

Requested by Representative SMITH G

**PROPOSED AMENDMENTS TO
HOUSE BILL 3385**

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) If a major residential contractor’s costs of materials, supplies**
19 **and payments to subcontractors at the commencement of the remodel**
20 **or repair exceeds 50 percent of the total contract price, the major**
21 **residential contractor may require the property owner to make**

1 progress payments solely to cover the costs of materials, supplies and
2 payments to subcontractors. If the major residential contractor re-
3 quires progress payments, the contract must include:

4 “(a) An itemized list of all materials, supplies and payments to
5 subcontractors;

6 “(b) A schedule of progress payments due that is linked to specific
7 items of work completed or a specific completed percentage of the
8 total work specified in the contract; and

9 “(c) A specification of the progress the major residential contractor
10 must make on the renovation or repair before each progress payment
11 is due.

12 “(4) This section does not prohibit a major residential contractor
13 from retaining properly collected amounts after a contract price de-
14 crease. Subject to subsection (5) of this section, this section does not
15 prevent a major residential contractor from obtaining payment for
16 completed construction work from a property owner that unreasonably
17 withholds approval and acceptance.

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

26 “(a) The property owner refuses a board offer to mediate the dis-
27 pute; or

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

30 “(6) The board may adopt rules to implement the provisions of this

1 **section.”.**

2
