

HOME IMPROVEMENT CONSUMER PROTECTION ACT - PROCEDURES FOR  
REGISTRATION AS A CONTRACTOR AND HOME IMPROVEMENT CONTRACTS

Act of Oct. 22, 2014, P.L. 2567, No. 160

Cl. 12

Session of 2014

No. 2014-160

HB 1543

AN ACT

Amending the act of October 17, 2008 (P.L.1645, No.132),  
entitled "An act providing for the regulation of home  
improvement contracts and for the registration of certain  
contractors; prohibiting certain acts; and providing for  
penalties," providing for the definition of "time and  
materials"; and further providing for procedures for  
registration as a contractor and for home improvement  
contracts.

The General Assembly of the Commonwealth of Pennsylvania  
hereby enacts as follows:

Section 1. Section 2 of the act of October 17, 2008  
(P.L.1645, No.132), known as the Home Improvement Consumer  
Protection Act, is amended by adding a definition to read:  
Section 2. Definitions.

The following words and phrases when used in this act shall  
have the meanings given to them in this section unless the  
context clearly indicates otherwise:

\* \* \*

**"Time and materials."** A construction practice where the  
contractor and owner agree that the contractor will perform the  
home improvement and the owner will pay the contractor under  
the home improvement contract based on the actual cost of labor  
at a specified hourly rate and the actual costs of materials  
and use of equipment, plus an agreed-upon percentage of the  
total actual costs or a fixed amount, over and above the actual  
costs, to cover the contractor's fee and overhead costs  
reasonably incurred in the performance of the home improvement.

Section 2. Section 4 of the act is amended by adding a  
subsection to read:

Section 4. Procedures for registration as a contractor.

\* \* \*

**(c) Reporting of changes in registration information.--Any  
contractor required to register under this act shall update the  
information required to be included in the contractor's  
application for registration within 30 days after any change  
in the required information. No fee shall be required for  
updating the information in an active registration.**

Section 3. Section 7(a)(8) of the act is amended to read:  
Section 7. Home improvement contracts.

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

\* \* \*

**(8) Includes the total sales price due under the  
contract or includes a time and materials provision wherein  
the contractor and owner agree in writing to the  
performance of the home improvement by the contractor and  
payment for the home improvement by the owner, based on  
time and materials. If the contract includes a time and  
materials provision:**

(i) The contractor shall provide an initial cost estimate in writing to the owner before any performance of the home improvement commences.

(ii) The contract shall state:

(A) The dollar value of the initial cost estimate for the services to be performed under the time and materials provision.

(B) That the cost of the services to be performed under the time and materials provision may not exceed 10% above the dollar value indicated in the initial cost estimate.

(C) The total potential cost of the services to be performed under the time and materials provision, including the initial cost estimate and the 10% referenced in clause (B), expressed in actual dollars.

(D) A statement that the cost of the services to be performed under the time and materials provision shall not be increased over the initial cost estimate plus a 10% increase without a written change order signed by the owner and contractor.

\* \* \*

Section 4. This act shall take effect immediately.

APPROVED--The 22nd day of October, A.D. 2014.

TOM CORBETT