

## HOUSE AMENDMENTS TO HOUSE BILL 3385

By COMMITTEE ON BUSINESS AND LABOR

April 7

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 contractor’ means a residen-**  
4 **tial contractor that is:**

5 **“(a) A general contractor; and**

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

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

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

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

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

22 **“(b) A schedule of progress payments due that is linked to specific items of work com-**  
23 **pleted or a specific completed percentage of the total work specified in the contract; and**

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

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

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

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