

TOWNSHIP OF WARMINSTER

DEPARTMENT OF LICENSES AND INSPECTIONS

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**THIS IS A COMPLIMENTARY SUMMARY OF THE
PENNSYLVANIA HOME IMPROVEMENT CONSUMER PROTECTION ACT 132.
THIS IS TO BE USED AS A GUIDE ONLY TO UNDERSTAND THE ACT. MORE SPECIFIC INFORMATION MAY BE OBTAINED
FROM THE OFFICE OF THE ATTORNEY GENERAL OF THE COMMONWEALTH OF PENNSYLVANIA
AT 717-772-2425 OR THE WEBSITE www.attorneygeneral.gov**

Effective July 1, 2009, the Commonwealth of Pennsylvania has adopted the Home Improvement Consumer Protection Act 132 enforced by the Bureau of Consumer Protection in the Office of the Attorney General. It is now required that all contractors who enter into a contract with a homeowner for work more than \$500.00 shall be required to register with the Commonwealth. The contractor must meet certain requirements for the registration. The contractor is also required to meet all requirements of the Act. Be sure the contractor you use meets the following requirements when entering into a contract for work on your property. We encourage the homeowner to empower themselves with the information they need when entering into a contract with a contractor.

- **A contractor shall include its registration number in all advertisements, distributed and on all contracts, estimates and/or proposals with owners created by a contractor within the Commonwealth after the effective date of the act.**
- **No home improvement contract shall be valid or enforceable against an owner unless it:**
 1. Is in writing, legible and contains the home improvement contractor registration number of the performing contractor.
 2. Is signed by the owner, his agent or other contracted party and the contractor or a salesperson on behalf of the contractor.
 3. Contains the entire agreement between the owner and the contractor, including attached copies of all required notices.
 4. Contains the date of the transaction.
 5. Contains the name, address and telephone number of the contractor. Note: A post office box number alone shall not be considered an address.
 6. Contains the approximate starting date and completion date.
 7. Includes a description of the work to be performed, the materials to be used and a set of specifications that cannot be changed without a written change order signed by the owner and contractor.
 8. Includes the total sales price due under the contract.
 9. Includes the amount of any down payment plus any amount advanced for the purchase of special order materials. The amount of the down payment and the cost of the special order materials must be listed separately.
 10. Includes the names, addresses and telephone numbers of all subcontractors on the project known at the date of signing the contract. Note: A post office box number alone shall not be considered an address.
 11. The contractor agrees to maintain liability insurance covering personal injury in an amount not less than \$50,000 and insurance covering property damage caused by the work of the home improvement contractor in an amount not less than \$50,000 and identifies the current amount of insurance coverage maintained at the time of signing the contract. **ASK FOR A COPY OF THE CERTIFICATE OF INSURANCE FOR YOUR RECORDS.**

12. Includes the toll-free telephone number of the Office of the Attorney Generals public access number to obtain information as to whether a contractor is registered with the bureau as well as information that may be obtained on the bureau's website: www.attorneygeneral.gov
13. Includes a notice of the Right of Rescission i.e.:
 - "An individual signing a home improvement contract, except as provided in the emergency provision noted in the act shall be permitted to rescind the contract without penalty regardless of where the contract was signed, within three business days of the date of signing."
 - Copy shall be provided by a contractor or salesperson and delivered to the owner , without charge, a completed copy of the home improvement contract at the time the contract is executed which shall contain all required notices.
14. Includes an Arbitration clause as noted in the act. The act notes that Contracts must meet strict requirements or be deemed void by the court upon motion of either party, filed prior to the commencement of arbitration:
 - a) The text of the clause must be in capital letters.
 - b) The text shall be printed in 12-point boldface type and the arbitration clause must appear on a separate page from the rest of the contract.
 - c) The clause shall contain a separate line for each of the parties to indicate their assent to be bound thereby.
 - d) The clause shall not be effective unless both parties have assented as evidenced by signature and date, which shall be the date on which the contract was executed.
 - e) The clause shall state clearly whether the decision of the arbitration is binding on the parties or may be appealed to the court of common pleas.
 - f) The clause state whether the facts of the dispute, related documents and the decision are confidential.
15. If a home improvement contract contains any of the following clauses, the home improvement contract shall be "voidable" BY THE OWNER:
 - a) A hold harmless clause
 - b) A waiver of Federal, State or local health, life safety or building code requirements.
 - c) A confession of judgment clause
 - d) A waiver of any right to a jury trial in any action brought by or against the owner.
 - e) (Reserved)
 - f) An assignment of or order for payment of wages or other compensation for services.
 - g) A provision by which the owner agrees not to assert any claim or defense arising out of the contract.
 - h) A provision that the contractor shall be awarded attorney fees and costs.
 - i) A clause by which the owner relieves the contractor from liability for acts committed by the contractor or the contractor's agents in the collection of any payment or in the repossession of any goods.
 - j) A waiver or any rights provided under this act.
 - k) A provision providing for the automatic or recurring renewal of any provisions of the agreement unless;
 - (i) The contract establishes a procedure by which the owner can choose not to renew the provision or provisions, thereby avoiding any new fees or charges, by providing written notice to the contractor via first class mail postmarked no later than three business days prior to any renewal;
 - (ii) Such procedure is clearly and conspicuously disclosed in the agreement; and
 - (iii) The contract includes a provision requiring the contractor to notify the owner of any automatic or recurring renewal, and the owner's option to cancel such renewal, by mail, not earlier than 20 days and not later than ten days prior to the date of any such renewal.
16. Home improvement retailer contracts shall be:
 - a) In writing and legible and contains all the following:
 - (i) The name, address and telephone number of the retailer
 - (ii) The name of the person signing the contract on behalf of the retailer and the person's position with the retailer or the person's authority to sign the contract.
 - (iii) The signature of the owner, the owner's agent or other contracted party.
 - b) Shall comply with all the required subsections of the Act.