

HOUSE BILL NO. 40

INTRODUCED BY HARRIS

BY REQUEST OF THE DEPARTMENT OF JUSTICE

A BILL FOR AN ACT ENTITLED: "AN ACT EXPANDING CIVIL AND CRIMINAL LIABILITY FOR MAKING A FALSE CLAIM TO A STATE AGENCY; AMENDING SECTIONS 17-8-231 AND 45-7-210, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 17-8-231, MCA, is amended to read:

"17-8-231. Liability for false claims, records, or statements. (1) (a) A person who knowingly presents or causes to be presented a false, fictitious, or fraudulent claim for allowance or payment to ~~any~~ a state agency or its contractors forfeits the claim, including any portion that may be legitimate, and ~~in addition~~ is subject to a civil penalty of not to exceed \$2,000 plus double the amount of damages sustained by the state as a result of the false claim, ~~including all legal costs.~~ THE COURT SHALL ALSO AWARD EXPENSES, COSTS, AND ATTORNEY FEES.

(b) A person who knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to a state agency or its contractors is subject to a civil penalty of not to exceed \$2,000 plus double the amount of damages sustained by the state as a result of the false record or statement, including all legal costs. THE COURT SHALL ALSO AWARD EXPENSES, COSTS, AND ATTORNEY FEES.

(2) THIS SECTION DOES NOT APPLY TO CLAIMS, RECORDS, OR STATEMENTS MADE IN RELATION TO CLAIMS FILED WITH THE STATE COMPENSATION INSURANCE FUND UNDER TITLE 39, CHAPTER 71 OR 72, OR TO CLAIMS, RECORDS, PAYMENTS, OR STATEMENTS MADE UNDER THE TAX LAWS CONTAINED IN TITLE 15 OR 16 OR MADE TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION UNDER TITLE 77.

~~(2)(3)~~ The A forfeiture and ~~the~~ penalty may be sued for in the same suit."

Section 2. Section 45-7-210, MCA, is amended to read:

"45-7-210. False claims claim to public agencies agency. (1) A person commits an offense under this section if the person ~~purposefully~~ and knowingly presents for allowance, ~~or for payment any,~~ or for the purpose

1 ~~of concealing, avoiding, or decreasing an obligation to pay a~~ false or fraudulent claim, bill, account, voucher, or
 2 writing to ~~any~~ a public agency, public servant, or contractor authorized to allow or pay valid claims presented
 3 to a public agencies if ~~genuine~~ agency.

4 (2) (a) Except as provided in subsection (2)(b), a person convicted of an offense under this section shall
 5 be fined not to exceed \$1,000 or imprisoned in the county jail for a term not to exceed 6 months, or both.

6 (b) If a false or fraudulent ~~claims are~~ claim is knowingly submitted ~~purposely and knowingly~~ as part of
 7 a common scheme or if the value of the claim or the aggregate value of ~~all~~ one or more claims exceeds \$1,000,
 8 a person convicted of an offense under this section shall be fined not to exceed \$10,000 or imprisoned in the
 9 state prison for a term not to exceed 10 years, or both."

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

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