

HOUSE BILL NO. 485

INTRODUCED BY J. FITZPATRICK

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

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

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

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

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

(3) This section does not apply:

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

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

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

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