

## HOUSE BILL NO. 43

INTRODUCED BY B. MCCHESENEY

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS GOVERNING CANCELED AND DUPLICATE STATE WARRANTS; REVISING TERMS; ELIMINATING EXCEPTIONS FOR INDEMNIFICATION FOR REPLACEMENT WARRANTS; AND AMENDING SECTIONS 2-18-411, 17-8-303, 17-8-306, AND 39-3-213, MCA."

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

**Section 1.** Section 2-18-411, MCA, is amended to read:

**"2-18-411. Lost warrants -- ~~duplicate~~ replacement.** (1) Upon receipt of proof satisfactory to the treasurer that a payroll warrant issued by the state treasurer has been lost or destroyed prior to its delivery to the employee to whom it is payable, the state treasurer shall, upon certification by the payee's appointing power, issue a ~~duplicate~~ replacement warrant in payment of the same amount without requiring a bond from the payee. Any loss incurred in connection with the warrant must be charged against the account from which the payment was derived.

(2) A payroll warrant is considered to have been lost if it has been sent to the payee but not received by the payee within a reasonable time, consistent with the policy of prompt payment of employees, or if it has been sent to a state officer or employee for delivery to the payee or for forwarding to another state officer or employee for delivery and has not been received within a reasonable time."

**Section 2.** Section 17-8-303, MCA, is amended to read:

**"17-8-303. Warrants -- presentation and cancellation.** (1) State warrants must be presented for payment within the time limits specified as follows:

(a) Except as provided in subsection (1)(b), all warrants drawn by the state treasurer on the state treasury must be presented for payment within 6 months after the date of issue.

(b) Warrants issued for the department of public health and human services that are funded to any extent with federal money must be presented for payment within 180 days after the date of issue.

(2) If the payee or legal holder of any warrant fails to present it for payment within the time specified in subsection (1), the state treasurer shall record the warrant as ~~canceled~~ stale-dated and the amount must be credited to a separate private purpose trust fund account administered by the treasurer. If the payee or legal owner of a ~~canceled~~ stale-dated warrant presents it for payment or presents a claim for payment within 4 years from the date of issue, the state treasurer may, upon proper showing by affidavit, issue a new warrant in lieu of the ~~canceled~~ stale-dated warrant.

(3) Three years and 6 months after ~~cancellation~~ being stale-dated, the warrant must be classed as unclaimed property subject to the provisions of Title 70, chapter 9, part 8. If the payee or legal owner of a ~~canceled~~ stale-dated warrant presents it for payment or presents a claim for payment, the presentation must be to the department of revenue as provided in 70-9-815."

**Section 3.** Section 17-8-306, MCA, is amended to read:

**"17-8-306. Issuance of duplicate replacement warrant.** (1) The state treasurer may issue a ~~duplicate~~ replacement warrant whenever any warrant drawn by the state is lost or destroyed. This ~~duplicate~~ replacement warrant must be in the same form as the original, ~~except that it must have plainly printed across its face the word~~ "duplicate".

(2) Whenever a ~~duplicate~~ replacement warrant is issued, the state treasurer ~~may~~ shall place a stop-payment order on the original warrant.

(3) Whenever the owner or custodian applies for the issuance of a ~~duplicate~~ replacement warrant, the application must include an agreement to indemnify and hold harmless the state and its officers and employees from any loss resulting from the issuance of a ~~duplicate~~ replacement warrant. ~~An indemnity agreement is not required if:~~

~~\_\_\_\_\_ (a) the payee is:~~

~~\_\_\_\_\_ (i) the United States government;~~

~~\_\_\_\_\_ (ii) a state of the United States;~~

~~\_\_\_\_\_ (iii) any agency, instrumentality, or officer of the United States government or of a state, county, city, consolidated government, town, district, or other political subdivision of a state or any officer thereof; or~~

~~\_\_\_\_\_ (b) the owner or custodian is the state of Montana or any agency or officer of the state.~~

(4) Any loss incurred in connection with the issuance of a ~~duplicate~~ replacement warrant must be charged against the account from which the payment was derived."

1

2           **Section 4.** Section 39-3-213, MCA, is amended to read:

3           **"39-3-213. Disposition of wages.** (1) The commissioner of labor shall deposit wages collected under  
4 parts 2 and 4 of this chapter into the wage collection fund and shall attempt to make payment of wages to the  
5 entitled person. Wages deposited into the wage collection fund do not bear interest. The wage collection fund  
6 is an agency fund as provided in 17-2-102(3)(d). The payment of wages collected may be made by means of  
7 state warrants.

8           (2) A warrant issued pursuant to subsection (1) that remains unclaimed for more than 6 months from the  
9 date of issuance must be returned to the state treasurer ~~for cancellation~~ to be stale-dated in accordance with  
10 17-8-303."

11

- END -