



INSTRUCTIONS — NOT PART OF THE AGREEMENT

Before You Begin: This template helps you understand what a strong Montana contractor agreement looks like. It is an educational starting point provided by jaspector.com — not a finished contract, and not legal advice. Montana requires contractors performing construction work for compensation to register with the Montana Department of Labor and Industry. Local jurisdictions may impose additional licensing or permit requirements. Have this document reviewed by a Montana-licensed attorney before use. Use of this template does not create an attorney-client relationship, and jaspector.com assumes no liability for any outcomes arising from its use.

How to Use This Template

1. **Verify the contractor's registration.** Montana requires contractors to register with the Department of Labor and Industry (DLI) under MCA 39-9-201. Confirm the registration is active, and that required general liability and workers' compensation coverage are current, at erd.dli.mt.gov.
2. **Download and print this document.** Fill in all blank fields — do not leave any section empty. Courts have difficulty enforcing contracts with significant blank spaces.
3. **Review each Montana note.** The notes in this template explain state-specific legal considerations, including the Home Solicitation Sales Act cancellation right and mechanics' lien rules. Read them carefully.
4. **Both parties sign.** You and the contractor each receive a signed copy before any work starts or any money changes hands.
5. **Consult an attorney.** This template is a starting point. For large projects or complex scopes, have a Montana-licensed attorney review the agreement before signing.

Field-by-Field Guide

- › **Section 1 (Parties):** Record the contractor's full legal entity name and Montana DLI registration number. Verify the registration is active before signing. Ask for the name of the qualifying individual responsible for the registration.
- › **Section 2 (Scope):** Be specific. "Bathroom remodel" is not enough — list materials, dimensions, finishes, and what is explicitly excluded. Vague scope is the leading cause of contractor disputes.
- › **Section 3 (Payment):** Montana has no statutory deposit cap for residential contracts. Industry best practice is to limit the initial down payment to no more than one-third (1/3) of the total contract price. Tie every payment to a completed work milestone — not a calendar date.
- › **Section 4 (Timeline):** Get estimated start and completion dates in writing. Fill in the delay credit provisions — these create accountability if the contractor falls behind without a valid excuse.

- › **Section 7 (Warranties):** Fill in the warranty period before signing. One year is a common baseline; negotiate longer coverage on major structural or mechanical work.
- › **Section 9.3 (Cancellation):** If the contractor approached you at your home or negotiated outside their regular place of business, Montana’s Home Solicitation Sales Act (MCA 30-14-501) gives you three business days to cancel without penalty. The contractor must provide a written cancellation form at signing.
- › **Section 11 (Mechanics’ Liens):** Montana’s lien deadline is 90 days from the last date labor or materials were provided (MCA 71-3-535). No preliminary notice is required — a lien can be filed without warning. Collect lien waivers with every payment and at project completion.
- › **Section 14 (Exhibits):** Attach plans, specs, and the contractor’s DLI registration printout. Check each box to confirm what is included.

Montana Legal Notes

Section 1 — Contractor Registration (MCA 39-9-201)

Montana requires contractors who perform construction work for compensation to register with the Montana Department of Labor and Industry. Registration requires proof of general liability insurance and workers’ compensation coverage (or a lawful exemption). Registration must be renewed annually. A contractor who performs work without a current DLI registration may be subject to civil penalties, and the homeowner has stronger recourse if the registration is in place. Always verify at erd.dli.mt.gov before signing.

Section 3 — No Statutory Deposit Cap

Unlike California, Montana does not impose a statutory limit on contractor down payments for residential home improvement work. The one-third guideline in this template is a best-practice recommendation, not a legal requirement. Paying a large deposit upfront — especially to an unverified contractor — is a known risk factor in contractor fraud cases in Montana.

Section 9.3 — Home Solicitation Sales Act (MCA 30-14-501)

Montana’s Home Solicitation Sales Act applies to sales of goods or services exceeding \$25 that are solicited at the buyer’s residence or at a location that is not the seller’s regular place of business. If a contractor knocks on your door, meets you at your home to discuss the project, or negotiates the agreement anywhere other than their established business location, the three-business-day cancellation right applies. The contractor must give you a written Notice of Cancellation form at the time of signing. To cancel, sign and deliver that form — or send written notice — to the contractor’s address before midnight on the third business day after signing.

Section 11 — Mechanics’ Lien (MCA 71-3-501 et seq.)

Montana’s mechanics’ lien statute allows contractors, subcontractors, laborers, and material suppliers who are not paid to file a lien against your property. The claim of lien must be filed in the district court of the county where the property is located within **90 days** after the last date labor was performed or materials were furnished (MCA 71-3-535). Montana does not require subcontractors or suppliers to serve a preliminary notice on the owner before filing — a lien can be filed without warning. The most reliable protection is to obtain

signed lien waivers from every contractor, subcontractor, and supplier with each payment and at project completion, and to withhold final payment until all waivers are received.

Section 12 — Workers' Compensation (MCA 39-71-401)

Montana law requires employers with one or more employees to obtain workers' compensation insurance. Construction employers are not exempt from this requirement. If a worker is injured on your property and the contractor does not have valid workers' compensation coverage, the homeowner may face liability. Verify coverage as part of the contractor's DLI registration confirmation before any work begins.

About Jaspector

jaspector.com is an AI-powered property advisory service that helps homeowners navigate construction projects, verify contractors, and resolve disputes. If a problem arises during your project — a contractor goes silent, work falls short, or a payment dispute escalates — jaspector.com can help you document the issue and build a resolution strategy.

Learn more at jaspector.com or email hi@jaspector.com to get started.

The instructions above are provided by jaspector.com as an educational resource. They are not part of the agreement, do not constitute legal advice, and do not create an attorney-client relationship or any endorsement relationship between jaspector.com and any contractor or homeowner.

MONTANA HOMEOWNER-CONTRACTOR AGREEMENT

Governing law: Montana Code Annotated — Title 39, Ch. 9 (Contractor Registration); Title 71, Ch. 3 (Mechanics' Liens); Title 30, Ch. 14 (Home Solicitation Sales Act); Title 39, Ch. 71 (Workers' Compensation)

1. Parties

Homeowner (Property Owner)

Name(s) _____

Property Address _____

Mailing Address (if different) _____

Phone _____

Email _____

Contractor

Business Name (Legal Entity) _____

MT DLI Registration Number _____

Qualifying Individual Name _____

Business Address _____

Phone _____

Email _____

Workers' Compensation Policy # _____

General Liability Policy # _____

2. Scope of Work

2.1 Project Description

Describe the work in specific, measurable detail. Include materials, methods, dimensions, and reference any plans, drawings, or specifications attached as exhibits.

2.2 Work NOT Included

Explicitly list work that is excluded from this contract to prevent scope disputes.

2.3 Permits and Inspections

- Contractor is responsible for obtaining all required building permits
- Contractor is responsible for scheduling all required inspections
- Permit costs are: Included in contract price / Billed separately at cost

2.4 Plans and Specifications

- Attached as Exhibit A (architectural / engineering plans)
- Attached as Exhibit B (material specifications)
- No formal plans — scope defined by Section 2.1 above

3. Contract Price and Payment Schedule

3.1 Total Contract Price

Item	Amount
Total Contract Price	\$ _____
Sales Tax (if applicable)	\$ _____
Permit Fees (if billed separately)	\$ _____
Total Amount Due	\$ _____

3.2 Payment Schedule

Payment	Amount	Trigger (Work Milestone)
Down Payment	\$ _____	Upon signing
Progress Payment 1	\$ _____	_____
Progress Payment 2	\$ _____	_____
Progress Payment 3	\$ _____	_____
Final Payment	\$ _____	Completion and final inspection

Payment	Amount	Trigger (Work Milestone)
Total	\$ _____	

3.3 Payment Terms

- Payments are due within _____ days of written invoice
- Acceptable payment methods: _____
- No payment shall be due for work not yet performed or materials not yet delivered to the job site
- Final payment is due only after: (a) all work is complete, (b) final inspection is passed (if applicable), and (c) Homeowner has had reasonable opportunity to inspect

4. Project Timeline

Milestone	Date
Estimated Start Date	_____
Estimated Completion Date	_____

4.1 Delays

- Contractor shall notify Homeowner in writing within **48 hours** of any event that may delay the project
- Excusable delays include: weather, permit delays, material shortages, acts of God, government orders
- Non-excusable delays exceeding _____ business days entitle Homeowner to a daily credit of \$_____ (liquidated damages), not to exceed _____% of the total contract price
- If the project is not substantially complete within _____ days of the estimated completion date (excluding excusable delays), Homeowner may terminate this contract under Section 9

5. Change Orders

Any changes to the scope, price, or timeline of this contract must be documented in a written Change Order signed by both parties before the changed work begins.

Each Change Order shall include:

1. Description of the changed work
2. Addition to or deduction from the contract price
3. Impact on the project timeline
4. Signature of both Homeowner and Contractor

No verbal agreements will modify this contract.

6. Materials and Workmanship

6.1 Materials

- All materials shall be new unless otherwise specified in writing
- Specific materials, brands, and grades are listed in: Section 2.1 / Exhibit B
- Substitutions require prior written approval from Homeowner
- Contractor warrants that all materials comply with applicable building codes

6.2 Workmanship Standards

- All work shall be performed in a professional, workmanlike manner
- All work shall comply with applicable Montana building codes and local ordinances
- All work shall conform to the plans, specifications, and scope described in this contract
- Contractor shall maintain a clean and safe job site

6.3 Subcontractors

- Contractor will / will not use subcontractors
- If subcontractors are used, Contractor remains fully responsible for their work, licensing, and insurance
- All subcontractors performing construction work for compensation must hold a valid and current Montana DLI registration
- Homeowner may request DLI registration numbers for any subcontractor working on the project

7. Warranties

7.1 Contractor Warranty

Contractor warrants all labor and workmanship for a period of _____ year(s) from the date of completion. During this period, Contractor shall repair or correct, at Contractor's expense, any defects in workmanship or materials furnished by Contractor.

7.2 Manufacturer Warranties

Contractor shall provide Homeowner with all manufacturer warranties for materials and equipment installed. Contractor shall ensure installations comply with manufacturer specifications to preserve warranty coverage.

7.3 Warranty Exclusions

This warranty does not cover:

- Normal wear and tear
- Damage caused by Homeowner negligence or misuse
- Damage caused by third parties or acts of God
- Items specifically excluded in writing

8. Insurance and Bonding

8.1 Contractor Insurance Requirements

Contractor shall maintain, at minimum, the following coverage for the duration of the project:

Coverage	Minimum Amount
General Liability	\$ _____
Workers' Compensation	Statutory limits (required for employers with 1+ employees)
Automobile Liability (if applicable)	\$ _____

- Contractor shall provide certificates of insurance upon request
- Homeowner shall be named as additional insured on the general liability policy

8.2 Montana DLI Registration and Insurance Requirements

Montana contractor registration (MCA 39-9-201) requires proof of general liability insurance and workers' compensation coverage (or exemption) at the time of registration. Verify that the contractor's DLI registration is current and that required coverage is in force before work begins at erd.dli.mt.gov.

9. Termination

9.1 Homeowner's Right to Terminate

Homeowner may terminate this contract at any time by providing written notice to Contractor. Upon termination:

- Homeowner shall pay for all work satisfactorily completed and materials delivered to the job site as of the termination date
- Contractor shall provide an itemized accounting of all work completed and materials delivered within **10 business days** of termination
- Contractor shall not charge a cancellation penalty exceeding the actual costs reasonably incurred

9.2 Contractor's Right to Terminate

Contractor may terminate this contract if:

- Homeowner fails to make a payment due under this contract within _____ days of written notice of default
- Conditions at the job site make the work unsafe or illegal to continue

9.3 Three-Day Right to Cancel (Home Solicitation Sales Act, MCA 30-14-501)

If this contract was solicited and agreed to at the Homeowner's residence or at a location other than the Contractor's regular place of business, and the contract price exceeds \$25, the Homeowner has the right to cancel this contract until midnight of the **third business day** after the date of signing, without penalty or obligation. To cancel, the Homeowner must sign and deliver the written Notice of Cancellation form provided by the Contractor. Cancellation may be delivered in person, by mail, or by any method that provides written evidence of the date of delivery to the Contractor's address stated in this contract. Upon valid cancellation, the Contractor must refund all payments within **10 business days** and retrieve any materials from the property. Failure by the Contractor to provide the required Notice of Cancellation at the time of signing extends the cancellation period indefinitely.

10. Dispute Resolution

10.1 Informal Resolution

The parties agree to attempt informal resolution of any dispute by written notice describing the issue. The other party shall respond in writing within **15 business days**.

10.2 Mediation

If informal resolution fails, the parties agree to submit the dispute to non-binding mediation before a mutually agreed mediator. Mediation costs shall be shared equally.

10.3 Montana DLI and Attorney General Complaints

Homeowners may file a complaint regarding contractor registration violations with the Montana Department of Labor and Industry at erd.dli.mt.gov. Consumer protection complaints may be filed with the Montana Department of Justice, Consumer Protection Office, at dojmt.gov/consumer. Filing a complaint does not prevent the homeowner from pursuing legal remedies.

10.4 Legal Action

If mediation fails, either party may pursue legal action in the district court of the county where the property is located. The prevailing party shall be entitled to recover reasonable attorney's fees and costs where authorized by law. Montana Justice Court (small claims) handles claims up to \$7,000.

11. Mechanics' Lien Notice

Montana law (MCA 71-3-501 et seq.) allows contractors, subcontractors, laborers, and material suppliers to place a mechanics' lien on your property if they are not paid for work or materials furnished. A claim of lien must be filed within **90 days** after the last date labor was performed or materials were furnished. A recorded lien can affect your ability to sell or refinance your property.

11.1 Protecting Against Mechanics' Liens

- Request **lien waivers** from the Contractor and all known subcontractors and suppliers with each progress payment

- Request a **final unconditional lien waiver** from the Contractor and all known subcontractors and suppliers upon final payment
- Require Contractor to provide a list of all subcontractors and material suppliers at the start of the project
- Request proof that progress payments are being forwarded to subcontractors and suppliers

11.2 No Preliminary Notice Requirement

Montana does not require subcontractors or material suppliers to serve a preliminary notice on the property owner before filing a lien. A mechanics' lien may be filed without prior warning to the homeowner. Collecting signed lien waivers with every payment and at project completion, and withholding final payment until all waivers are received, is the most effective protection available to Montana homeowners.

12. Additional Montana Requirements

12.1 Montana Contractor Registration Compliance Checklist

Montana does not have a dedicated home improvement contract statute mandating specific contract language. To ensure compliance with MCA 39-9-201 et seq. and industry best practice, confirm that this contract includes:

- Contractor's full legal name, business address, DLI registration number, and contact information
- A detailed description of the work to be performed
- Total contract price and payment schedule
- Estimated start and completion dates
- All material representations made during sales discussions reflected in writing
- No blank sections left unfilled at the time of signing

12.2 Montana DLI Registration Statement

Contractor represents and warrants that, as of the date of this contract, Contractor holds a current and active registration with the Montana Department of Labor and Industry as required by MCA 39-9-201, and that all required general liability insurance and workers' compensation coverage (or lawful exemption) are in force. Contractor agrees to maintain registration and required coverage in good standing throughout the duration of this project.

12.3 Workers' Compensation Statement

Montana law (MCA 39-71-401) requires employers with one or more employees to carry workers' compensation insurance. Contractor represents that all applicable workers' compensation coverage is in place and will remain in place throughout the project.

13. General Provisions

13.1 Entire Agreement

This contract, including all exhibits and change orders, constitutes the entire agreement between the parties. No prior verbal or written representations shall be binding unless incorporated herein.

13.2 Severability

If any provision of this contract is found unenforceable, the remaining provisions shall continue in full force and effect.

13.3 Governing Law

This contract shall be governed by the laws of the State of Montana.

13.4 Notice

All notices under this contract shall be in writing and delivered to the addresses listed in Section 1, by personal delivery, certified mail, or email with confirmed receipt.

13.5 Assignment

Neither party may assign this contract without the prior written consent of the other party.

14. Exhibits and Attachments

- Exhibit A: Plans and Drawings
- Exhibit B: Material Specifications
- Exhibit C: Notice of Cancellation Form (if Home Solicitation Sales Act applies)
- Exhibit D: Contractor's Montana DLI Registration Printout
- Exhibit E: Certificates of Insurance
- Additional: _____

Signatures

By signing below, both parties acknowledge that they have read, understand, and agree to all terms of this contract.

Homeowner

Signature _____

Printed Name _____

Date _____

Homeowner (if jointly owned)

Signature _____

Printed Name _____

Date _____

Contractor

Signature _____

Printed Name _____

Title _____

MT DLI Registration # _____

Date _____

Montana Homeowner Pre-Signing Checklist

- Verified contractor's Montana DLI registration is active at erd.dli.mt.gov
- Workers' compensation insurance confirmed (required for employers with 1+ employees)
- General liability insurance certificate obtained and on file
- Down payment limited to no more than one-third (1/3) of total contract price (best practice)
- Cancellation notice form provided if contractor solicited at your home (Home Solicitation Sales Act, MCA 30-14-501)
- All blank fields in this contract are filled in — no blank spaces
- Both parties have signed the contract before any work starts or money changes hands
- Received a fully signed copy of the complete contract
- Payment schedule tied to work milestones, not calendar dates
- Plans, specs, and material lists are attached or described in Section 2.1
- List of subcontractors and suppliers requested from Contractor
- Lien waiver process confirmed — waivers to be collected with each payment (90-day lien deadline, no preliminary notice required in Montana)