

SENATE BILL NO. 246

INTRODUCED BY C. NEUMANN, S. FYANT, W. MCKAMEY, B. USHER, G. HERTZ, C. POPE, K. BOGNER,
T. TEZAK

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING REPORTING REQUIREMENTS FOR FOOD
PRODUCTS PROCURED BY GOVERNMENTAL BODIES; AMENDING SECTION 18-4-132, MCA; AND
PROVIDING AN EFFECTIVE DATE."

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; and

(c) the disposal of state supplies.

(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 this part-4;

(b) construction contracts;

(c) expenditures of or the authorized sale or disposal of equipment purchased with money raised

Amendment - 1st Reading/2nd House-blue - Requested by: Linda Reksten - (H) State Administration

- 2025

69th Legislature 2025

Drafter: Rebecca Power,

SB0246.001.002

~~procedures or by direct purchase. Montana produced food products may be procured by direct purchase when:~~

~~(i) the quality of available Montana produced food products is substantially equivalent to the quality of similar food products produced outside the state;~~

~~(ii) a vendor is able to supply Montana produced food products in sufficient quantity; and~~

~~(iii) a bid for Montana produced food products either does not exceed or reasonably exceeds the lowest bid or price quoted for similar food products produced outside the state. A bid reasonably exceeds the lowest bid or price quoted when, in the discretion of the person charged by law with the duty to purchase food products for a governmental body, the higher bid is reasonable and capable of being paid out of that governmental body's existing budget without any further supplemental or additional appropriation.~~

~~(b) The department shall adopt any rules necessary to administer the optional procurement exception established in this subsection (4).~~

~~(5) As used in this section, the following definitions apply:~~

~~(a) "Food" means articles normally used by humans as food or drink, including articles used for components of articles normally used by humans as food or drink.~~

~~(b) "Produced" means planted, cultivated, grown, harvested, raised, collected, processed, or manufactured."~~

NEW SECTION. Section 2. Procurement of food products -- rulemaking -- reporting. (1) Food

products produced in the state may be procured either by standard procedures or by direct purchase. Montana-produced food products may be procured by direct purchase when:

(a) the quality of available Montana-produced food products is substantially equivalent to the quality of similar food products produced outside the state;

(b) a vendor is able to supply Montana-produced food products in sufficient quantity; and

(c) a bid for Montana-produced food products either does not exceed or reasonably exceeds the lowest bid or price quoted for similar products produced outside the state. A bid reasonably exceeds the lowest bid or price quoted when, in the discretion of the person charged by law with the duty to purchase food products for a governmental body, the higher bid is reasonable and capable of being paid out of that governmental

Amendment - 1st Reading/2nd House-blue - Requested by: Linda Reksten - (H) State Administration

- 2025

69th Legislature 2025

Drafter: Rebecca Power,

SB0246.001.002

1 body's existing budget without any further supplemental or additional appropriation.

2 (2) The department shall adopt any rules necessary to administer the optional procurement
3 exception and reporting requirement established in this section.

4 (3) Except as provided in subsection (5), all contracts for the procurement of food products by a
5 governmental body with a total contract value of \$100,000 or more that are entered into or renewed after June
6 30, 2025, must include a provision that requires the vendor to provide the report described in subsection (4). A
7 vendor shall submit its report annually to the governmental body by the date prescribed by the department.

8 (4) For the purpose of complying with subsection (3), for the year preceding the date set by the
9 department, a vendor shall report:

10 (a) the total dollar value of food products purchased by the governmental body;

11 (b) the total dollar value of Montana-produced food products purchased by the governmental body;

12 ~~and~~

13 (c) to the extent the vendor can provide this type of information, the total dollar value of Montana-
14 produced food products purchased by the governmental body in each of the following categories:

15 (i) meat, including but not limited to beef, poultry, pork, fish, sheep, and goat;

16 (ii) produce as defined in 80-3-302;

17 (iii) alcoholic beverages, as defined in 16-1-106;

18 (iv) nonalcoholic beverages and drinks;

19 (v) dairy products and eggs;

20 (vi) pulse crops as defined in 15-6-220; and

21 (vii) grain as defined in 80-4-402; ~~and~~

22 (d) on any food additives, as defined in 50-31-103, in the Montana-produced food products.

23 (5) (a) Contracts for alcoholic beverage purchases made by the department of revenue pursuant to
24 Title 16 are not subject to the contractual provision requirement in subsection (3).

25 (b) The vendors of alcoholic beverages purchased by the department of revenue pursuant to Title
26 16 are not subject to the reporting requirements in subsections (3) and (4).

27 (6) As used in this section, the following definitions apply:

Amendment - 1st Reading/2nd House-blue - Requested by: Linda Reksten - (H) State Administration

- 2025

69th Legislature 2025

Drafter: Rebecca Power,

SB0246.001.002

1 (a) "Food" means articles normally used by humans as food or drink, including alcoholic and
2 nonalcoholic beverages and articles used for components of articles normally used by humans as food or drink.

3 (b) "Produced" means planted, cultivated, grown, harvested, raised, collected, processed, or
4 manufactured.

5
6 NEW SECTION. Section 3. Codification instruction. [Section 2] is intended to be codified as an
7 integral part of Title 18, chapter 4, part 1, and the provisions of Title 18, chapter 4, part 1, apply to [section 2].

8
9 NEW SECTION. Section 4. Effective date. [This act] is effective July 1, 2025

10 - END -