

Pennsylvania Licenses Contractors...Finally!

Starting July 1st, contractors who work on private residences must be licensed by the state of Pennsylvania. In October of 2008, the Pennsylvania General Assembly adopted The Home Improvement Consumer Protection Act (HICPA). This act requires registration for contractors who repair, remodel, or improve any private residence. This includes but is not limited to driveways, pools, flooring, sheds, additions, painting, roofs, windows, retaining walls, siding, and fences.

The act was created to help protect homeowners from being taken advantage of by dishonest contractors. The act applies to contractors who do more than \$5,000 per year in sales and for contracts of \$500 or more. The main objective of the act is to eliminate unfair trade practices. The law includes several features such as:

- A mandatory 3 day right of recession clause. This means that the homeowner can cancel or opt out of a project up to 3 days after signing the contract.
- Requires contractors to list their registration number in any place that they advertise and on all stationery. The number can be shown as PA003327 or PAOAGHIC 003327.
- Contractors must list a physical address for a place of business. PO Boxes are no longer allowed for use on contracts.
- Contractors must have insurance coverage of at least \$50,000 in personal injury liability insurance and \$50,000 of property damage insurance.
- Requires contractors to disclose bankruptcies, former business ownership interests, and criminal convictions prior to receiving a license.
- Requires contractors to show the phone number for the Bureau of Consumer Protection in their contracts. Homeowners may call 1-888-520-6680 to verify that a contractor is registered with the state. Keep in mind that registration does not imply endorsement by the Bureau.
- Requires a defined start and end date on the contract as well as the complete sales price.
- Contractors are limited to receiving no more than 1/3 of the job cost upfront.
- Requires a detailed description of the work to be written into the contract.
- Requires the contractor to provide the homeowner with a copy of the contract.

Contractors who fail to register will be prohibited from performing home improvements by the state and may face legal action including civil penalties if they fail to abide by the registration requirements. Contractors cannot be grandfathered out of this registration requirement.

Pennsylvania has taken great strides with this law but if homeowners knowingly hire unlicensed contractors then the system will not work. It is up to homeowners to verify that the contractors they are hiring are licensed. Dishonest contractors may claim to be registered. This is why viewing and verifying the registration certificate with the Bureau of Consumer Protection is recommended.

The author is President of Isbir Construction & Landscape Corp. Isbir specializes in retaining walls, paving stones, drainage systems, excavating, and landscaping. His company is registered as PA003327 and follows all of the principals addressed in this article. If you would like to talk with Mike Isbir about a project or the information in this article, please call 412-751-4359 or visit www.isbirconstruction.com.