

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

1/21 INTRODUCED
1/21 REFERRED TO BUSINESS & LABOR
1/29 HEARING
1/29 COMMITTEE REPORT--BILL PASSED AS AMENDED
2/02 2ND READING PASSED 96 2
2/03 3RD READING PASSED 96 2

TRANSMITTED TO SENATE
2/04 REFERRED TO BUSINESS & INDUSTRY
3/10 HEARING
3/11 TABLED IN COMMITTEE AS AMENDED

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 2 INTRODUCED BY House BILL NO. 362
 3 Deshaun HARP Patricia Campbell
HARP Sander

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

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

10 Section 1. Contractor's duty to promptly pay
 11 subcontractors and suppliers -- exception. (1) If a
 12 contractor receives a payment from an owner as defined in
 13 71-3-503 for work or labor performed on or materials,
 14 machinery, or fixtures furnished to real or immovable
 15 property, the contractor shall distribute the amount ratably
 16 among the contractor and those who otherwise may have a lien
 17 on the property as provided by 71-3-501. If the contractor
 18 receives less than full payment, the amount must be divided
 19 proportionally among the contractor, subcontractors, and
 20 suppliers in relation to work or labor performed or
 21 materials and equipment furnished as of the date of payment
 22 and the total amount due to the contractor, subcontractors,
 23 or suppliers.

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

1 contractor shall pay to the subcontractors or suppliers, in
 2 addition to the payment due, a penalty of 0.5% a day of the
 3 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
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