## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## SENATE BILL No. 1000 Session of 2005

## INTRODUCED BY TOMLINSON, CONTI, WONDERLING, BOSCOLA, PILEGGI, STACK, ERICKSON, LAVALLE AND FONTANA, NOVEMBER 14, 2005

AS AMENDED ON THIRD CONSIDERATION, JUNE 20, 2006

## AN ACT

1 2 3	Providing for the regulation of home improvement contracts and for the registration of certain contractors; prohibiting certain acts; and providing for penalties.
4	The General Assembly of the Commonwealth of Pennsylvania
5	hereby enacts as follows:
6	Section 1. Short title.
7	This act shall be known and may be cited as the Home
8	Improvement Consumer Protection Act.
9	Section 2. Definitions.
10	The following words and phrases when used in this act shall
11	have the meanings given to them in this section unless the
12	context clearly indicates otherwise:
13	"Arbitration clause." A process in which a neutral
14	arbitrator or panel of neutral arbitrators is engaged by the
15	parties to settle a dispute between a contractor and an owner.
16	"Bureau." The Bureau of Consumer Protection in the Office of
17	Attorney General.
18	"Contractor." Any person who owns and operates a home

1 improvement business or who undertakes, offers to undertake or 2 agrees to perform any home improvement. The term includes a 3 subcontractor or independent contractor who has contracted with 4 a home improvement retailer, regardless of the retailer's net 5 worth, to provide home improvement services to the retailer's 6 customers. The term does not include any of the following:

7 (1) A person for whom the total cash value of all of
8 that person's home improvements is less than \$5,000 during
9 any period of 12 consecutive months.

10 (2) A home improvement retailer having a net worth of 11 more than \$50,000,000 or an employee of that retailer. 12 "Home improvement."

(1) The term includes all of the following done in connection with land or a portion of the land adjacent to a private residence or a building or a portion of the building which is used or designed to be used as a private residence for which the total cash price of all work agreed upon between the contractor and owner is more than \$500.

(i) Repair, replacement, remodeling, demolition,
 removal, renovation, installation, alteration,
 conversion, modernization, improvement, rehabilitation or
 sandblasting.

(ii) Construction, replacement, installation or
improvement of driveways, swimming pools, pool houses,
porches, garages, roofs, siding, insulation, solar energy
systems, security systems, flooring, patios, fences,
gazebos, sheds, cabanas, landscaping of a type that is
not excluded under paragraph (2)(vi), painting, doors and
windows and waterproofing.

30 (iii) Without regard to affixation, the installation
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- of central heating or air conditioning or storm windows
   or awnings.
- 3 (iv) The conversion of existing commercial
  4 structures into residential or noncommercial structures.
  5 (2) The term does not include:
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(i) The construction of a new home.

7 (ii) The sale of goods or materials by a seller who
8 neither arranges to nor performs, directly or indirectly,
9 any work or labor in connection with the installation or
10 application of the goods or materials.

(iii) The sale of services furnished for commercial
or business use or for resale, if the service takes place
somewhere other than at a private residence.

14 (iv) The sale of appliances, including stoves,
15 refrigerators, freezers, room air conditioners and others
16 which are designed for and are easily removable from the
17 premises without material alteration.

18 (v) Any work performed without compensation by the
19 owner of the owner's private residence or residential
20 rental property.

(vi) Any work performed by a landscaper certified by
the Department of Agriculture under the act of December
16, 1992 (P.L.1228, No.162), known as the Plant Pest Act,
except to the extent that the work involves any of the
following at a private residence:

26 (A) The construction, replacement, installation
 27 or improvement of buildings, driveways, swimming
 28 pools, porches, garages, roofs, siding, insulation,
 29 solar energy systems, security systems, flooring,
 30 patios, nondecorative fences, doors, lighting
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systems, concrete walkways and windows.

2 (B) The placement of retaining walls, fountains
3 or drainage systems.

4 (vii) Emergency work pursuant to section 7 of the act of December 17, 1968 (P.L.1224, No.387), known as the 5 Unfair Trade Practices and Consumer Protection Law. 6 7 "Home improvement contract." An agreement between a contractor, subcontractor or salesperson and an owner for the 8 performance of a home improvement which includes all agreements 9 10 for labor, services and materials to be furnished and performed 11 under the contract. "Owner." 12

(1) The term includes any of the following:

14 (i) An owner of a private residence, including any
15 person authorized by an owner to act on the owner's
16 behalf to order, contract for or purchase a home
17 improvement.

18 (ii) A person entitled to the performance of the
19 work of a contractor pursuant to a home improvement
20 contract.

(2) An owner of a private residence shall not be
required to reside in the residence to be deemed an owner
under this act.

(3) A person who owns three or more private residences
in this Commonwealth shall not be deemed an owner except with
respect to the person's primary residence or the part of the
building which houses the primary residence of the owner.
"Person." An individual, partnership, limited partnership,
limited liability company, joint venture or corporation.
"Private residence." Any of the following:

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(1) A single family dwelling.

2 (2) A multifamily dwelling consisting of not more than3 three units.

4 (3) A single unit located within any multifamily
5 dwelling, including condominiums and co-op units.

6 "Special order material." Any material, product or equipment that is not a stock item and must be specially ordered from the 7 factory or distributor and which is produced or processed for 8 the contractor for a specific home improvement contract. Special 9 10 order materials are not returnable by the contractor for a refund or credit and have no usefulness for other home 11 improvement contracts because they are specially ordered for a 12 13 specific home improvement contract.

14 "Specifications." The plans, detailed drawings, lists of 15 materials, stated allowances or other methods customarily used 16 in the home improvement industry as a whole to describe with 17 particularity the work, workmanship, materials and quality of 18 materials for each home improvement.

19 "Tenant." A person who has entered into a lease or other 20 contractual arrangement with the owner.

21 Section 3. Registration of contractors.

(a) General rule.--No person shall hold himself out as a
contractor nor shall a person perform any home improvement
without first registering with the bureau as provided for in
this act.

(b) Public access to registration information.--The bureau shall maintain a toll-free telephone number from which a caller can obtain information as to whether a contractor is registered with the bureau pursuant to this act, as well as information that may be obtained on the bureau's website.

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(c) Confidentiality of personal information.--The bureau
 shall create a policy for the disclosure of personal information
 to the public. The bureau may not disclose to the public a
 contractor's Social Security number.

(d) Nongrant or renewal of license.--The Department of
Banking shall not grant or renew a license to any person
registered, or required to be registered, as a home improvement
contractor pursuant to any of the following:

9 (1) The act of December 12, 1980 (P.L.1179, No.219),
10 known as the Secondary Mortgage Loan Act.

(2) The act of December 22, 1989 (P.L.687, No.90), known
as the Mortgage Bankers and Brokers and Consumer Equity
Protection Act.

14 Section 4. Procedures for registration as a contractor.

15 (a) Application.--

16 (1) A person shall apply to the bureau in writing, or
17 electronically via a secure Internet connection, if permitted
18 by the bureau, on a form provided by the bureau. The
19 application shall include the following information:

(i) For an individual applicant, the name, home 20 21 address, home telephone number and driver's license 22 identification number of the applicant or an 23 identification card issued by the Pennsylvania Department of Transportation, as well as the individual's business 24 25 name, address and telephone number if different, and all 26 prior business names and addresses of home improvement businesses. 27

(ii) For a partnership applicant, the name, home address, home telephone number and driver's license identification number of each partner as well as the 20050S1000B1900 - 6 -

partnership name, address and telephone number.

(iii) For a corporation, limited liability company
or limited partnership applicant, the name, home address,
home telephone number and driver's license identification
number of each officer, each director or each individual
holding greater than a 5% stake in the business, as well
as the entity's business name, address and telephone
number.

9 (iv) For an out-of-State corporation, limited 10 liability or limited partnership, the name and address of 11 the entity's resident agent or registered office provider 12 within this Commonwealth and any registration number or 13 license number issued to the entity by its home state or 14 political subdivision of such other state, if applicable.

15 (v) For a joint venture applicant, the name, address 16 and telephone number of the joint venture, as well as the 17 name, address and telephone number of each party to the 18 joint venture. When the parties to a joint venture 19 include business entities, the information required from 20 such entities pursuant to paragraphs (2) and (3) shall 21 also be provided.

(vi) A complete description of the nature of thecontracting business of the applicant.

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(vii) A statement whether:

(A) The individual or individuals making
application, even if doing so as part of a business
entity application, has ever been convicted of a
criminal offense related to a home improvement
transaction, fraud, theft, a crime of deception or a
crime involving fraudulent business practices, as

well as a statement whether the applicant has ever
filed a petition in bankruptcy or within the last ten
years received a final civil judgment entered against
the applicant or businesses in which the applicant
held an interest that was related to a home
improvement transaction.

(B) The applicant's certificate or the
certificate of a business with which the person
making application held an interest has ever been
revoked or suspended pursuant to an order issued by a
court of competent jurisdiction in this Commonwealth
or any other state or political subdivision thereof
and, if so, the current status of the license.

(viii) Whether within the last ten years the
applicant has ever been suspended or debarred from
participating in any Federal, State or local program
through which funding or other assistance is provided to
consumers for home improvements.

19 (ix) Proof of liability insurance covering personal 20 injury in an amount not less than \$50,000 and insurance 21 covering property damage caused by the work of a home 22 improvement contractor in an amount not less than 23 \$50,000.

(2) Information requested in paragraph (1)(i) through
(v) shall be for a ten-year period, prior to the time of
registration. The applicant shall provide information prior
to the last ten years or as further clarification of the
information provided, if the bureau requests such
information.

30 (b) Reporting of multiple registrations or licensures.--Any
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registered contractor in this Commonwealth who is registered or 1 licensed as a home improvement contractor in any other state, or 2 3 political subdivision thereof, shall report this information to 4 the bureau on the initial registration and biennial registration 5 application. Any disciplinary action taken in such other jurisdiction shall be reported to the bureau on the initial 6 registration application or, if such action occurred subsequent 7 8 to submission of an initial application, on the biennial registration application or within 90 days of final disposition, 9 10 whichever is sooner. Multiple registrations or licensures shall 11 be noted by the bureau on the contractor's registration, and such state, or political subdivision thereof, shall be notified 12 13 by the bureau of any disciplinary actions taken against such contractor in this Commonwealth. 14

15 Section 5. Application fees.

16 Each application for a certificate for a home improvement 17 contractor or renewal of that certificate shall be accompanied 18 by a fee of \$50. After completion of the application and payment 19 of the fee, the bureau shall issue the home improvement 20 contractor a registration certificate identifying the name of the individual contractor, name and address of the business and 21 22 a registration number. Renewals shall be on a biennial basis. 23 Section 6. Home improvement contracts.

24 (a) Requirements.--No home improvement contract shall be25 valid or enforceable against an owner unless it:

(1) Is in writing and legible and contains the home
improvement contractor registration number of the performing
contractor.

29 (2) Is signed by all of the following:

30 (i) The owner, his agent or other contracted party. 20050S1000B1900 - 9 - (ii) The contractor or a salesperson on behalf of a
 contractor.

3 (3) Contains the entire agreement between the owner and
4 the contractor, including attached copies of all required
5 notices.

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(4) Contains the date of the transaction.

7 (5) Contains the name, address and telephone number of
8 the contractor. For the purposes of this paragraph, a post
9 office box number alone shall not be considered an address.

10 (6) Contains the approximate starting date and11 completion date.

12 (7) Includes a description of the work to be performed, 13 the materials to be used and a set of specifications that 14 cannot be changed without a written change order signed by 15 the owner and contractor.

16 (8) Includes the total sales price due under the17 contract.

18 (9) Includes the amount of any down payment plus any
19 amount advanced for the purchase of special order materials.
20 The amount of the down payment and the cost of the special
21 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. For the purposes of this paragraph, a post office box number alone shall not be considered an address.

27 (11) Agrees EXCEPT AS PROVIDED IN SECTION 12, AGREES to <-</p>
28 maintain liability insurance covering personal injury in an
29 amount not less than \$50,000 and insurance covering property
30 damage caused by the work of a home improvement contractor in
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an amount not less than \$50,000 and identifies the current
 amount of insurance coverage maintained at the time of
 signing the contract.

4 (b) Right of rescission.--An individual signing a home
5 improvement contract, except as provided in the emergency
6 provisions of section 7 of the Unfair Trade Practices and
7 Consumer Protection Law, shall be permitted to rescind the
8 contract without penalty regardless of where the contract was
9 signed, within three days of the date of signing.

10 (c) Copy to be provided.--A contractor or salesperson shall 11 provide and deliver to the owner, without charge, a completed 12 copy of the home improvement contract at the time the contract 13 is executed which shall contain all required notices.

(d) Arbitration clause.--Nothing in this act shall preclude the court from setting aside an arbitration clause on any basis permitted under Pennsylvania law. If the contract contains an arbitration clause, it shall meet the following requirements or be deemed void by the court upon motion of either party, filed prior to the commencement of arbitration:

(1) The text of the clause must be in capital letters.
(2) 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.

24 (3) The clause shall contain a separate line for each of25 the parties to indicate their assent to be bound thereby.

26 (4) The clause shall not be effective unless both
27 parties have assented as evidenced by signature and date,
28 which shall be the date on which the contract was executed.

29 (5) The clause shall state clearly whether the decision 30 of the arbitration is binding on the parties or may be 20050S1000B1900 - 11 -

appealed to the court of common pleas.

The clause shall state whether the facts of the 2 (6) 3 dispute, related documents and the decision are confidential. 4 (e) Voidable clauses.--If a home improvement contract contains any of the following clauses, the home improvement 5 contract shall be voidable: 6 7 (1) A hold harmless clause. (2) A waiver of Federal, State or local health, life, 8 safety or building code requirements. 9 A confession of judgment clause. 10 (3) A waiver of any right to a jury trial in any action 11 (4) brought by or against the owner. 12 13 (5) (Reserved). (6) An assignment of or order for payment of wages or 14 other compensation for services. 15 16 A provision by which the owner agrees not to assert (7) 17 any claim or defense arising out of the contract. 18 A provision that the contractor shall be awarded (8) 19 attorney fees and costs. 20 (9) A clause by which the owner relieves the contractor from liability for acts committed by the contractor or the 21 22 contractor's agents in the collection of any payments or in 23 the repossession of any goods. A waiver of any rights provided under this act. 24 (10)A provision providing for the automatic or 25 (11)26 recurring renewal of any provisions of the agreement, unless: 27 (i) the contract establishes a procedure by which 28 the consumer can choose not to renew the provision or provisions, thereby avoiding any new fees or charges, by 29 30 providing written notice to the contractor via first 20050S1000B1900 - 12 -

class mail postmarked no later than three business days
 prior to any renewal;

3 (ii) such procedure is clearly and conspicuously
4 disclosed in the agreement; and

5 (iii) the contract includes a provision requiring 6 the contractor to notify the consumer of any automatic or 7 recurring renewal, and the consumer's option to cancel 8 such renewal, by mail not earlier than 20 days and not 9 later than ten days prior to the date of any such 10 renewal.

(f) Home improvement retailer contracts.--A home improvement retailer having a net worth of more than \$50,000,000 or an employee of that retailer shall comply with the provisions of this subsection. No home improvement contract issued by a home improvement retailer having a net worth of more than \$50,000,000 or an employee of that retailer shall be valid or enforceable against an owner unless the contract:

18 (1) Is in writing and legible and contains all of the19 following:

20 (i) The name, address and telephone number of the21 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 agentor other contracted party.

27 (2) Complies with subsections (a)(3), (4), (6), (7), (8)
28 and (9), (b), (c), (d) and (e).

29 (g) Contractor's recovery right.--Nothing in this section 30 shall preclude a contractor who has complied with subsection (a) 20050S1000B1900 - 13 - 1 from the recovery of payment for work performed based on the 2 reasonable value of services which were requested by the owner 3 if a court determines that it would be inequitable to deny such 4 recovery.

5 Section 7. Home improvement fraud.

6 (a) Offense defined.--A person commits the offense of home 7 improvement fraud if, with intent to defraud or injure anyone or 8 with knowledge that he is facilitating a fraud or injury to be 9 perpetrated by anyone, the actor:

10 (1) makes a false or misleading statement to induce, 11 encourage or solicit a person to enter into any written or 12 oral agreement for home improvement services or provision of 13 home improvement materials or to justify an increase in the 14 previously agreed upon price;

15 (2) receives any advance payment for performing home 16 improvement services or providing home improvement materials 17 and fails to perform or provide such services or materials 18 when specified in the contract taking into account any force 19 majeure or unforeseen labor strike that would extend the time 20 frame or unless extended by agreement with the consumer and 21 fails to return the payment received for such services or 22 materials which were not provided by that date;

(3) while soliciting a person to enter into an agreement for home improvement services or materials, misrepresents or conceals the contractor's or salesperson's real name, the name of the contractor's business, the contractor's business address or any other identifying information;

28 (4) damages a person's property with the intent to 29 induce, encourage or solicit that person to enter into a 30 written or oral agreement for performing home improvement 20050S1000B1900 - 14 -

services or providing home improvement materials;

(5) misrepresents himself or another as an employee or agent of the Federal, Commonwealth or municipal government, any other governmental unit or any public utility, with the intent to cause a person to enter into any agreement for performing home improvement services or providing home improvement materials;

8 (6) misrepresents an item as a special order material or
9 to misrepresent the cost of the special order material;

10 (7) alters a home improvement agreement, mortgage, 11 promissory note or other document incident to performing or 12 selling a home improvement without the consent of the 13 consumer; or

14 (8) directly or indirectly publishes a false or
15 deceptive advertisement in violation of State law governing
16 advertising about home improvement.

17 (b) Grading.--

18 (1) A violation of subsection (a)(1), (3), (4), (5), (6)
19 or (7) constitutes:

20 (i) a felony of the third degree if the amount
21 involved exceeds \$2,000; or

(ii) a misdemeanor of the first degree if the amount
involved is \$2,000 or less or if the amount involved
cannot be satisfactorily ascertained.

25 (2) A violation of subsection (a)(2) constitutes:

26 (i) a felony of the third degree if the amount of
27 the payment retained exceeds \$2,000; or

(ii) a misdemeanor of the first degree if the amount
of the payment retained is \$2,000 or less or if the
amount of the payment cannot be satisfactorily

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1 ascertained.

2 (3) Amounts involved pursuant to one scheme or course of
3 conduct, whether involving one or more victims, may be
4 aggregated in determining the grade of the offense pursuant
5 to subsection (a).

6 (4) Where a person commits an offense under subsection 7 (a) and the victim is 60 years of age or older, the grading 8 of the offense shall be one grade higher than specified in 9 paragraphs (1), (2) and (3). This paragraph shall not be 10 applicable to persons whose sentence would be enhanced 11 pursuant to paragraph (5).

12 (5) Notwithstanding any other provisions of this 13 section, where a person commits a second or subsequent offense described in subsection (a), the offense will 14 15 constitute a felony of the second degree regardless of the 16 amount of money involved. For this paragraph to be 17 applicable, the second or subsequent offense must have 18 occurred after the first conviction. Paragraph (4) shall not 19 be applicable to persons whose sentences would be enhanced 20 pursuant to this paragraph.

21 In addition to any other penalty imposed by this (6) act, the court may revoke or suspend the certificate of 22 23 registration issued under section 3. At the time of 24 sentencing, the court shall state the reasons for such 25 revocation or suspension. A person whose registration has 26 been revoked or suspended may petition the court of original 27 jurisdiction for reinstatement after a period of five years 28 from the date of revocation or suspension, or as specified in 29 the court's order.

30 (c) Jurisdiction.--

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(1) The district attorneys of the several counties shall
 have the authority to investigate and to institute criminal
 proceedings for any violation of this section.

4 (2) In addition to the authority conferred upon the 5 Attorney General by the act of October 15, 1980 (P.L.950, 6 No.164), known as the Commonwealth Attorneys Act, the 7 Attorney General shall have the authority to investigate and 8 institute criminal proceedings for any violation of this 9 section or any series of such violations involving more than one county of this Commonwealth or involving any county of 10 this Commonwealth and another state. No person charged with a 11 12 violation of this section by the Attorney General shall have 13 standing to challenge the authority of the Attorney General 14 to investigate or prosecute the case, and, if any such 15 challenge is made, the challenge shall be dismissed and no 16 relief shall be available in the courts of this Commonwealth 17 to the person making the challenge.

18 Section 8. Prohibited acts.

19 No person shall:

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(1) Fail to register as required by this act.

(2) Fail to refund the amount paid for a home improvement within ten days of either the acceptance and execution of a return receipt for certified mail containing a written request for a refund or the refusal to accept the certified mail sent to the contractor's last known address if all of the following apply:

27 (i) No substantial portion of the contracted work28 has been performed at the time of the request.

29 (ii) More than 45 days have elapsed since the
30 starting date specified in the written contract.

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1 (3) Accept a municipal certificate of occupancy or other 2 proof that performance of a home improvement contract is 3 complete or satisfactorily concluded with knowledge that the 4 document or proof is false and the performance is incomplete.

5 (4) Utter, offer or use a completion certificate or 6 other proof that a home improvement contract is complete or 7 satisfactorily concluded when the person knows or has reason 8 to know that the document or proof is false and is made to 9 accomplish any of the following:

10 (i) Make or accept an assignment or negotiation of 11 the right to receive payment under a home improvement 12 contract.

13 (ii) Get or grant credit or a loan on security of 14 the right to receive payment under a home improvement 15 contract.

16 (5) Abandon or fail to perform, without justification,
17 any home improvement contract or project engaged in or
18 undertaken by a contractor. For the purposes of this
19 paragraph, the term "justification" shall include nonpayment
20 by the owner as required under the contract or any other
21 violation of the contract by the owner.

22 (6) Deviate from or disregard plans or specifications,
23 in any material respect, without a written change order dated
24 and signed by both the contractor and owner, which contains
25 the accompanying price changes for each deviation.

(7) Prepare, arrange, accept or participate in the
financing of a home improvement contract with knowledge that
the home improvement contract states a greater monetary
obligation than the actual price of the home improvement.

30 (8) Advertise or offer, by any means, to perform a home
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1 improvement if the person does not intend to do any of the 2 following:

(i) Accept a home improvement contract.

4 (ii) Perform the home improvement.

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5 (iii) Charge for the home improvement at the price6 advertised or offered.

7 (9) Demand or receive any payment for a home improvement
8 before the home improvement contract is signed.

9 (10) For a home improvement contract in which the total 10 price is more than \$1,000, receive a deposit in excess of:

11 (i) one-third of the home improvement contract 12 price; or

13 (ii) one-third of the home improvement contract 14 price in the event special order materials are included. 15 (11) While acting as a salesperson, fail to account for 16 or remit to the contractor whom the salesperson represents a 17 payment received in connection with a home improvement. 18 Section 9. Unfair Trade Practices and Consumer Protection Law. 19 A violation of any of the provisions of this act shall be 20 deemed a violation of the act of December 17, 1968 (P.L.1224, No.387), known as the Unfair Trade Practices and Consumer 21 22 Protection Law. Nothing in this act shall preclude a consumer 23 from exercising any right provided under the Unfair Trade Practices and Consumer Protection Law. 24

25 Section 10. Regulations.

The bureau may adopt rules and regulations necessary to carry out the provisions of this act.

28 Section 11. Preemption of local registration.

29 Registration under this act shall preclude any requirement of 30 payment of a fee or registration or licensing of any home 20050S1000B1900 - 19 -

improvement contractor by any political subdivision. Political 1 2 subdivisions shall be permitted to require building permits and 3 local enforcement of the building code for that political 4 subdivision, for which a reasonable fee may be charged. This 5 provision does not affect a municipality's responsibilities or authority under the act of November 10, 1999 (P.L.491, No.45), 6 7 known as the Pennsylvania Construction Code Act, or the requirements under section 302(e) of the act of June 2, 1915 8 9 (P.L.736, No.338), known as the Workers' Compensation Act, 10 regarding workers' compensation. This provision does not affect 11 existing licensing standards in effect on the effective date of this act, with respect to electricians and plumbers, where 12 13 licensing is conditioned on requirements of testing or 14 possession of certificates obtained through specific training in 15 electricity or plumbing. THIS PROVISION DOES NOT AFFECT STANDARDS FOR LIABILITY INSURANCE ADOPTED BY A MUNICIPALITY 16 PRIOR TO JANUARY 1, 2006, AND WHICH ARE IN EFFECT ON THE 17 18 EFFECTIVE DATE OF THIS SECTION.

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19 Section 12. Exemptions.

20 This act shall not apply to any of the following persons or 21 organizations:

22 (1) The Commonwealth, or any of its political23 subdivisions.

24 (2) The Federal Government.

25 SECTION 13. APPLICABILITY.

THIS ACT SHALL NOT APPLY TO LOCAL REGULATIONS, RELATING TO LIABILITY INSURANCE COVERAGE FOR CONTRACTORS WHICH WERE ADOPTED BY A MUNICIPALITY PRIOR TO JANUARY 1, 2006, AND WHICH ARE IN EFFECT ON THE EFFECTIVE DATE OF THIS SECTION.

30 Section <del>13</del> 14. Repeal.

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1 All acts and parts of acts are repealed insofar as they are

- 2 inconsistent with this act.
- 3 Section 20. Effective date.
- 4 This act shall take effect in 180 days.