

Requested by Representative SMITH G

**PROPOSED AMENDMENTS TO
HOUSE BILL 4020**

1 On page 1 of the printed bill, delete lines 5 through 27.

2 On page 2, delete lines 1 through 30 and insert:

3 **“SECTION 2. (1) As used in this section, ‘major residential con-**
4 **tractor’ means a residential contractor that is:**

5 **“(a) A general contractor; and**

6 **“(b) A company that offers securities registered with the United**
7 **States Securities and Exchange Commission for sale to the general**
8 **public.**

9 **“(2)(a) A major residential contractor may not, in a contract to**
10 **remodel or repair an owner-occupied one-family or two-family resi-**
11 **dential structure with a contract price that exceeds \$40,000, collect or**
12 **retain more than 50 percent of the original contract price before sub-**
13 **stantial completion of the remodeling or repair.**

14 **“(b) If a property owner agrees in writing to contract changes that**
15 **result in a net increase in the original contract price of \$20,000 or**
16 **more, the major residential contractor may collect and retain not**
17 **more than 50 percent of the contract price increase.**

18 **“(3) This section does not prohibit a major residential contractor**
19 **from retaining properly collected amounts after a contract price de-**
20 **crease. Subject to subsection (4) of this section, this section does not**
21 **prevent a major residential contractor from obtaining payment for**

1 **completed construction work from a property owner that unreasonably**
2 **withholds approval and acceptance.**

3 **“(4) If a major residential contractor believes that a property owner**
4 **has unreasonably withheld approval and acceptance of properly com-**
5 **pleted construction work, the major residential contractor may file a**
6 **request with the Construction Contractors Board for mediation of the**
7 **dispute. The major residential contractor may initiate an action or**
8 **suit or pursue other available remedies to collect the balance of the**
9 **moneys due under a contract described in subsection (2) of this section**
10 **only if:**

11 **“(a) The property owner refuses a board offer to mediate the dis-**
12 **pute; or**

13 **“(b) The board declares after reasonable effort that the board can-**
14 **not resolve the dispute by mediation.**

15 **“(5) The board may adopt rules to implement the provisions of this**
16 **section.”.**

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