

1

HOUSE BILL NO. 51

2

INTRODUCED BY J. JOHNSON

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE BID LIMIT ON THE ESTIMATED COST OF A
5 SCHOOL DISTRICT'S NONEMERGENCY BUILDING, FURNISHING, OR REPAIR WORK OR ON THE
6 PURCHASE OF SUPPLIES THAT IS SUBJECT TO A CONTRACT; AMENDING SECTION 20-9-204, MCA;
7 AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

8

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

10

11 **Section 1.** Section 20-9-204, MCA, is amended to read:

12 **"20-9-204. Conflicts of interests, letting contracts, and calling for bids.** (1) It is unlawful for ~~any~~
13 a trustee to:

14 (a) have any pecuniary interest, either directly or indirectly, in any contract made by ~~him in his the~~ the
15 trustee while acting in that official capacity or by the board of trustees of which he ~~the~~ the trustee is a member;
16 or

17 (b) be employed in any capacity by the ~~trustee's own~~ school district ~~of which he is trustee.~~

18 (2) For the purposes of subsection (1):

19 (a) "pecuniary interest" does not include holding an interest of 10% or less in a corporation;

20 (b) "contract" does not include:

21 (i) merchandise sold to the highest bidder at public auctions;

22 (ii) investments or deposits in financial institutions that are in the business of loaning or receiving
23 money when the investments or deposits are made on a rotating or ratable basis among financial
24 institutions in the community or when there is only one financial institution in the community; or

25 (iii) contracts for professional services, other than salaried services, or for maintenance or repair
26 services or supplies when the services or supplies are not reasonably available from other sources if the
27 interest of any board member and a determination of the lack of availability are entered in the minutes of
28 the board meeting at which the contract is considered.

29 (3) Except for district needs that must be met due to an unforeseen emergency as defined in
30 20-3-322(5), whenever the estimated cost of any building, furnishing, repairing, or other work for the

1 benefit of the district or purchasing of supplies for the district exceeds the sum of ~~\$7,500~~ \$15,000, the
2 work done or the purchase made must be by contract. Each contract must be let to the lowest responsible
3 bidder after advertisement for bids. The advertisement must be published in the newspaper that will give
4 notice to the largest number of people of the district as determined by the trustees. The advertisement must
5 be made once each week for 2 consecutive weeks, and the second publication must be made not less than
6 5 days or more than 12 days before consideration of bids. A contract not let pursuant to this section is
7 void.

8 (4) Whenever bidding is required, the trustees shall award the contract to the lowest responsible
9 bidder, except that the trustees may reject any ~~or all~~ bids.

10 (5) Nothing in this section requires the board of trustees to let a contract for any routine and
11 regularly performed maintenance or repair project or service that can be accomplished by district staff
12 whose regular employment with the school district is related to the routine performance of maintenance
13 for the district."

14

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

16

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0051, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act increasing the bid limit on the estimated cost of a school district's nonemergency building, furnishing, or repair work or on the purchase of supplies that is subject to a contract.

ASSUMPTIONS:

1. The school district bid limit under existing statute is \$7,500. The bill proposes to raise the bid limit to \$15,000.

FISCAL IMPACT: No fiscal impact.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES: NA

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION: NA

TECHNICAL NOTES:

DAVE LEWIS 1-5-95
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

John Johnson
JOHN JOHNSON, PRIMARY SPONSOR DATE

Fiscal Note for HB0051, as introduced

HB 51

APPROVED BY COMM. ON EDUCATION
AND CULTURAL RESOURCES

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(2) For the purposes of subsection (1):

(a) "pecuniary interest" does not include holding an interest of 10% or less in a corporation;

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(i) merchandise sold to the highest bidder at public auctions;

(ii) investments or deposits in financial institutions that are in the business of loaning or receiving when the investments or deposits are made on a rotating or ratable basis among financial institutions in the community or when there is only one financial institution in the community; or

(iii) contracts for professional services, other than salaried services, or for maintenance or repair services or supplies when the services or supplies are not reasonably available from other sources if the name of any board member and a determination of the lack of availability are entered in the minutes of the board meeting at which the contract is considered.

(3) Except for district needs that must be met due to an unforeseen emergency as defined in 22(5), whenever the estimated cost of any building, furnishing, repairing, or other work for the



1 benefit of the district or purchasing of supplies for the district exceeds the sum of ~~\$7,500~~ \$15,000, the
2 work done or the purchase made must be by contract. Each contract must be let to the lowest responsible
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6 5 days or more than 12 days before consideration of bids. A contract not let pursuant to this section is
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