

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. This section does not prevent a major residential contractor**  
15 **from obtaining payment for completed construction work from a**  
16 **property owner that unreasonably withholds approval and acceptance.**

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

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