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HOUSE BILL NO. 485

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INTRODUCED BY J. FITZPATRICK

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT A BID IN A RESIDENTIAL HOME
5 CONSTRUCTION CONTRACT CONSTITUTES THE TOTAL AMOUNT TO BE PAID UNDER THE
6 CONTRACT UNLESS THE PARTIES AGREE OTHERWISE; PROVIDING THAT BIDS BASED ON TIME AND
7 MATERIALS MUST BE AGREED ON BY THE PARTIES IN WRITING; AND PROVIDING EXCEPTIONS."

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9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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11 NEW SECTION. Section 1. Construction contract bids -- requirements. (1) In a residential home
12 construction contract, a party may not increase the bid amount if the bid is already accepted. The accepted
13 construction bid constitutes the full financial obligations of the parties relating to agreed-on construction
14 services.

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16 (2) (A) A RESIDENTIAL HOME CONSTRUCTION CONTRACT MAY NOT BE A TIME AND MATERIALS CONTRACT
17 UNLESS AGREED ON BY THE PARTIES IN WRITING.

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19 (B) FOR THE PURPOSES OF THIS SUBSECTION (2), "TIME AND MATERIALS CONTRACT" MEANS A
20 RESIDENTIAL HOME CONSTRUCTION CONTRACT IN WHICH A CLIENT PAYS A CONTRACTOR BASED ON THE ACTUAL COST
21 OF MATERIALS USED AND THE HOURLY RATE FOR ACTUAL LABOR SPENT ON THE RESIDENTIAL HOME UNTIL THE
22 CONSTRUCTION IS COMPLETED.

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(3) This section does not apply:

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(A) if the parties agree in writing, prior to the acceptance of the bid, that the bid does not constitute
25 the final amount of money owed for the construction services provided; OR

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(B) TO AGREED-ON CHANGES IN THE SCOPE OF WORK, CHANGES IN MATERIALS COST, OR CHANGES IN
27 BIDS FROM SUBCONTRACTORS.

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1 **NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an
2 integral part of Title 28, chapter 2, and the provisions of Title 28, chapter 2, apply to [section 1].

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