

HOUSE BILL NO. 324

INTRODUCED BY S. FITZPATRICK

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING VOLUNTARY PAYMENTS LAWS TO INCLUDE ALL CLAIMS; REVISING LEGISLATIVE POLICY FOR VOLUNTARY PAYMENTS TO INCLUDE ALL CLAIMS; PROVIDING THAT CERTAIN BAD FAITH INSURANCE ACTIONS DO NOT APPLY TO VOLUNTARY PAYMENTS; AMENDING SECTIONS 26-1-701, 26-1-703, AND 26-1-706, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

Section 1. Section 26-1-701, MCA, is amended to read:

"26-1-701. Legislative policy. The legislature declares that the health, welfare, and safety of the people of the state of Montana would be enhanced by the expeditious handling of liability claims. The legislature further declares that the handling of liability claims would be expedited if voluntary payment by or on behalf of one person to or on behalf of a person who has sustained injury to that person or damage to that person's property could ~~possesses a claim may~~ not be construed as an admission of fault or liability as to any claim arising out of the occurrence that gave rise to the injury or damage."

Section 2. Section 26-1-703, MCA, is amended to read:

"26-1-703. Voluntary partial payment of claim not an admission of fault or waiver. (1) No A voluntary partial payment of a claim against any person based on alleged liability of that person ~~for injury to~~ person, including death, or damage to property arising out of any occurrence ~~shall~~ may not be construed as an admission of fault or liability or as a waiver or release of claim by the person to whom or in whose behalf such the payment was made. ~~No A~~ voluntary partial payment ~~shall~~ may not be construed to reduce the amount of damages which ~~that~~ may be pleaded or proved in any action arising out of such ~~the~~ occurrence.

(2) This section does not apply to actions brought under 33-18-201 or 33-18-242.

(3) This section does not apply to proceedings to determine attorney fees relating to breach of

1 contract, including but not limited to proceedings involving:

2 (a) offers of judgment; or

3 (b) claims seeking attorney fees from an insurer.

4 (4) This section does not apply to damages awarded after the entry of a verdict at the discretion of
5 the court, including as provided in 30-14-133, 33-25-402, 70-16-106, 70-16-107, and 70-27-206."

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7 **Section 3.** Section 26-1-706, MCA, is amended to read:

8 **"26-1-706. Effect of payment on judgment.** After entry of a judgment in an action for damages for
9 personal injuries, including death, or for damage to property arising out of any occurrence, any voluntary partial
10 payment ~~therefore made shall up to that time must~~ be treated as a credit against such ~~the~~ judgment and shall
11 must be deductible from the amount of such ~~the~~ judgment. If after partial voluntary payments are made as
12 ~~herein provided for in this section~~, it ~~shall must~~ be determined by a court of competent jurisdiction that the
13 person who made such ~~the~~ payments or on whose behalf such ~~the~~ payments ~~were are~~ made is liable for an
14 amount ~~which that~~ is less than the amount of the voluntary payments already made, such ~~the~~ person ~~shall may~~
15 not have ~~no a~~ right of action for the recovery of the amount by which the voluntary payments exceeded the
16 amount of the judgment."

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18 **NEW SECTION. Section 4. Applicability.** [This act] applies to liability claims in which a cause of
19 action has accrued on or after October 1, 2025.

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