



1 House BILL NO. 508  
 2 INTRODUCED BY Campbell Beck  
 3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION  
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING THE DEPARTMENT  
 6 OF ADMINISTRATION TO WAIVE THE REQUIREMENT TO FORFEIT BID  
 7 SECURITY WHEN A SUCCESSFUL BIDDER REFUSES TO EXECUTE  
 8 PROPOSED CONTRACTS FOR BIDS FOR CONSTRUCTION OF PUBLIC  
 9 BUILDINGS OR FACILITIES UNDER TITLE 18, CHAPTER 2; AMENDING  
 10 SECTION 18-1-204, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE  
 11 DATE."  
 12

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 14 Section 1. Section 18-1-204, MCA, is amended to read:  
 15 "18-1-204. Forfeiture -- bidder's liability. (1) If  
 16 Except as provided in subsection (3), if in any instance one  
 17 or more bids be accepted or a sale of any form of  
 18 indebtedness is ordered or a contract is awarded, any bidder  
 19 whose bid is accepted and who shall thereafter refuse to  
 20 enter into and execute the proposed contract or carry out  
 21 and consummate the purchase of any form of indebtedness, as  
 22 stated in the covenant in the bid and herein, shall  
 23 absolutely forfeit such moneys or bank instruments to the  
 24 public authority concerned and become immediately liable on  
 25 the bid bond but not in excess of the penal sum therein

1 stated.  
 2 (2) In no event shall the bidder's liability, the  
 3 liability of the maker of the security instrument, or the  
 4 liability on the bid bond exceed the amount specified by the  
 5 public authority in the solicitation or advertisement for  
 6 bids, whether the amount shall be posted in money, be stated  
 7 as the amount payable in the security instrument, or as the  
 8 maximum amount payable in the bid bond.

9 (3) With respect to bids accepted under Title 18,  
 10 chapter 2, the department may waive the requirement to  
 11 forfeit bid security."

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

-End-



-2- INTRODUCED BILL  
 HB-508

APPROVED BY COMM. ON  
BUSINESS AND LABOR

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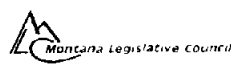
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-2- SECOND READING  
HB 508

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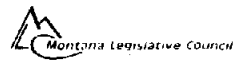
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