

SENATE BILL NO. 251

INTRODUCED BY D. BROWN

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A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE STARTING TOTAL CONTRACT AMOUNT OF A PUBLIC WORKS PROJECT OR CERTAIN OTHER CONSTRUCTION AND NONCONSTRUCTION PROJECTS AT WHICH A STANDARD PREVAILING WAGE MUST BE PAID; AMENDING SECTIONS 17-5-1526, 17-5-1527, 18-2-103, 18-2-111, 18-2-201, 18-2-301, 18-2-302, 18-2-401, 18-2-403, 18-2-421, 90-5-114, AND 90-7-302, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

Section 1. Section 17-5-1526, MCA, is amended to read:

"17-5-1526. Procedure prior to financing projects. (1) The board may finance projects, other than major projects, under this part only when it finds that:

(a) the financing is in the public interest and is consistent with the legislative purposes and findings set forth in 17-5-1502;

(b) the financing to be provided by the board for a project does not exceed either \$800,000 or 90% of the cost or appraised value of the project, whichever is less;

(c) a financial institution will participate in financing the project, either directly or through a letter of credit, to the extent of at least 10% of the financing to be provided by the board;

(d) the financing for the project is insured or guaranteed in whole or in part by a private or governmental insurer or guarantor;

(e) an applicant has submitted a statement indicating any contracts to construct the projects will require all contractors to give preference to the employment of bona fide Montana residents, as defined in 18-2-401, in the performance of the work on the projects if their qualifications are substantially equal to those of nonresidents; ~~"substantially.~~ "Substantially equal qualifications" means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other persons;_

(f) adequate provision is made in the loan agreement, lease, or other credit arrangement regarding a project or projects being financed to provide for payment of debt service on bonds of the board issued to finance

1 the project or projects, to create and maintain reserves for payment of the debt service, and to meet all costs and
2 expenses of issuing and servicing the bonds; and

3 (g) an applicant has submitted a statement that indicates that any contract let for a project costing more
4 than ~~\$25,000~~ \$80,000 and financed from the proceeds of bonds issued under this part on or after July 1, 1993,
5 will contain a provision that requires the contractor to pay the standard prevailing wage rate in effect and
6 applicable to the district in which the work is being performed unless the contractor performing the work has
7 entered into a collective bargaining agreement covering the work to be performed.

8 (2) In order to make the findings as described in subsection (1)(a), a hearing must be conducted in the
9 following manner:

10 (a) the city or county in which the project will be located must be notified; and the city and county shall,
11 within 14 days after receipt of the notice, notify the board if it elects to conduct the hearing; or

12 (b) if a request for a local hearing is not received, the board may hold the hearing at a time and place
13 it the board prescribes.

14 (3) If the hearing required by subsection (2) is conducted by a local government, the governing body of
15 the local government shall notify the board of its determination of whether the project is in the public interest within
16 14 days of the completion of the public hearing.

17 (4) When a hearing is required either locally or at the state level, notice must be given, at least once a
18 week for 2 weeks prior to the date set for the hearing, by publication in a newspaper of general circulation in the
19 city or county where the hearing will be held. The notice must include the time and place of the hearing; the
20 general nature of the project; the name of the lessee, borrower, or user of the project; and the estimated cost of
21 the project.

22 (5) The requirements of subsections (1)(b) through (1)(d) do not apply to bonds that are not secured by
23 the capital reserve account authorized by 17-5-1515.

24 (6) The hearing requirements of subsections (2) through (4) do not apply to projects financed with bonds
25 the interest on which is subject to federal income taxes."

26

27 **Section 2.** Section 17-5-1527, MCA, is amended to read:

28 **"17-5-1527. Procedure prior to financing major projects.** (1) The board may finance major projects
29 under this part only when it finds that:

30 (a) the financing is in the public interest and is consistent with legislative purposes and findings;

1 (b) the financing to be provided by the board for a project does not exceed either \$50 million or 90% of
2 the cost or appraised value of the project, whichever is less;

3 (c) a financial institution will participate in financing the project if the cost or appraised value is less than
4 \$1 million, either directly or through a letter of credit, to the extent of at least 10% of the financing to be provided
5 by the board, ~~provided, however, that participation.~~ Participation by a financial institution in projects of over \$1
6 million is at the discretion of the board;

7 (d) the financing for the project is insured or guaranteed in whole or in part by a private or governmental
8 insurer or guarantor;

9 (e) any contracts to construct the projects require all contractors to give preference to the employment
10 of bona fide Montana residents, as defined in 18-2-401, in the performance of the work on the projects if their
11 qualifications are substantially equal to those of nonresidents; ~~substantially.~~ Substantially equal qualifications
12 means the qualifications of two or more persons among whom the employer cannot make a reasonable
13 determination that the qualifications held by one person are significantly better suited for the position than the
14 qualifications held by the other persons;

15 (f) adequate provision is made in the loan agreement, lease, or other credit arrangement regarding a
16 project or projects being financed to provide for payment of debt service on bonds of the board issued to finance
17 the project or projects, to create and maintain reserves for payment of the debt service, and to meet all costs and
18 expenses of issuing and servicing the bonds; and

19 (g) an applicant has submitted a statement that indicates that any contract let for a project costing more
20 than ~~\$25,000~~ \$80,000 and financed from the proceeds of bonds issued under this part on or after July 1, 1993,
21 will contain a provision that requires the contractor to pay the standard prevailing wage rate in effect and
22 applicable to the district in which the work is being performed unless the contractor performing the work has
23 entered into a collective bargaining agreement covering the work to be performed.

24 (2) In order to make the findings as described in subsection (1)(a), a hearing must be conducted in the
25 following manner:

26 (a) the city or county in which the project will be located must be notified, and within 14 days shall advise
27 the board if it elects to conduct the hearing; or

28 (b) if a request for a local hearing is not received, the board may hold the hearing at a time and place
29 it prescribes.

30 (3) If the hearing required by subsection (2) is conducted by a local government, the governing body of

1 the local government shall notify the board of its determination of whether the project is in the public interest within
2 14 days of the completion of the public hearing.

3 (4) When a hearing is required either locally or at the state level, notice must be given, at least once a
4 week for 2 weeks prior to the date set for the hearing, by publication in a newspaper of general circulation in the
5 city or county where the hearing will be held. The notice must include the time and place of the hearing; the
6 general nature of the project; the name of the lessee, borrower, or user of the project; and the estimated cost of
7 the project.

8 (5) The requirements of subsections (1)(b) through (1)(d) do not apply to bonds that are not secured by
9 the capital reserve account authorized by 17-5-1515.

10 (6) The hearing requirements of subsections (2) through (4) do not apply to major projects financed with
11 bonds the interest on which is subject to federal income taxes.

12 (7) The board is encouraged to consider applications for project financing related to infrastructure and
13 facilities necessary for the development of the state-owned coal assets."
14

15 **SECTION 3. SECTION 18-2-103, MCA, IS AMENDED TO READ:**

16 **"18-2-103. Supervision of construction of buildings.** (1) For the construction of a building costing
17 more than \$150,000, the department shall:

18 (a) review and accept all plans, specifications, and cost estimates prepared by architects or consulting
19 engineers;

20 (b) approve all bond issues or other financial arrangements and supervise and approve the expenditure
21 of all money;

22 (c) solicit, accept, and reject bids and, except as provided in Title 18, chapter 2, part 5, award all
23 contracts to the lowest qualified bidder considering conformity with specifications and terms and reasonableness
24 of the bid amount;

25 (d) review and approve all change orders; and

26 (e) accept the building when completed according to accepted plans and specifications.

27 (2) The department may delegate on a project-by-project basis any powers and duties under subsection
28 (1) to other state agencies, including units of the Montana university system, upon terms and conditions specified
29 by the department.

30 (3) Before a contract under subsection (1) is awarded, two formal bids must have been received, if

1 reasonably available.

2 (4) The department need not require the provisions of Montana law relating to advertising, bidding, or
 3 supervision when proposed construction costs are ~~\$75,000 or~~ equal to or less than the amount required for a
 4 public works contract as defined in 18-2-401. However, with respect to a project having a proposed cost of
 5 ~~\$75,000~~ equal to or less but more than \$25,000 than the amount required for a public works contract as defined
 6 in 18-2-401, the agency awarding the contract shall procure at least three informal bids from contractors
 7 registered in Montana, if reasonably available.

8 (5) For the construction of buildings owned or to be owned by a school district, the department shall,
 9 upon request, provide inspection to ensure compliance with the plans and specifications for the construction of
 10 the buildings. "Construction" includes construction, repair, alteration, equipping, and furnishing during
 11 construction, repair, or alteration. These services must be provided at a cost to be contracted for between the
 12 department and the school district, with the receipts to be deposited in the department's construction regulation
 13 account in a state special revenue fund.

14 (6) It is the intent of the legislature that student housing and other facilities constructed under the
 15 authority of the regents of the university system are subject to the provisions of subsections (1) through (3).

16 (7) The department of military affairs may act as the contracting agency for buildings constructed under
 17 the authority of 18-2-102(2)(d). However, the department of administration may agree to act as the contracting
 18 agency on behalf of the department of military affairs. Montana law applies to any controversy involving a
 19 contract."

20

21 **SECTION 4. SECTION 18-2-111, MCA, IS AMENDED TO READ:**

22 **"18-2-111. Policy regarding practice of architecture -- preparation of working drawings by**
 23 **department limited.** (1) It is the policy of the state not to engage in the practice of architecture. However, this
 24 policy may not be construed as prohibiting the department of administration from:

25 (a) engaging in preplanning functions necessary to prepare a building program for presentation to the
 26 legislature;

27 (b) supervising construction as provided in 18-2-105(7); or

28 (c) preparing working drawings for minor projects.

29 (2) The department of administration may not prepare working drawings for the construction of a building,
 30 with the exception of repair or maintenance projects, when the total cost of the construction will exceed ~~\$75,000~~

1 the cost of a public works contract as defined in 18-2-401."

2

3 **SECTION 5. SECTION 18-2-201, MCA, IS AMENDED TO READ:**

4 **"18-2-201. Security requirements.** (1) (a) Except as otherwise provided in 85-1-219 and subsections
5 (3) through (5) of this section, whenever any board, council, commission, trustees, or body acting for the state
6 or any county, municipality, or public body contracts with a person or corporation to do work for the state, county,
7 or municipality or other public body, city, town, or district, the board, council, commission, trustees, or body shall
8 require the person or corporation with whom the contract is made to make, execute, and deliver to the board,
9 council, commission, trustees, or body a good and sufficient bond with a surety company, licensed in this state,
10 as surety, conditioned that the person or corporation shall:

11 (i) faithfully perform all of the provisions of the contract;

12 (ii) pay all laborers, mechanics, subcontractors, and material suppliers; and

13 (iii) pay all persons who supply the person, corporation, or subcontractors with provisions, provender,
14 material, or supplies for performing the work.

15 (b) The state or other governmental entity listed in subsection (1)(a) may not require that any bond
16 required by subsection (1)(a) be furnished by a particular surety company or by a particular insurance producer
17 for a surety company.

18 (2) The state or other governmental entity listed in subsection (1)(a) may, in lieu of a surety bond, permit
19 the deposit with the contracting governmental entity or agency of the following securities in an amount at least
20 equal to the contract sum to guarantee the faithful performance of the contract and the payment of all laborers,
21 suppliers, material suppliers, mechanics, and subcontractors:

22 (a) lawful money of the United States; or

23 (b) a cashier's check, certified check, bank money order, certificate of deposit, money market certificate,
24 bank draft, or irrevocable letter of credit, drawn or issued by:

25 (i) any federally or state-chartered bank or savings and loan association that is insured by or for which
26 insurance is administered by the federal deposit insurance corporation; or

27 (ii) a credit union insured by the national credit union share insurance fund.

28 (3) Any board, council, commission, trustee, or body acting for any county, municipality, or public body
29 other than the state may, subject to the provisions of subsection (1)(b), in lieu of a bond from a licensed surety
30 company, accept good and sufficient bond with two or more sureties acceptable to the governmental entity.

1 (4) Except as provided in subsection (5), the state or other governmental entity may waive the
 2 requirements contained in subsections (1) through (3) for projects related to building or construction projects, as
 3 defined in 18-2-101, that cost less than ~~\$50,000~~ projects encompassed in the definition of a public works contract
 4 in 18-2-401 .

5 (5) A school district may waive the requirements contained in subsections (1) through (3) for projects
 6 related to building or construction projects, as defined in 18-2-101, that cost less than ~~\$7,500~~ projects
 7 encompassed in the definition of a public works contract in 18-2-401."

8

9 **SECTION 6. SECTION 18-2-301, MCA, IS AMENDED TO READ:**

10 **"18-2-301. Bids required -- advertising.** (1) It is unlawful for any offices, departments, institutions, or
 11 any agent of the state of Montana acting for or ~~in~~ on behalf of the state to do, to cause to be done, or to let any
 12 contract for the construction of buildings or the alteration and improvement of buildings and adjacent grounds on
 13 behalf of and for the benefit of the state when the amount involved is ~~\$75,000 or more~~ within the definition of a
 14 public works contract in 18-2-401 without first advertising in at least one issue each week for 3 consecutive weeks
 15 in two newspapers published in the state, one of which must be published at the seat of government and the other
 16 in the county where the work is to be performed, calling for sealed bids to perform the work and stating the time
 17 and place bids will be considered.

18 (2) All work may be done, caused to be done, or contracted for only after competitive bidding.

19 (3) If responsible bids are not received after two attempts, the department or agency may contract for
 20 the work in a manner determined to be cost-effective for the state.

21 (4) This section does not apply to work done by inmates at an institution in the department of corrections.

22 (5) (a) The provisions of Montana law governing advertising and competitive bidding do not apply when
 23 the department of fish, wildlife, and parks is preserving or restoring the historic buildings and resources that it
 24 owns at Bannack if:

25 (i) the options listed in subsection (5)(b) are determined to be more cost-effective for the state; and

26 (ii) the implementation of the options listed in subsection (5)(b) is necessary to save historic buildings and
 27 resources from degradation and loss.

28 (b) For the preservation or restoration of historic buildings and resources at Bannack when the conditions
 29 listed in subsection (5)(a) are met, the department of fish, wildlife, and parks may accomplish the preservation
 30 or restoration through:

- 1 (i) a memorandum of understanding with a local, state, or federal entity or nonprofit organization when
 2 the entity or organization demonstrates the competence, knowledge, and qualifications to preserve or restore
 3 historic resources;
- 4 (ii) the use of qualified and trained department of fish, wildlife, and parks employees and volunteers;
- 5 (iii) a training program in historic preservation and restoration conducted by a qualified local, state, or
 6 federal entity or a qualified nonprofit organization; or
- 7 (iv) any combination of the options described in subsection (5)(b)."

8

9 **SECTION 7. SECTION 18-2-302, MCA, IS AMENDED TO READ:**

10 **"18-2-302. Bid security -- waiver -- authority to submit.** (1) (a) Except as provided in subsection (2),
 11 each bid must be accompanied by bid security in the amount of 10% of the bid. The security may consist of cash,
 12 a cashier's check, a certified check, a bank money order, a certificate of deposit, a money market certificate, or
 13 a bank draft. The security must be:

- 14 (i) drawn and issued by a federally chartered or state-chartered bank or savings and loan association
 15 that is insured by or for which insurance is administered by the federal deposit insurance corporation;
- 16 (ii) drawn and issued by a credit union insured by the national credit union share insurance fund; or
- 17 (iii) a bid bond or bonds executed by a surety company authorized to do business in the state of Montana.

18 (b) The state or other governmental entity may not require that a bid bond or bond provided for in
 19 subsection (1)(a)(iii) be furnished by a particular surety company or by a particular insurance producer for a surety
 20 company.

21 (2) The state or other governmental entity may waive the requirements for bid security on projects related
 22 to building or construction projects, as defined in 18-2-101, that cost less than ~~\$25,000~~ projects encompassed
 23 in the definition of a public works contract in 18-2-401.

24 (3) The bid security must be signed by an individual authorized to submit the security by the corporation
 25 or other business entity on whose behalf the security is submitted. If the request for bid or other specifications
 26 provided by the state or other governmental entity specify the form or content of the bid security, the security
 27 submitted must comply with the requirements of that specification."

28

29 **Section 8.** Section 18-2-401, MCA, is amended to read:

30 **"18-2-401. Definitions.** Unless the context requires otherwise, in this part, the following definitions apply:

1 (1) (a) "Bona fide Montana resident" means an individual who, at the time of employment and
2 immediately prior to the time of employment, has lived in this state in a manner and for a time that is sufficient
3 to clearly justify the conclusion that the individual's past habitation in this state has been coupled with an intention
4 to make this state the individual's home.

5 (b) Individuals who come to Montana solely in pursuit of a contract or an agreement to perform labor may
6 not be considered to be bona fide Montana residents within the meaning and for the purpose of this part.

7 (2) "Commissioner" means the commissioner of labor and industry provided for in 2-15-1701.

8 (3) (a) "Construction services" means work performed by an individual in building construction, heavy
9 construction, highway construction, and remodeling work.

10 (b) The term does not include:

11 (i) engineering, superintendence, management, office, or clerical work on a public works contract; or

12 (ii) consulting contracts, contracts with commercial suppliers for goods and supplies, or contracts with
13 professionals licensed under state law.

14 (4) "Contractor" means any individual, general contractor, subcontractor, firm, association, partnership,
15 corporation, limited liability partnership, or limited liability company engaged in construction services.

16 (5) "Department" means the department of labor and industry provided for in 2-15-1701.

17 (6) "District" means a prevailing wage rate district established as provided in 18-2-411.

18 (7) "Employer" means any individual, firm, association, partnership, corporation, limited liability
19 partnership, or limited liability company engaged in nonconstruction services.

20 (8) "Fringe benefits" means health, welfare, and pension contributions that meet the requirements of the
21 Employee Retirement Income Security Act of 1974, 29 U.S.C. 1001, et seq., and other bona fide programs
22 approved by the U.S. department of labor.

23 (9) "Nonconstruction services" means work performed by an individual, not including management,
24 office, or clerical work, for:

25 (a) the maintenance of publicly owned buildings and facilities, including public highways, roads, streets,
26 and alleys;

27 (b) custodial or security services for publicly owned buildings and facilities;

28 (c) grounds maintenance for publicly owned property;

29 (d) the operation of public drinking water supply, waste collection, and waste disposal systems;

30 (e) law enforcement, including janitors and prison guards;

- 1 (f) fire protection;
- 2 (g) public or school transportation driving;
- 3 (h) nursing, nurse's aid services, and medical laboratory technician services;
- 4 (i) material and mail handling;
- 5 (j) food service and cooking;
- 6 (k) motor vehicle and construction equipment repair and servicing; and
- 7 (l) appliance and office machine repair and servicing.
- 8 (10) "Project location" means the construction site where a public works project involving construction
- 9 services is being built, installed, or otherwise improved or reclaimed, as specified on the project plans and
- 10 specifications.
- 11 (11) (a) "Public works contract" means a contract ~~for construction services~~ let by the state, county,
- 12 municipality, school district, or political subdivision;
- 13 (i) for construction services in which the total cost of the contract is in excess of \$80,000; or
- 14 (ii) for nonconstruction services let by the state, county, municipality, or political subdivision in which the
- 15 total cost of the contract is in excess of \$25,000 \$80,000 PER YEAR. The nonconstruction services classification
- 16 does not apply to any school district that at any time prior to April 27, 1999, contracted with a private contractor
- 17 for the provision of nonconstruction services on behalf of the district.
- 18 (b) The term does not include contracts entered into by the department of public health and human
- 19 services for the provision of human services.
- 20 (12) "Special circumstances" means all work performed at a facility that is built or developed for a specific
- 21 Montana public works project and that is located in a prevailing wage district that contains the project location
- 22 or that is located in a contiguous prevailing wage district.
- 23 (13) "Standard prevailing rate of wages" or "standard prevailing wage" means the rates established as
- 24 provided in:
- 25 (a) 18-2-413 for building construction services;
- 26 (b) 18-2-414 for heavy construction services and for highway construction services; and
- 27 (c) 18-2-415 for nonconstruction services.
- 28 (14) "Work of a similar character" means work on private commercial projects as well as work on public
- 29 projects."
- 30

1 **Section 9.** Section 18-2-403, MCA, is amended to read:

2 **"18-2-403. Preference of Montana labor in public works -- wages -- tax-exempt project -- federal**
3 **exception.** (1) In every public works contract, there must be inserted in the bid specification and the public works
4 contract a provision requiring the contractor to give preference to the employment of bona fide Montana residents
5 in the performance of the work.

6 (2) All public works contracts for construction services under subsection (1), except those for heavy and
7 highway construction, that are conducted at the project location or under special circumstances must contain a
8 provision requiring the contractor to pay:

9 (a) the travel allowance that is in effect and applicable to the district in which the work is being performed;
10 and

11 (b) the standard prevailing rate of wages, including fringe benefits, that is in effect and applicable to the
12 district in which the work is being performed.

13 (3) In every public works contract for heavy and highway construction, there must be inserted a provision
14 to require the contractor to pay the standard prevailing wage rates established statewide for heavy and highway
15 construction services conducted at the project location or under special circumstances.

16 (4) Except as provided in subsection (5), all public works contracts for nonconstruction services under
17 subsection (1) must contain a provision requiring the contractor to pay:

18 (a) the travel allowance that is in effect and applicable to the district in which the work is being performed;
19 and

20 (b) the standard prevailing rate of wages, including fringe benefits, that is in effect and applicable to the
21 district in which the work is being performed.

22 (5) An employer who, as a nonprofit organization providing individuals with vocational rehabilitation,
23 performs a public works contract for nonconstruction services and who employs an individual whose earning
24 capacity is impaired by a mental, emotional, or physical disability may pay the individual wages that are less than
25 the standard prevailing wage if the employer complies with the provisions of section 214(c) of the Fair Labor
26 Standards Act of 1938, 29 U.S.C. 214 and 29 CFR, part 525, and the wages paid are equal to or above the
27 minimum wage required in 39-3-409.

28 (6) Transportation of goods, supplies, materials, and manufactured or fabricated items to or from the
29 project location is not subject to payment of the standard prevailing rate of wages.

30 (7) A contract, other than a public works contract, let for a project costing more than ~~\$25,000~~ \$80,000

1 and financed from the proceeds of bonds issued under Title 17, chapter 5, part 15, or Title 90, chapter 5 or 7,
 2 must contain a provision requiring the contractor to pay the standard prevailing wage rate in effect and applicable
 3 to the district in which the work is being performed unless the contractor performing the work has entered into
 4 a collective bargaining agreement covering the work to be performed.

5 (8) A public works contract may not be let to any person, firm, association, or corporation refusing to
 6 execute an agreement with the provisions described in subsections (1) through (7) in it, provided that in public
 7 works contracts involving the expenditure of federal-aid funds, this part may not be enforced in a manner as to
 8 conflict with or be contrary to the federal statutes prescribing a labor preference to honorably discharged veterans
 9 of the armed forces and prohibiting as unlawful any other preference or discrimination among citizens of the
 10 United States.

11 (9) Failure to include the provisions required by 18-2-422 in a public works contract relieves the
 12 contractor from the contractor's obligation to pay the standard prevailing wage rate and places the obligation on
 13 the public contracting agency."
 14

15 **SECTION 10. SECTION 18-2-421, MCA, IS AMENDED TO READ:**

16 **"18-2-421. Notice.** When a public works project is accepted by the public contracting agency, a notice
 17 of acceptance and the completion date of the project must be sent to the department. ~~However, in the case of~~
 18 ~~public works contracts that amount to \$50,000 or less in cost, The department may request~~ the notice of
 19 acceptance and the completion date of the a project is not required unless the department requests that
 20 information that does not meet the definition of a public works project in 18-2-401. The 90-day limitation for filing
 21 an action in district court, as provided in 18-2-407, does not begin until the public contracting agency notifies the
 22 department of its acceptance of the public works project."
 23

24 **Section 11.** Section 90-5-114, MCA, is amended to read:

25 **"90-5-114. Preference of Montana labor.** (1) Any contract to construct a project financed pursuant to
 26 this part must require all contractors to give preference to the employment of bona fide Montana residents, as
 27 defined in 18-2-401, in the performance of the work on the projects if their qualifications are substantially equal
 28 to those of nonresidents. "Substantially equal qualifications" means the qualifications of two or more persons
 29 among whom the employer cannot make a reasonable determination that the qualifications held by one person
 30 are significantly better suited for the position than the qualifications held by the other persons.

1 (2) A contract let for a project costing more than ~~\$25,000~~ \$80,000 and financed from the proceeds of
2 bonds issued under this part on or after July 1, 1993, must contain a provision that requires the contractor to pay
3 the standard prevailing wage rate in effect and applicable to the district in which the work is being performed."
4

5 **Section 12.** Section 90-7-302, MCA, is amended to read:

6 **"90-7-302. Bonds and notes of authority.** (1) The authority may in each biennium borrow money and
7 issue bonds and notes in an aggregate principal amount not to exceed \$500 million, exclusive of bonds or notes
8 issued to refund outstanding bonds or notes.

9 (2) Bonds must be authorized. The authority may specify that the bonds must be dated and must mature,
10 except that a bond may not mature more than 40 years from the date of its issue. Bonds must bear interest at
11 a rate or rates, be in denominations, be in the proper registered or bearer form, be executed in a manner, be
12 payable in a medium of payment and at a place or places, and be subject to terms of redemption that the authority
13 may provide.

14 (3) All bonds, regardless of form or character, are negotiable instruments for all purposes of the Uniform
15 Commercial Code, subject to requirements as to registration.

16 (4) All bonds may be sold at public or private sale in the manner, for the price or prices, and at the time
17 or times that the authority may determine.

18 (5) Before the issuance of any bonds, the authority shall make provisions, by lease or other agreement,
19 regarding the eligible facility or facilities being financed by the issue of the bonds, for rentals or other
20 considerations sufficient, in the judgment of the authority, to:

- 21 (a) pay the principal of and interest on the bonds as they become due;
22 (b) create and maintain the reserves for payment of the principal and interest;
23 (c) meet all obligations in connection with the lease or other agreement; and
24 (d) meet all costs necessary to service the bonds unless the lease or agreement provides that the
25 obligations are to be met or costs are to be paid by a party other than the authority.

26 (6) The authority, before issuing any bonds, shall certify that an applicant has submitted a statement that
27 indicates that any contract let for a public project costing more than ~~\$25,000~~ \$80,000 and financed from the
28 proceeds of bonds issued under this part will contain a provision requiring the contractor to pay the standard
29 prevailing wage rate in effect and applicable to the district in which the work is being performed unless the
30 contractor performing the work has entered into a collective bargaining agreement covering the work to be

1 performed.

2 (7) The authority may combine, for the purposes of a single offering, bonds financing more than one
3 eligible facility under this chapter."

4

5 NEW SECTION. **Section 13. Effective date -- applicability.** [This act] is effective July 1, 2015, and
6 applies to contracts signed on or after July 1, 2015.

7 - END -