

SENATE BILL NO. 138

INTRODUCED BY MOHAR, HAFNEY, 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.
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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.

Senate BILL NO. 138

INTRODUCED BY McL... ...
BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

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

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

Section 1. Section 18-2-201, MCA, is amended to read:

"18-2-201. Bonding requirements. (1) Whenever any board, council, commission, trustees, or body acting for the state or any county, municipality, or any public body shall contract with any person or corporation to do any work for the state, county, or municipality or other public body, city, town, or district, such board, council, commission, trustees, or body shall require the corporation, person, or persons with whom such contract is made to make, execute, and deliver to such board, council, commission, trustees, or body a good and sufficient bond ~~with two or more sureties acceptable to the governmental body letting the contract,~~ or with a licensed surety company as surety, conditioned that such corporation, person, or persons shall:

(a) faithfully perform all of the provisions of such

contract;

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

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

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

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

(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



1 corporation incorporated under the laws of the state of
2 Montana or by a national banking association located in
3 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."

7 NEW SECTION. Section 2. Extension of authority. Any
8 existing authority of the department of administration to
9 make rules on the subject of the provisions of this act is
10 extended to the provisions of this act.

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

-End-

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

Senate BILL NO. 138

INTRODUCED BY *McL...* *Ruffey Harbin*
BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

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city, town, or district, such board, council, commission,
trustees, or body shall require the corporation, person, or
persons with whom such contract is made to make, execute,
and deliver to such board, council, commission, trustees, or
body a good and sufficient bond ~~with two or more sureties~~
~~acceptable to the governmental body letting the contract,~~ or
with a licensed surety company as surety, conditioned that
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than one county, then with the county clerk of either
county, except in cases of cities and towns, in which case
such bond shall be filed with the city or town clerk
thereof.

(3) Notwithstanding the provisions of (1) and (2)
above, the state or other governmental entity may, in lieu
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(a) faithfully perform all of the provisions of such

- contract;
 - (b) pay all laborers, mechanics, subcontractors, and materialmen; and
 - (c) pay all persons who shall supply such corporation, person or persons, or subcontractors with provisions, provender, material, or supplies for the carrying on of such work.
- (2) A copy of such bond shall be filed with the county clerk and recorder of the county where such work is performed or improvement made or, if to be performed in more than one county, then with the county clerk of either county, except in cases of cities and towns, in which case such bond shall be filed with the city or town clerk thereof.
- (3) Notwithstanding the provisions of (1) and (2) above, the state or other governmental entity may, in lieu of a surety bond, permit the deposit with the contracting governmental entity or agency the following securities in an amount at least equal to the contract sum to guarantee the faithful performance of the contract and the payment of all laborers, suppliers, materialmen, mechanics, and subcontractors:
- (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



1 corporation incorporated under the laws of the state of
2 Montana or by a national banking association located in
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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 18-2-201, MCA, is amended to read:

"18-2-201. Bonding requirements. (1) Whenever EXCEPT AS PROVIDED IN SUBSECTION (4), WHENEVER any board, council, commission, trustees, or body acting for the state or any county, municipality, or any public body shall contract with any person or corporation to do any work for the state, county, or municipality or other public body, city, town, or district, such board, council, commission, trustees, or body shall require the corporation, person, or persons with whom such contract is made to make, execute, and deliver to such board, council, commission, trustees, or body a good and sufficient bond with-two-or-more-sureties-acceptable-to-the-governmental-body-letting-the-contract, or with a licensed surety company as surety, conditioned that such corporation, person, or persons shall:

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

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

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

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

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

(a) lawful money of the United States; or

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



1 order, or bank draft, drawn or issued by any banking
2 corporation incorporated under the laws of the state of
3 Montana or by a national banking association located in
4 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 NEW SECTION. 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
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 20 such contract is made to make, execute, and deliver to such
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 24 surety company as surety, conditioned that such corporation,
 25 person, or persons shall:

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 2 contract;
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