptable-to-the-governmental-body-letting-the-contract7-or 22 with a licensed surety company as surety, conditioned that 23 such corporation, person, or persons shall: 24

25 (a) faithfully perform all of the provisions of such



1 contract;

2 (b) pay all laborers, mechanics, subcontractors, and
3 materialmen; and

4 (c) pay all persons who shall supply such corporation,
5 person or persons, or subcontractors with provisions,
6 provender, material, or supplies for the carrying on of such
7 work.

8 (2) A copy of such bond shall be filed with the county 9 clerk and recorder of the county where such work is 10 performed or improvement made or, if to be performed in more 11 than one county, then with the county clerk of either 12 county, except in cases of cities and towns, in which case 13 such bond shall be filed with the city or town clerk 14 thereof.

(3) Notwithstanding the provisions of (1) and (2) 15 above, the state or other governmental entity may, in lieu 16 of a surety bond, permit the deposit with the contracting 17 governmental entity or agency the following securities in an 18 amount at least equal to the contract sum to guarantee the 19 faithful performance of the contract and the payment of all 20 mechanics, and materialmen, 21 laborers, suppliers, 22 subcontractors:

23 (a) lawful money of the United States; or

(b) a cashier's check, certified check, bank money
 order, or bank draft, drawn or issued by any banking

-2- SECOND READING SB/38

corporation incorporated under the laws of the state of
 Montana or by a national banking association located in
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25 (a) faithfully perform all of the provisions of such

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1 contract;

2 (b) pay all laborers, mechanics, subcontractors, and
3 materialmen; and

4 (c) pay all persons who shall supply such corporation,
5 person or persons, or subcontractors with provisions,
6 provender, material, or supplies for the carrying on of such
7 work.

8 (2) A copy of such bond shall be filed with the county 9 clerk and recorder of the county where such work is 10 performed or improvement made or, if to be performed in more 11 than one county, then with the county clerk of either 12 county, except in cases of cities and towns, in which case 13 such bond shall be filed with the city or town clerk 14 thereof.

15 (3) Notwithstanding the provisions of (1) and (2) 16 above, the state or other governmental entity may, in lieu 17 of a surety bond, permit the deposit with the contracting 18 governmental entity or agency the following securities in an 19 amount at least equal to the contract sum to guarantee the 20 faithful performance of the contract and the payment of all 21 laborers, suppliers, materialmen, mechanics, and 22 subcontractors:

23 (a) lawful money of the United States; or

(b) a cashier's check, certified check, bank moneyorder, or bank draft, drawn or issued by any banking

THIRD READING -2-5B 138

corporation incorporated under the laws of the state of
 Montana or by a national banking association located in
 Montana; or

4 (c) certificates of deposit or money market
5 certificates issued by any bank or savings and loan
6 association licensed to do business in Montana."

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SB 0138/02

Montana Legislative Counci

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SENATE BILL NO. 138 1 INTRODUCED BY MOHAR, HAFFEY, HARBIN 2 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION 3 4 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE THE PROVISION ALLOWING INDIVIDUAL SURETIES FOR STATE PUBLIC 6 WORKS PROJECTS: AMENDING SECTION 18-2-201. MCA: AND 7 PROVIDING AN IMMEDIATE EFFECTIVE DATE." 8 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 10 11 Section 1. Section 18-2-201, MCA, is amended to read: 12 *18-2-201. Bonding requirements. (1) Whenever EXCEPT AS PROVIDED IN SUBSECTION (4), WHENEVER any board, council, 13 commission, trustees, or body acting for the state or any 14 county, municipality, or any public body shall contract with 15 any person or corporation to do any work for the state, 16 17 county, or municipality or other public body, city, town, or 18 district, such board, council, commission, trustees, or body 19 shall require the corporation, person, or persons with whom 20 such contract is made to make, execute, and deliver to such 21 board, council, commission, trustees, or body a good and 22 sufficient bond with-two-or-more-sureties-acceptable-to-the 23 governmental-body-letting-the-contracty-or with a licensed surety company as surety, conditioned that such corporation, 24 25 person, or persons shall:

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(a) faithfully perform all of the provisions of such contract;

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4 materialmen; and

5 (c) pay all persons who shall supply such corporation,
6 person or persons, or subcontractors with provisions,
7 provender, material, or supplies for the carrying on of such
8 work.

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(3) Notwithstanding the provisions of (1) and (2) 16 above, the state or other governmental entity may, in lieu 17 18 of a surety bond, permit the deposit with the contracting governmental entity or agency the following securities in an 19 amount at least equal to the contract sum to guarantee the 20 faithful performance of the contract and the payment of all 21 suppliers, 22 laborers, materialmen, mechanics. and 23 subcontractors:

24 (a) lawful money of the United States; or

(b) a cashier's check, certified check, bank money

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SECOND PRINTING SB 138 THIRD READING AS AMENDED

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order, or bank draft, drawn or issued by any banking
 corporation incorporated under the laws of the state of
 Montana or by a national banking association located in
 Montana; or

5 (c) certificates of deposit or money market 6 certificates issued by any bank or savings and loan 7 association licensed to do business in Montana.

8 (4) NOTWITHSTANDING THE PROVISIONS OF SUBSECTIONS (1) 9 AND (2) ABOVE, ANY BOARD, COUNCIL, COMMISSION, TRUSTEE, OR 10 BODY ACTING FOR ANY COUNTY, MUNICIPALITY, OR ANY PUBLIC BODY 11 OTHER THAN THE STATE MAY, IN LIEU OF A BOND FROM A LICENSED 12 SURETY COMPANY, ACCEPT A GOOD AND SUFFICIENT BOND WITH TWO 13 OR MORE SURETIES ACCEPTABLE TO THE GOVERNMENTAL BODY."

14 <u>NEW SECTION.</u> Section 2. Extension of authority. Any
15 existing authority of the department of administration to
16 make rules on the subject of the provisions of this act is
17 extended to the provisions of this act.

18 <u>NEW SECTION.</u> Section 3. Effective date. This act is
 19 effective on passage and approval.

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3	BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
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5	A BILL FOR AN ACT ENTITLED: "AN ACT TO ELIMINATE THE
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7	WORKS PROJECTS; AMENDING SECTION 18-2-201, MCA; AND
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15	county, municipality, or any public body shall contract with
16	any person or corporation to do any work for the state,
17	county, or municipality or other public body, city, town, or
18	district, such board, council, commission, trustees, or body
19	shall require the corporation, person, or persons with whom
20	such contract is made to make, execute, and deliver to such
21	board, council, commission, trustees, or body a good and
22	sufficient bond with-two-or-more-sureties-acceptable-to-the
23	governmental-body-letting-the-contract7-or with a licensed
24	surety company as surety, conditioned that such corporation,
25	person, or persons shall:

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(a) lawful money of the United States; or

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Montana Legislative Council

REFERENCE BILL

SB 138

SB 0138/02

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