

**ROBERT M. TOMLINSON**  
6TH DISTRICT

MAR 09 2011

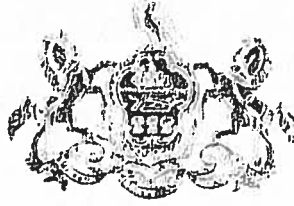
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**Senate of Pennsylvania**

March 9, 2011

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ADVISORY BOARD, DELAWARE VALLEY VETERANS HOME

TO: All Senators  
FROM: Senator Robert M. Tomlinson  
SUBJECT: Co-Sponsorship Memo #31 – Home Improvement Consumer Protection Act

Please join me in cosponsoring legislation that would amend Act No. 132 of 2008, known as the Home Improvement Consumer Protection Act.

The bill would define “Home improvement retailer,” as a person, whether or not the person is registered under this act, who sells materials for use in home improvement contracts.

Under present law, applicants must show proof of insurance. The bill would amend the law to permit proof of insurance to include information indicating that the applicant is self insured and the bureau may determine the sufficiency of the self-insurance and the manner in which it is maintained in compliance with this act.

This legislation would also create a restricted revenue account known as the Home Improvement Account in the State Treasury. All fees and penalties collected under this act prior to the implementation of this bill would be deposited into this account.

The bill would raise the amount of the contract level, for which the contractor may only collect one third of the contract price from \$1,000 to \$5,000.

A new provision would be added for home improvement retailers to permit them to collect the total amount of the contract. Home improvement retailers would be permitted to post an irrevocable letter of credit payable to the bureau in the amount of \$100,000 per store location, but may not exceed \$1,000,000 for a home improvement retailer that has multiple stores. These retailers must verify that their contractors are registered under this act and have proof of liability insurance.

Under this section, a home owner with a dispute with a home improvement retailer or its contractor may file a complaint with the bureau. If the bureau finds that the home improvement retailer is in default of the contract, the bureau may draw upon the letter of credit.

Any home improvement retailer with two draws on an irrevocable letter of credit issued for the purposes of this subparagraph shall be prohibited from posting another irrevocable letter of credit for 5 years and would be required to comply with the one-third deposit requirements.

The information below indicates the prior session's bill number and cosponsor.  
SB 973 TOMLINSON AND BOSCOLA

If you are interested in co-sponsoring this legislation, please contact Mary Walmer of my office at 787-5072 or [mwalmer@pasen.gov](mailto:mwalmer@pasen.gov).

RMT/mc