HOUSE AMENDMENTS TO
HOUSE BILL 3385
By COMMITTEE ON BUSINESS AND LABOR
April 7

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

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

“SECTION 2. (1) As used in this section, ‘major residential contractor’ means a residen-
tial contractor that is:

“(a) A general contractor; and
“(b) A company that offers securities registered with the United States Securities and
Exchange Commission for sale to the general public.

“(2)(a) A major residential contractor may not, in a contract to remodel or repair an
owner-occupied one-family or two-family residential structure with a contract price that ex-
ceeds $40,000, collect or retain more than 50 percent of the original contract price before
substantial completion of the remodeling or repair.

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

“(3) If a major residential contractor’s costs of materials, supplies and payments to
subcontractors at the commencement of the remodel or repair exceeds 50 percent of the
total contract price, the major residential contractor may require the property owner to
make progress payments solely to cover the costs of materials, supplies and payments to
subcontractors. If the major residential contractor requires progress payments, the contract
must include:

“(a) An itemized list of all materials, supplies and payments to subcontractors;
“(b) A schedule of progress payments due that is linked to specific items of work com-
pleted or a specific completed percentage of the total work specified in the contract; and
“(c) A specification of the progress the major residential contractor must make on the
renovation or repair before each progress payment is due.

“(4) This section does not prohibit a major residential contractor from retaining properly
collected amounts after a contract price decrease. This section does not prevent a major
residential contractor from obtaining payment for completed construction work from a
property owner that unreasonably withholds approval and acceptance.

“(5) The Construction Contractors Board may adopt rules to implement the provisions
of this section.”.