

1 SENATE BILL NO. 13
2 INTRODUCED BY Biscardi
3 BY REQUEST OF THE STATE AUDITOR
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT AN
6 INDEMNITY BOND IS NOT REQUIRED FOR ISSUANCE OF A DUPLICATE
7 STATE AUDITOR WARRANT IF A STATE AGENCY APPROVES ITS
8 ISSUANCE AND AGREES TO ASSUME THE RISK OF THE ORIGINAL
9 WARRANT BEING CASHED; AMENDING SECTION 17-8-306, MCA; AND
10 PROVIDING AN IMMEDIATE EFFECTIVE DATE."
11

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

13 **Section 1.** Section 17-8-306, MCA, is amended to read:

14 "17-8-306. Issuance of duplicate warrant. (1) The state
15 auditor may issue a duplicate warrant whenever any warrant
16 drawn by him the state auditor upon the treasurer of the
17 state is lost or destroyed. This duplicate warrant must be
18 in the same form as the original, except that it must have
19 plainly printed across its face the word "duplicate"~~7--and~~
20 ~~except--as-herein-provided7-no-such.~~ A duplicate warrant may
21 not be issued or delivered unless the person entitled to
22 receive ~~the--same~~ it deposits with the state auditor a bond
23 in double the amount for which the duplicate warrant is
24 issued~~7--conditioned--to-save-Montana~~ indemnifying the state
25 and its officers harmless-on-account-of and employees from

1 any loss resulting from the issuance of the duplicate
2 warrant.

3 (2) No A bond of indemnity is not required when:

4 (a) the payee is the United States government, a state
5 of the United States, any agency, instrumentality, or
6 officer of the United States government or of a state,
7 county, city, city and county, town, district, or other
8 political subdivision of a state or any officer thereof;

9 (b) the owner or custodian is the state of Montana or
10 any agency or officer thereof of the state;

11 (c) the owner or custodian is a bank, savings and loan
12 association, admitted insurer, or trust company whose
13 financial condition is regulated by the United States
14 government or by the state of Montana;

15 (d) the state auditor has chosen to waive the
16 requirement upon receipt of evidence that the original
17 warrant has been lost or destroyed as a result of a disaster
18 or other major occurrence;

19 (e) the amount of the lost or destroyed warrant is less
20 than \$300;

21 (f) it can be established that a crime has been
22 committed and that as a result ~~of-such-crime-that~~ a Montana
23 warrant has been stolen or destroyed;

24 (g) it can be established that a Montana warrant has
25 been mailed to an incorrect payee;

1 (h) the payee is a vendor or contractor doing business
2 with the state of Montana;

3 (i) the payee is a recipient of public assistance under
4 Title 53;

5 (j) the payee is a recipient of a monthly annuity under
6 Title 19; or

7 (k) the payee is a recipient of student financial
8 assistance administered or insured by the guaranteed student
9 loan program pursuant to Title 20, chapter 26; or

10 (l) a state agency approves the issuance of the
11 duplicate warrant and agrees to assume the risk of the
12 original warrant being cashed.

13 (3) Whenever the owner or custodian applies under the
14 provisions of subsection (2)(d), (2)(f), (2)(g), (2)(h),
15 (2)(i), (2)(j), or (2)(k), or (2)(l), a stop-payment order
16 ~~shall~~ must be placed on the original warrant by the state
17 auditor.

18 (4) Whenever the owner or custodian applies under the
19 provisions of subsection (2)(c), (2)(d), (2)(e), (2)(f),
20 (2)(g), (2)(h), (2)(i), (2)(j), or (2)(k), or (2)(l), the
21 application ~~shall~~ must include an agreement to indemnify and
22 ~~hold--harmless~~ the state ~~or~~ and its officers and employees
23 from any loss resulting from the issuance of a duplicate
24 warrant. Any loss incurred in connection with the issuance
25 of a duplicate warrant ~~shall~~ must be charged against the

1 account from which the payment was derived."

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

-End-

APPROVED BY COMM. ON
FINANCE AND CLAIMS

1 SENATE BILL NO. 13
2 INTRODUCTION BY Bear
3 BY REQUEST OF THE STATE AUDITOR

4
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8 political subdivision of a state or any officer thereof;

9 (b) the owner or custodian is the state of Montana or
10 any agency or officer thereof of the state;

11 (c) the owner or custodian is a bank, savings and loan
12 association, admitted insurer, or trust company whose
13 financial condition is regulated by the United States
14 government or by the state of Montana;

15 (d) the state auditor has chosen to waive the
16 requirement upon receipt of evidence that the original
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8 political subdivision of a state or any officer thereof;

9 (b) the owner or custodian is the state of Montana or
10 any agency or officer thereof of the state;

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12 association, admitted insurer, or trust company whose
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