

1 HOUSE BILL NO. 324

2 INTRODUCED BY S. FITZPATRICK

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

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

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

13 **"26-1-701. Legislative policy.** The legislature declares that the health, welfare, and safety of the  
14 people of the state of Montana would be enhanced by the expeditious handling of ~~liability~~ claims. The  
15 legislature further declares that the handling of ~~liability~~ claims would be expedited if voluntary payment by or on  
16 behalf of one person to or on behalf of a person who ~~has sustained injury to that person or damage to that~~  
17 ~~person's property could possess a claim~~ may not be construed as an admission of fault or liability as to any  
18 claim ~~arising out of the occurrence that gave rise to the injury or damage.~~"

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

21 **"26-1-703. Voluntary partial payment of claim not an admission of fault or waiver.** (1) No-A  
22 voluntary partial payment of a claim against any person based on alleged liability of that person ~~for injury to~~  
23 ~~person, including death, or damage to property arising out of any occurrence shall~~ may not be construed as an  
24 admission of fault or liability or as a waiver or release of claim by the person to whom or in whose behalf ~~such~~  
25 ~~the~~ payment was made. ~~No-A~~ voluntary partial payment ~~shall~~ may not be construed to reduce the amount of  
26 damages ~~which that~~ may be pleaded or proved in any action arising out of ~~such the~~ occurrence.

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

28 (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  
5 DISCRETION OF THE COURT, INCLUDING AS PROVIDED IN 30-14-133, 33-25-402, 70-16-106, 70-16-107, AND 70-27-  
6 206."

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

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

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

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