_____ BILL NO. _____

INTRODUCED BY _____

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING CERTAIN STATE EMPLOYEE GROUP INSURANCE PLAN CONTRACTS FROM THE PROVISIONS OF THE MONTANA PROCUREMENT ACT; AND AMENDING SECTIONS 18-4-132 AND 90-14-110, MCA."

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

Section 1. Section 18-4-132, MCA, is amended to read:

"**18-4-132. Application.** (1) This chapter applies to:

(a) the expenditure of public funds irrespective of their source, including federal assistance money, by this state acting through a governmental body under any contract, except a contract exempted from this chapter by this section or by another statute;

(b) a procurement of supplies or services that is at no cost to the state and from which income may be derived by the vendor and to a procurement of supplies or services from which income or a more advantageous business position may be derived by the state;

(c) the disposal of state supplies; and

(d) the board of investments. The provisions of this subsection (1)(d) do not apply to the purchase of securities.

(2) This chapter or rules adopted pursuant to this chapter do not prevent any governmental body or political subdivision from complying with the terms and conditions of any grant, gift, bequest, or cooperative agreement.

(3) This chapter does not apply to:

(a) either grants or contracts between the state and its political subdivisions or other governments, except as provided in part 4;

(b) construction contracts;

(c) expenditures of or the authorized sale or disposal of equipment purchased with money raised by student activity fees designated for use by the student associations of the university system;

(d) contracts entered into by the Montana state lottery that have an aggregate value of less than $250,000;

(e) contracts entered into by the state compensation insurance fund to procure insurance-related services;

(f) the employment of:

(i) a registered professional engineer, surveyor, real estate appraiser, or registered architect;

(ii) a physician, dentist, pharmacist, or other medical, dental, or health care provider;

(iii) an expert witness hired for use in litigation, a hearings officer hired in rulemaking and contested case proceedings under the Montana Administrative Procedure Act, or an attorney as specified by executive order of the governor;

(iv) consulting actuaries;

(v) a private person contracted by the student associations of the university system with money raised from student activity fees designated for use by those student associations;

(vi) a private consultant employed by the Montana state lottery;

(vii) a private investigator licensed by any jurisdiction;

(viii) a claims adjuster; or

(ix) a court reporter appointed as an independent contractor under 3-5-601;

(g) electrical energy purchase contracts by the university of Montana or Montana state university, as defined in 20-25-201. Any savings accrued by the university of Montana or Montana state university in the purchase or acquisition of energy must be retained by the board of regents of higher education for university allocation and expenditure.

(h) the purchase or commission of art for a museum or public display;

(i) contracting under Title 2, chapter 18, part 8, with a health care facility, as defined in 50-5-101, of any state that is licensed by that state or a person who is licensed by the state in which they provide health care in the ordinary course of business or the practice of a profession in health care;

(j) contracting under 47-1-119 of the Montana Public Defender Act;

~~(j)~~ (k) contracting under Title 90, chapter 4, part 11; or

~~(k)~~ (l) contracting under Title 90, chapter 14, part 1."

Section 2. Section 90-14-110, MCA, is amended to read:

"**90-14-110. Contracts and cooperative agreements authorized under part.** A contract or cooperative agreement may be authorized under this part for the purposes of an exemption from the Montana Procurement Act pursuant to 18-4-132~~(3)(k)~~(3)(l) only if:

(1) the contract implements a community service project consistent with the provisions of 90-14-105; and

(2) the contract does not involve an activity prohibited under 90-14-106."

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