

**SENATE MAJORITY LEADER DOMINIC PILEGGI**



# HOME REPAIR AND IMPROVEMENT UPDATE

*The Home Improvement Consumer Protection Act*

Spring 2009 • 9th Senatorial District

Dear Friend,

Spring and summer are a great time to tackle home repair and improvement projects. These may help increase the value of your home and protect your most important investment. If you are considering hiring someone to do the work, it's important for you to find a reputable contractor.

Home improvement scams have replaced automobile fraud as the top complaint at Pennsylvania's consumer protection agencies.

In too many cases, an unethical contractor will take a deposit and leave town, or do sub-par repairs and refuse to fix the job. Homeowners are left with empty wallets and no recourse. Scam artists often target senior citizens living on a fixed income, telling them they need work that is not necessary, or taking payment and never doing the work.

Last year, I supported the Home Improvement Consumer Protection Act of 2008 to combat this growing problem and give law enforcement officials and consumers more tools to protect against fraud. This new law will strictly police home improvement contractors and give consumers more information before they hire one.

It will allow homeowners to search a complete list of contractors online or by calling a toll-free number after the July 1, 2009 registration deadline. The law requires that all contractors who perform at least \$5,000 worth of home improvements per year register with the Attorney General's Office.

The new law gives District Attorneys and the Attorney General strong enforcement authority for investigating and prosecuting home improvement fraud. Those who violate the law could face a felony conviction and the revocation or suspension of their registration.

There are many good, fair and respected contractors out there. This law is intended to weed out con artists who prey on homeowners by giving consumers more power and information to make financial decisions about home repairs and improvements.

I hope you find this information useful in protecting yourself against this growing crime.

Sincerely,

A handwritten signature in blue ink that reads "D. Pileggi". Below the signature is the printed name "Senator Dominic Pileggi".

Senator Dominic Pileggi

## Senator Dominic Pileggi • 9th District

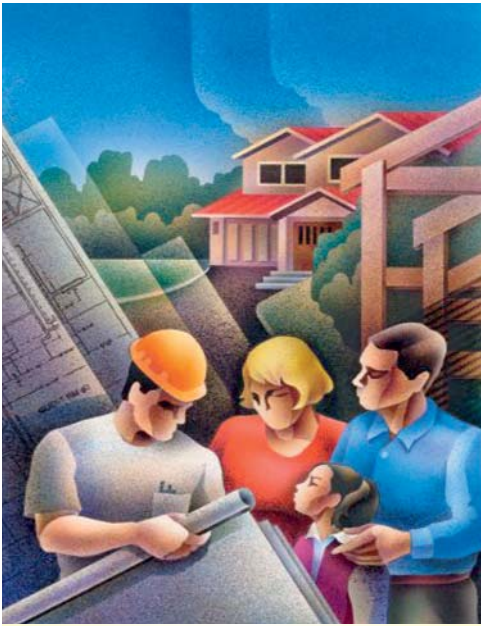
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## Home Improvement Contractors Have Until July 1, 2009 to Register Online Under New Law

Home improvement contractors have until July 1, 2009 to register with the state Attorney General's office as part of the state's new Home Improvement Contractor's Law. The website is [www.attorneygeneral.gov/hic.aspx](http://www.attorneygeneral.gov/hic.aspx)

Contractors can also submit a registration, with the \$50 fee, to:

Pennsylvania Office of  
Attorney General  
Bureau of Consumer Protection  
ATTN: Home Improvement  
Contractor Registration  
15th Floor, Strawberry Square  
Harrisburg, PA 17120

Consumers can call 1-888-520-6680 to check to see if a contractor is registered. If contractors aren't registered by July 1 and attempt to offer consumers service, they may face legal action as well as fines of \$1,000 or more.

The Attorney General's website also answers frequently asked questions about the new law. Soon, it will allow consumers to learn more about registered contractors.

The goal is to give consumers the information they need to make informed choices when they are hiring contractors for home improvement projects so they get what they paid for. Any contractors not registered by July 1, 2009 will be prohibited from performing home improvement jobs until they are registered.

## The Home Improvement Consumer Protection Act

The Home Improvement Consumer Protection Act is intended to protect consumers from phony contractors, increase protection for consumers who hire home improvement contractors and enact criminal penalties for those who commit home improvement fraud.

- The Home Improvement Consumer Protection Act was adopted by the General Assembly in October 2008. The law requires that contractors, both in and out-of-state, who offer or perform home improvements register with the Bureau of Consumer Protection. It also requires contractors to provide their registration number to clients and in all advertisements, including on vehicles, and establishes a minimum level of insurance for contractors. As a result of these precautionary measures, the Act prohibits unfair business practices and imposes a penalty for home improvement fraud.
- "Home improvement" means any type of repair, replacement, remodeling, demolition, renovation or installation to land or a building used for a private residence with the total cost reaching \$500 or more. This does not include the construction of new homes.
- All contractors are required to register with the Bureau of Consumer Protection unless they fall in the category of small contractors (less than \$5,000 of work in a year) or larger retailers (net worth more than \$50 million).
- Registrations are good for two years.
- This Act also prohibits unfair business practices, such as failing to complete the work. The law also requires that all contracts for improvements that will cost over \$500 be in writing and include the estimated start and completion date, the estimated cost, and description of the work. The contract must then be signed by both the consumer and the contractor.
- In 2008, the Attorney General's Office received nearly 2,100 complaints from consumers struggling with problems involving home improvement projects.

*"A small amount of research can eliminate big problems when hiring a contractor to perform home improvement projects."*

## Guidelines to Follow When Hiring a Contractor

### ALWAYS

- Make sure the contract includes the type, quality and quantity of materials to be used and outlines all the financial terms and payment schedules.
- Have a complete description of the work to be done and a guarantee that old materials will be removed.
- Insist that your contractor secures all the proper permits.
- Include a penalty clause in the contract for failure to complete the work on time.
- Insist that the workplace remains clean and safe for the duration of the project.
- Get at least three estimates for the same work.
- Inquire if the contractor has liability and compensation insurance.
- Check your homeowner's insurance policy to see if repairs are covered.
- Contact your local building codes officer if you question the quality of work performed.

### NEVER

- Enter into a repair or improvement project agreement without a written contract.
- Sign a blank contract, or one that does not include all the costs and materials.
- Sign a contract that does not include a start and finish date or a three-day Right of Cancellation Notice.
- Pay more than a reasonable down payment, typically one-third of the total cost, up front.
- Hire a contractor who refuses to give you names and phone numbers of references.
- Make the final payment until you are completely satisfied with the work.
- Feel pressured by contractors who make special or limited price offers.

### NEWSLETTERS BY EMAIL

If you would like to receive these newsletters via email rather than postal mail, contact me at [dpileggi@pasen.gov](mailto:dpileggi@pasen.gov) or call my office at (610) 447-5845.