

1 HOUSE BILL NO. 875

2 INTRODUCED BY J. SCHILLINGER

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING STATE CONTRACT REQUIREMENTS FOR
5 CONSTRUCTION, REPAIR, OR PUBLIC WORKS; PROVIDING EXEMPTIONS FOR RESIDENT
6 PREFERENCE; PROVIDING SITUATIONS WHEN A CONTRACT FOR A LOWEST BIDDER MAY BE
7 CANCELED; PROVIDING AN APPROPRIATION; AND AMENDING SECTION 18-1-102, MCA."

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

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11 **Section 1.** Section 18-1-102, MCA, is amended to read:

12 **"18-1-102. State contracts to lowest bidder -- reciprocity.** (1) In order to provide for an orderly
13 administration of the business of the state of Montana in awarding public contracts for the purchase of goods
14 and for construction, repair, and public works of all kinds, a public agency shall, except as provided in Title 18,
15 chapter 2, part 5, award:

16 (a) a public contract for construction, repair, or public works to the lowest responsible bidder
17 without regard to residency. However, except as provided in subsection (3), a resident bidder must be allowed
18 a preference on a contract against the bid of a nonresident bidder from any state or country that enforces a
19 preference for resident bidders. The preference given to resident bidders of this state must be equal to the
20 preference given in the other state or country.

21 (b) a public contract for the purchase of goods to the lowest responsible bidder without regard to
22 residency. However, a resident must be allowed a preference on a contract against the bid of a nonresident if
23 the state or country of the nonresident enforces a preference for residents. The preference must be equal to the
24 preference given in the other state or country.

25 (2) The preferences in this section apply:

26 (a) whether the law requires advertisement for bids or does not require advertisement for bids; and
27 (b) to contracts involving funds obtained from the federal government unless expressly prohibited
28 by the laws of the United States or regulations adopted pursuant to federal laws.

1 (3) A resident bidder must be allowed preference under subsection (1)(a) except if, for contracts
2 awarded under this chapter, the lowest bidder:
3 (a) has not performed on a prior contract;
4 (b) has requested more than two extensions on a contract; or
5 (c) has failed to perform warranty work on a prior contract.
6 (4) If the situations described in subsection (3) occur, a contract awarded to the lowest bidder may
7 be canceled and given to the second lowest bidder."

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9 NEW SECTION. Section 2. Appropriation. There is appropriated \$500 from the general fund to the
10 department of administration for the biennium beginning July 1, 2025, for the purposes of updating educational
11 materials to distribute to the public related to the changes outlined in [section 1].

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