HB 362 INTRODUCED BY GLASER, ET AL. PENALTY FOR BUILDING CONTRACTOR FAILING TO PAY SUBCONTRACTOR PROMPTLY

1/21	INTRODUCED	
1/21	REFERRED TO BUSINESS & LABO)R
1/29	HEARING	
1/29	COMMITTEE REPORTBILL PASS	SED AS AMENDED
2/02	2ND READING PASSED	96
2/03	3RD READING PASSED	96
	TRANSMITTED TO SENATE	
2/04	REFERRED TO BUSINESS & INDU	ISTRY
3/10	HEARING	
3/11	TABLED IN COMMITTEE AS AMEN	IDED

House BILL NO. 362

HARP Sande-

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 30 DAYS."

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

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

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



- contractor shall pay to the subcontractors or suppliers, in
- 2 addition to the payment due, a penalty of 0.5% a day of the
- amount due: however, the total penalty may not exceed 15% of
- 4 the amount due.

-End-

INTRODUCED BILL HB-362

APPROVED BY COMM. ON BUSINESS AND LABOR

1	HOUSE BILL NO. 362
2	INTRODUCED BY GLASER, PISTORIA, CAMPBELL,
3	BRANDEWIE, HARP, SANDS

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

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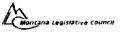
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-End-

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2	INTRODUCED BY GLASER, PISTORIA, CAMPBELL
3	BRANDEWIE, HARP, SANDS

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING CERTAIN 5 6 BH#BB#NG CONTRACTORS TO PROMPTLY PAY SUBCONTRACTORS AND 7 SUPPLIERS AND PROVIDING A MONETARY PENALTY IF THE CONTRACTOR 8 FAILS TO PAY WITHIN 30 DAYS."

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suppliers in relation to work or labor performed or 21

materials and equipment furnished as of the date of payment

and the total amount due to the contractor, subcontractors,

or suppliers. 24

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