

SENATE BILL NO. 29

INTRODUCED BY J. ESP

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING ELECTRONIC BID BONDS FOR STATE BUILDING OR CONSTRUCTION PROJECTS; AND AMENDING SECTION 18-2-302, MCA."

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

Section 1. Section 18-2-302, MCA, is amended to read:

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

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

(ii) drawn and issued by a credit union insured by the national credit union share insurance fund; or

(iii) a bid bond or bonds executed by a surety company authorized to do business in the state of Montana. The state or other governmental entity may accept electronic bid bonds signed electronically or otherwise verified by the bidder and the surety.

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

(2) The state or other governmental entity may waive the requirements for bid security on building or construction projects, as defined in 18-2-101, that cost less than \$150,000.

(3) The bid security must be signed by an individual authorized to submit the security by the

1 corporation or other business entity on whose behalf the security is submitted. If the request for bid or other
2 specifications provided by the state or other governmental entity specify the form or content of the bid security,
3 the security submitted must comply with the requirements of that specification."

4 - END -