House BILL NO. 543 1 NTRODUCED BY 2 3 ACT ENTITLED: "AN ACT/REVISING THE REQUIREMENTS FOR POSTING OF SECURITY WHEN AN INJUNCTION OR RESTRAINING PROFER IS SOUGHT REMOVING THE EXEMPTION FOR 5 GOVERNMENTAL ENTITIES; REQUIRING SECURITY TO COVER LOST WAGES, SALARIES, AND BENEFITS 6 WHEN AN INDUSTRIAL OPERATION OR ACTIVITY IS ENJOINED OR RESTRAINED; AND AMENDING 7 8 SECTIONS 27-19-306, 27-19-307, AND 27-19-403, MCA." 9 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 11 12 Section 1. Section 27-19-306, MCA, is amended to read: 13 "27-19-306. Security for damages. (1) On granting an injunction or restraining order, the ecurt or 14 judge shall require a written undertaking to be given by the applicant, in such sum as the court considers 15 proper, for the payment of such the costs and damages as that may be incurred or suffered by any party 16 who is found to have been wrongfully enjoined or restrained. The Except as provided in subsection (2), the 17 undertaking: 18 (a) must be fixed at a sum that the judge considers proper; and 19 (b) may not be required waived: 20 (i) in domestic disputes; or when the state or a state agency, a county or subdivision thereof, or 21 a municipal corporation is the party seeking the injunction or restraining order. In any case, the court in its 22 discretion may waive the undertaking in 23 (ii) in the interest of justice. 24 (2)(a) If a party seeks an injunction or restraining order against an industrial operation or activity, 25 the written undertaking must consist of a bond with one or more corporate sureties authorized by law. The 26 amount of the bond must be set in an amount that at a minimum includes all of the wages, salaries, and 27 benefits of the employees of the party enjoined or restrained during the time that the injunction or 28 restraining order is in effect. The bond must be conditioned to indemnify the employees of the party enjoined or restrained against lost wages, salaries, and benefits sustained by reason of the injunction or 29 30 restraining order.



HB543 INTRODUCED BILL 54th Legislature LC1370.01

(b) As used in subsection (2)(a), "industrial operation or activity" includes but is not limited to construction, mining, timber, and grazing operations.

(2)(3) Within 5 days after the service of the injunction, the party enjoined may except object to the sufficiency of the sureties. If he the party enjoined fails to do so object, he waives all objections to them the sufficiency of the sureties are waived. When excepted objected to, the applicant's sureties, upon notice to the party enjoined of not less than 2 or more than 5 days, must shall justify before a judge or clerk in the same manner as upon bail on arrest. If they the sureties fail to justify or if others in their place fail to justify at the time and place appointed, the order granting the injunction must be dissolved.

(4) A party found to have been wrongfully enjoined or restrained may bring a civil action against the party seeking the injunction or restraining order for all damages proximately caused by the injunction or restraining order, including the reasonable expenses incurred in dissolving the injunction or restraining order."

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APPROVED BY COM ON JUDICIARY

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- 1 new undertaking must comply with the provisions of 27-19-306."
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SENATE STANDING COMMITTEE REPORT

Page 1 of 1 March 16, 1995

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration HB 543 (third reading copy -- blue), respectfully report that HB 543 be amended as follows and as so amended be concurred in.

Signed

Senator John R. Hertel, Chair

That such amendments read:

1. Title, line 7.

Following: "SECURITY"

Insert: "IN AN AMOUNT NOT EXCEEDING \$50,000"

2. Page 1, lines 27 through 29.

Strike: "that" on line 27 through "effect" on line 29

Insert: "not exceeding \$50,000"

3. Page 2, lines 10 through 13.

Strike: "A" on line 10 through "order" on line 13

Insert: "This section does not prohibit a person who is wrongfully enjoined from filing an action for any claim for relief otherwise available to that person in law or equity and does not limit the recovery that may be obtained in that action"

-END-

_ Amd. Coord. _ Sec. of Senate

Senator Carrying Bill

HO543 SENATE

611152SC.SRF

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of the injunction or restraining order.

(b) As used in subsection (2)(a), "industrial operation or activity" includes but is not limited to construction, mining, timber, and grazing operations.

(2)(3) Within 5 days after the service of the injunction, the party enjoined may except object to the sufficiency of the sureties. If he the party enjoined fails to do so object, he waives all objections to them the sufficiency of the sureties are waived. When excepted objected to, the applicant's sureties, upon notice to the party enjoined of not less than 2 or more than 5 days, must shall justify before a judge or clerk in the same manner as upon bail on arrest. If they the sureties fail to justify or if others in their place fail to justify at the time and place appointed, the order granting the injunction must be dissolved.

(4) A party found to have been wrongfully enjoined or restrained may bring a civil action against the party seeking the injunction or restraining order for all damages proximately caused by the injunction or restraining order, including the reasonable expenses incurred in dissolving the injunction or restraining order THIS SECTION DOES NOT PROHIBIT A PERSON WHO IS WRONGFULLY ENJOINED FROM FILING AN ACTION FOR ANY CLAIM FOR RELIEF OTHERWISE AVAILABLE TO THAT PERSON IN LAW OR EQUITY AND DOES NOT LIMIT THE RECOVERY THAT MAY BE OBTAINED IN THAT ACTION."

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54th Legislature

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4 -END-



on House Bill 543 Report No. 1, April 7, 1995

Page 1 of 2

Mr. Speaker and Mr. President:

We, your Free Conference Committee met and considered House Bill 543 and recommend the following amendments:

1. Page 1, line 26.

Following: "the"

Insert: "judge shall require a"
Strike: "must" through "law"

Insert: "to be filed by the applicant"

2. Page 1, line 27.

Strike: "bond"

Insert: "written undertaking"

3. Page 1, line 29.

Strike: "NOT EXCEEDING \$50,000"

Insert: "that includes all of the wages, salaries, and benefits of the employees of the party enjoined or restrained during the anticipated time that the injunction or restraining order will be in effect"

Following: "."

Insert: "The amount of the written undertaking may not exceed \$50,000 unless the interests

of justice require."

Strike: "bond"

Insert: "written undertaking"

4. Page 2, line 4.

Strike: "5" Insert: "30"

We recommend that the amendments considered above to House Bill 543 be acceded to by the Senate.

And this FREE Conference Committee report be adopted.

ADOPT

REJECT

HB 543 FCCR#1 801605CC.Hbk For the House:
Tash

Chair
Wagner

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Pavlovich

April 7, 1995
Page 2 of 2

Kie Kolden

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Van Valkenburg

54th Legislature

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54th Legislature HB0543.04

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- 2 - HB 543

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