

HOUSE BILL NO. 350

INTRODUCED BY W. STAHL

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT STATE CONTRACTS, LEASES, AND RENTAL
5 AGREEMENTS MUST TERMINATE AT THE END OF THE BIENNIUM IN WHICH THEY ARE MADE;
6 AMENDING SECTION 18-4-313, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY
7 DATE."

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

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11 **Section 1.** Section 18-4-313, MCA, is amended to read:
12 **"18-4-313. Contracts -- terms, extensions, and time limits.** (1) Except as provided in subsection (2)
13 or unless otherwise provided by law, a contract, lease, or rental agreement for supplies or services may not be
14 made for a period of ~~more than 7 years~~ that extends beyond the end of the fiscal biennium in which the contract,
15 lease, or rental agreement is made. A contract, lease, or rental agreement may be extended or renewed if the
16 terms of the extension or renewal, if any, are included in the solicitation, if funds are available for the first fiscal
17 period at the time of the agreement, and if the total contract period, including any extension or renewal, does not
18 exceed 7 years. Payment and performance obligations for succeeding fiscal periods are subject to the availability
19 and appropriation of funds for the fiscal periods.

20 (2) The contract term limit specified in subsection (1) does not apply to:

21 (a) a contract for hardware, software, or other information technology resources, which may be made
22 for a period not to exceed 10 years;

23 (b) a department of revenue liquor store contract governed by the term specified in 16-2-101;

24 (c) a department of corrections contract governed by the term specified in 53-1-203, 53-30-505, or
25 53-30-608; and

26 (d) the department of administration state employee group benefit plans contracts governed by the term
27 specified in 2-18-811, including group benefit plan contracts made in partnership with the Montana university
28 system group benefit plan.

29 (3) Prior to the issuance, extension, or renewal of a contract, it must be determined that:

30 (a) estimated requirements cover the period of the contract and are reasonably firm and continuing; and

1 (b) the contract will serve the best interests of the state by encouraging effective competition or otherwise
2 promoting economies in state procurement.

3 (4) If funds are not appropriated or otherwise made available to support continuation of performance in
4 a subsequent fiscal period, the contract must be canceled."

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6 NEW SECTION. **Section 2. Saving clause.** [This act] does not affect rights and duties that matured,
7 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

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9 NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 2011.

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11 NEW SECTION. **Section 4. Applicability.** [This act] applies to contracts, leases, and rental agreements
12 entered into on or after [the effective date of this act].

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