

HOUSE BILL NO. 566
INTRODUCED BY SWANSON

IN THE HOUSE

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| FEBRUARY 10, 1993 | INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES. |
| | FIRST READING. |
| FEBRUARY 16, 1993 | COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED. |
| FEBRUARY 17, 1993 | PRINTING REPORT. |
| | SECOND READING, DO PASS. |
| FEBRUARY 18, 1993 | ENGROSSING REPORT. |
| FEBRUARY 19, 1993 | THIRD READING, PASSED. AYES, 96; NOES, 0. |
| FEBRUARY 22, 1993 | TRANSMITTED TO SENATE. |

IN THE SENATE

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| FEBRUARY 22, 1993 | INTRODUCED AND REFERRED TO COMMITTEE ON EDUCATION & CULTURAL RESOURCES. |
| | FIRST READING. |
| MARCH 15, 1993 | COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED. |
| MARCH 16, 1993 | SECOND READING, CONCURRED IN. |
| MARCH 17, 1993 | THIRD READING, CONCURRED IN. AYES, 49; NOES, 0. |
| | RETURNED TO HOUSE. |

IN THE HOUSE

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| MARCH 18, 1993 | RECEIVED FROM SENATE. |
| | SENT TO ENROLLING. |
| | REPORTED CORRECTLY ENROLLED. |

1 House BILL NO. 566
2 INTRODUCED BY Swanson
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4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING A SCHOOL
5 DISTRICT TO WAIVE BONDING REQUIREMENTS FOR BUILDING OR
6 CONSTRUCTION PROJECTS THAT COST LESS THAN \$7,500; AMENDING
7 SECTION 18-2-201, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
8 DATE."

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

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

12 "18-2-201. Bonding requirements. (1) Except as
13 otherwise provided in 85-1-219 and subsections (4) and (5)
14 through (6) of this section, whenever any board, council,
15 commission, trustees, or body acting for the state or any
16 county, municipality, or any public body ~~shall--contract~~
17 contracts with any person or corporation to do any work for
18 the state, county, or municipality or other public body,
19 city, town, or district, ~~such the~~ board, council,
20 commission, trustees, or body shall require the corporation,
21 person, or persons with whom ~~such the~~ contract is made to
22 make, execute, and deliver to ~~such the~~ board, council,
23 commission, trustees, or body a good and sufficient bond
24 with a licensed surety company as surety, conditioned that
25 ~~such the~~ corporation, person, or persons shall:

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

3 (b) pay all laborers, mechanics, subcontractors, and
4 materialmen material suppliers; and

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

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

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

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

1 (b) a cashier's check, certified check, bank money
2 order, or bank draft, drawn or issued by any banking
3 corporation incorporated under the laws of the state of
4 Montana or by a national banking association located in
5 Montana; or

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

9 (4) Notwithstanding the provisions of subsections (1)
10 and (2) above, any board, council, commission, trustee, or
11 body acting for any county, municipality, or any public body
12 other than the state may, in lieu of a bond from a licensed
13 surety company, accept a good and sufficient bond with two
14 or more sureties acceptable to the governmental body.

15 (5) The Except as provided in subsection (6), the state
16 or other governmental entity may waive the requirements
17 contained in subsections (1) through (4) for building or
18 construction projects, as defined in 18-2-101, that cost
19 less than \$5,000.

20 (6) A school district may waive the requirements
21 contained in subsections (1) through (4) for building or
22 construction projects, as defined in 18-2-101, that cost
23 less than \$7,500."

24 NEW SECTION. Section 2. Effective date. [This act] is
25 effective on passage and approval.

APPROVED BY COMM. ON EDUCATION
AND CULTURAL RESOURCES

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2 INTRODUCED BY Smaison

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17 contracts with any person or corporation to do any work for
18 the state, county, or municipality or other public body,
19 city, town, or district, such the board, council,
20 commission, trustees, or body shall require the corporation,
21 person, or persons with whom such the contract is made to
22 make, execute, and deliver to such the board, council,
23 commission, trustees, or body a good and sufficient bond
24 with a licensed surety company as surety, conditioned that
25 such the corporation, person, or persons shall:

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

3 (b) pay all laborers, mechanics, subcontractors, and
4 ~~materialmen~~ material suppliers; and

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

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

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

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

1 (b) a cashier's check, certified check, bank money
2 order, or bank draft, drawn or issued by any banking
3 corporation incorporated under the laws of the state of
4 Montana or by a national banking association located in
5 Montana; or

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

9 (4) Notwithstanding the provisions of subsections (1)
10 and (2) above, any board, council, commission, trustee, or
11 body acting for any county, municipality, or any public body
12 other than the state may, in lieu of a bond from a licensed
13 surety company, accept a good and sufficient bond with two
14 or more sureties acceptable to the governmental body.

15 (5) The Except as provided in subsection (6), the state
16 or other governmental entity may waive the requirements
17 contained in subsections (1) through (4) for building or
18 construction projects, as defined in 18-2-101, that cost
19 less than \$5,000.

20 (6) A school district may waive the requirements
21 contained in subsections (1) through (4) for building or
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 22 make, execute, and deliver to such the board, council,
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 25 such the corporation, person, or persons shall:

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

1 (b) a cashier's check, certified check, bank money
2 order, or bank draft, drawn or issued by any banking
3 corporation incorporated under the laws of the state of
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9 (4) Notwithstanding the provisions of subsections (1)
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13 surety company, accept a good and sufficient bond with two
14 or more sureties acceptable to the governmental body.

15 (5) The Except as provided in subsection (6), the state
16 or other governmental entity may waive the requirements
17 contained in subsections (1) through (4) for building or
18 construction projects, as defined in 18-2-101, that cost
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20 (6) A school district may waive the requirements
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(a) faithfully perform all of the provisions of such the contract;

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

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

(3) Notwithstanding the provisions of subsections (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 of 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~~ material suppliers, mechanics, and subcontractors:

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

(4) Notwithstanding the provisions of subsections (1) and (2) ~~above~~, any board, council, commission, trustee, or body acting for any county, municipality, or any public body other than the state may, in lieu of a bond from a licensed surety company, accept a good and sufficient bond with two or more sureties acceptable to the governmental body.

(5) The Except as provided in subsection (6), the state or other governmental entity may waive the requirements contained in subsections (1) through (4) for building or construction projects, as defined in 18-2-101, that cost less than \$5,000.

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-End-

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HB 566