

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 507 Session of 2007

INTRODUCED BY McCALL, BENNINGTON, BIANCUCCI, BUXTON, CALTAGIRONE, CAPPELLI, CARROLL, COHEN, COSTA, CURRY, DALLY, DeLUCA, EACHUS, FABRIZIO, FRANKEL, GEIST, GERGELY, GOODMAN, GRUCELA, HARHAI, HENNESSEY, HESS, JAMES, JOSEPHS, KENNEY, KING, KIRKLAND, KORTZ, KULA, LEACH, LEVDANSKY, MAHONEY, MANDERINO, McGEEHAN, MELIO, MUSTIO, O'NEILL, PALLONE, PASHINSKI, PETRONE, READSHAW, REICHLEY, SABATINA, SANTONI, SCAVELLO, SIPTROTH, SOLOBAY, STAIRS, STEIL, SURRA, J. TAYLOR, WALKO, WATSON, J. WHITE, WOJNAROSKI, YOUNGBLOOD, YUDICHAK AND W. KELLER, MARCH 6, 2007

AS REPORTED FROM COMMITTEE ON CONSUMER AFFAIRS, HOUSE OF REPRESENTATIVES, AS AMENDED, MAY 22, 2007

AN ACT

1 Providing for the regulation of home improvement contracts and
2 for the registration of certain contractors; prohibiting
3 certain acts; providing for penalties; establishing the Home
4 Improvement Guaranty Fund; and providing for claims against
5 the fund.

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

8 Section 1. Short title.

9 This act shall be known and may be cited as the Home
10 Improvement Consumer Protection Act.

11 Section 2. Definitions.

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

15 "Arbitration clause." A process in which a neutral

1 arbitrator or panel of neutral arbitrators is engaged by the
2 parties to settle a dispute between a contractor and an owner.

3 "ASSURANCE OF VOLUNTARY COMPLIANCE." AS DEFINED IN SECTION 5 ←
4 OF THE ACT OF DECEMBER 17, 1968 (P.L.1224, NO.387), KNOWN AS THE
5 UNFAIR TRADE PRACTICES AND CONSUMER PROTECTION LAW.

6 "Bureau." The Bureau of Consumer Protection in the Office of
7 Attorney General.

8 "Certificate." A certificate of registration as a
9 contractor, issued by the Bureau of Consumer Protection, which
10 contains a registration number assigned by the Bureau of
11 Consumer Protection.

12 "Contractor." Any person who owns and operates a home
13 improvement business or who undertakes, offers to undertake or
14 agrees to perform any home improvement. The term includes a
15 subcontractor or independent contractor who has contracted with
16 a home improvement retailer, regardless of the retailer's net
17 worth, to provide home improvement services to the retailer's
18 customers. The term does not include any of the following:

19 (1) A person for whom the total cash value of all of
20 that person's home improvements was less than \$5,000 during
21 the previous taxable year.

22 (2) A home improvement retailer having a net worth of
23 more than \$50,000,000 or an employee of that retailer.

24 "Fund." The Home Improvement Guaranty Fund established in
25 section 13.

26 "Home improvement."

27 (1) The term includes all of the following done in
28 connection with land or a portion of the land adjacent to a
29 private residence or a building or a portion of the building
30 which is used or designed to be used as a private residence

1 for which the total cash price of all work agreed upon
2 between the contractor and owner is more than \$500.

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

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

14 (iii) Without regard to affixation, the installation
15 of central heating or air conditioning or storm windows
16 or awnings.

17 (2) The term does not include:

18 (i) The construction of a new home.

19 (ii) The sale of goods or materials by a seller who
20 neither arranges to nor performs, directly or indirectly,
21 any work or labor in connection with the installation or
22 application of the goods or materials.

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

26 (iv) The sale of appliances, including stoves,
27 refrigerators, freezers, room air conditioners and others
28 which are designed for and are easily removable from the
29 premises without material alteration.

30 (v) Any work performed without compensation by the

1 owner of the owner's private residence or residential
2 rental property.

3 (vi) Any work performed by a landscaper certified by
4 the Department of Agriculture under the act of December
5 16, 1992 (P.L.1228, No.162), known as the Plant Pest Act,
6 except to the extent that the work involves any of the
7 following at a private residence:

8 (A) The construction, replacement, installation
9 or improvement of buildings, driveways, swimming
10 pools, porches, garages, roofs, siding, insulation,
11 solar energy systems, security systems, flooring,
12 patios, nondecorative fences, doors, lighting
13 systems, concrete walkways and windows.

14 (B) The placement of retaining walls, fountains
15 or drainage systems.

16 (vii) Emergency work pursuant to section 7 of the
17 act of December 17, 1968 (P.L.1224, No.387), known as the
18 Unfair Trade Practices and Consumer Protection Law.

19 "Home improvement contract." An agreement between a
20 contractor, subcontractor or salesperson and an owner for the
21 performance of a home improvement which includes all agreements
22 for labor, services and materials to be furnished and performed
23 under the contract.

24 "Owner."

25 (1) The term includes any of the following:

26 (i) An owner of a private residence, including any
27 person authorized by an owner to act on the owner's
28 behalf to order, contract for or purchase a home
29 improvement.

30 (ii) A person entitled to the performance of the

1 work of a contractor pursuant to a home improvement
2 contract.

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

6 ~~(3) A person who owns three or more private residences~~ ←
7 ~~in this Commonwealth shall not be deemed an owner except with~~
8 ~~respect to the person's primary residence or the part of the~~
9 ~~building which houses the primary residence of the owner.~~

10 "Person." An individual, partnership, limited partnership,
11 limited liability company, joint venture or corporation.

12 "Private residence." Any of the following:

13 (1) A single family dwelling.

14 (2) A multifamily dwelling consisting of not more than
15 ~~three~~ TWO units. ←

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

18 "Special order material." Any material, product or equipment
19 that is not a stock item and must be specially ordered from the
20 factory or distributor and which is produced or processed for
21 the contractor for a specific home improvement contract. Special
22 order materials are not returnable by the contractor for a
23 refund or credit and have no usefulness for other home
24 improvement contracts because they are specially ordered for a
25 specific home improvement contract.

26 "Specifications." The plans, detailed drawings, lists of
27 materials, stated allowances or other methods customarily used
28 in the home improvement industry as a whole to describe with
29 particularity the work, workmanship, materials and quality of
30 materials for each home improvement.

1 ~~"Tenant." A person who has entered into a lease or other~~ <—
2 ~~contractual arrangement with the owner.~~

3 Section 3. Registration of contractors.

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

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

13 (c) Confidentiality of personal information.--The bureau
14 shall create a policy for the disclosure of personal information
15 to the public. The bureau may not disclose to the public a
16 contractor's Social Security number, driver's license number or
17 any confidential information prohibited by law FROM BEING <—
18 DISCLOSED.

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

23 (D) NO DUAL LICENSES.--A PERSON REGISTERED, OR REQUIRED TO <—
24 BE REGISTERED, AS A HOME IMPROVEMENT CONTRACTOR UNDER THIS ACT
25 SHALL NOT BE ELIGIBLE TO OBTAIN OR RENEW A LICENSE UNDER ANY OF
26 THE FOLLOWING:

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

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

1 Protection Act.

2 (e) Liability.--No business entity registered pursuant to
3 this act shall be relieved of responsibility under this act for
4 the conduct and acts of its agents, employees, officers or
5 directors, nor shall any person be relieved of responsibility
6 under this act by reason of his employment or relationship with
7 such business entity.

8 (f) Effects of unregistered status.--No unregistered
9 contractor shall have standing to sue, countersue or raise a
10 defense of nonpayment in any dispute arising from a home
11 improvement. No unregistered contractor may file a mechanic's
12 lien with respect to a home improvement.

13 Section 4. Procedures for registration as a contractor.

14 (a) Application.--

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

19 (i) For an individual applicant, all of the
20 following:

21 (A) Name.

22 (B) Date of birth.

23 (C) Home address and home telephone number.

24 (D) Driver's license number or an identification
25 card issued by the state in which the individual
26 resides.

27 (E) Business name, address and telephone number.

28 (F) Federal employer identification number, if
29 available.

30 (G) Social Security number.

1 (H) All prior business names and addresses of
2 home improvement businesses operated by the
3 individual.

4 (ii) For a GENERAL partnership applicant, all of the <—
5 following:

6 (A) Name of each partner.

7 (B) Date of birth of each partner.

8 (C) Home address and home telephone number of
9 each partner.

10 (D) Driver's license number or an identification
11 card issued by the state in which the partner
12 resides, of each partner.

13 (E) Partnership name, address and telephone
14 number.

15 (F) Federal employer identification number, if
16 available.

17 (G) Social Security number of each partner.

18 (H) All prior business names and addresses of
19 home improvement businesses operated by each partner.

20 (iii) For a corporation, limited liability company
21 or limited partnership, all of the following:

22 (A) Name of each officer, MANAGER AND GENERAL <—
23 PARTNER.

24 (B) Date of birth of each officer, MANAGER AND <—
25 GENERAL PARTNER.

26 (C) Home address and home telephone number of
27 each officer, MANAGER AND GENERAL PARTNER. <—

28 (D) Driver's license number or an identification
29 card issued by the state in which the officer <—

30 INDIVIDUAL resides, of each officer, MANAGER AND <—

1 GENERAL PARTNER.

2 (E) Entity's name, address and telephone number.

3 (F) Federal employer identification number, if
4 available.

5 (G) Social Security number of each officer, <—
6 MANAGER AND GENERAL PARTNER.

7 (H) ~~Each~~ THE NAME OF EACH director or each <—
8 individual holding greater than a 5% stake in the
9 entity.

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

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

23 (vi) A complete description of the nature of the
24 contracting business of the applicant.

25 (vii) A statement whether:

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

1 crime involving fraudulent business practices, as
2 well as a statement whether the applicant has ever
3 filed a petition in bankruptcy or within the last ten
4 years received a final civil judgment entered against
5 the applicant or businesses in which the applicant
6 held an interest that was related to a home
7 improvement transaction.

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

15 (B) THE APPLICANT'S CERTIFICATE OR A SIMILAR ←
16 CERTIFICATE OR LICENSE ISSUED BY ANY OTHER STATE OR
17 POLITICAL SUBDIVISION THEREOF HAS EVER BEEN REVOKED
18 OR SUSPENDED PURSUANT TO AN ORDER ISSUED BY A COURT
19 OF COMPETENT JURISDICTION AND, IF SO, THE CURRENT
20 STATUS OF THE CERTIFICATE OR SIMILAR CERTIFICATE OR
21 LICENSE. THE STATEMENT REQUIRED BY THIS CLAUSE SHALL
22 INCLUDE THE SAME INFORMATION WITH RESPECT TO ANY
23 OTHER BUSINESS IN WHICH THE PERSON MAKING APPLICATION
24 HAS OR HAS EVER HAD AN INTEREST.

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

30 (ix) Proof of general liability insurance covering

1 personal injury and property damage caused by the work of
2 a home improvement contractor.

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

9 (b) Reporting of multiple registrations or licensures.--Any
10 registered contractor in this Commonwealth who is registered or
11 licensed as a home improvement contractor in any other state, or
12 political subdivision thereof, shall report this information to
13 the bureau on the initial ~~registration and~~ AND EACH biennial <—
14 registration application. Any disciplinary action taken in such
15 other jurisdiction shall be reported to the bureau on the
16 initial registration application or, if such action occurred
17 subsequent to submission of an initial application, on the
18 biennial registration application or within 90 days of final
19 disposition OF THE ACTION, whichever is sooner. Multiple <—
20 registrations or licensures shall be noted by the bureau on the
21 contractor's registration, and such state, or political
22 subdivision thereof, shall be notified by the bureau of any
23 disciplinary actions taken against such contractor in this
24 Commonwealth.

25 Section 5. Application fees.

26 Each application for a certificate for a home improvement
27 contractor or renewal of that certificate shall be accompanied
28 by a fee of \$50. After completion of the application and payment
29 of the fee, the bureau shall issue the home improvement
30 contractor a registration certificate identifying the name of

1 the individual contractor, name and address of the business and
2 a registration number. Renewals shall be on a biennial basis.

3 Section 6. Proof of registration.

4 A contractor shall include its registration number in all
5 advertisements, including business cards, distributed within
6 this Commonwealth and on all contracts, estimates and proposals
7 with consumers of home improvement services in this
8 Commonwealth.

9 Section 7. Home improvement contracts.

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

12 (1) Is in writing and legible and contains the home
13 improvement contractor registration number of the ~~performing~~ <—
14 contractor.

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

16 (i) The owner, ~~his agent or other contracted party~~ <—
17 OR HIS AGENT. <—

18 (ii) The contractor or ~~a salesperson on behalf of a~~ <—
19 ~~contractor~~ HIS AGENT. <—

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

23 (4) Contains the date ~~of the transaction~~ THE CONTRACT <—
24 WAS SIGNED.

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

28 (6) Contains the approximate starting date and
29 completion date FOR THE WORK DESCRIBED IN THE CONTRACT. <—

30 (7) Includes a description of the work to be performed,

1 the materials to be used and a set of specifications that
2 cannot be changed without a written change order signed by
3 the owner and contractor.

4 (8) Includes the total sales price due under the
5 contract.

6 (9) Includes the amount of any down payment plus any
7 amount advanced for the purchase of special order materials.
8 The amount of the down payment and the cost of the special
9 order materials must be listed separately.

10 (10) Includes the names, addresses and telephone numbers
11 of all subcontractors on the project known at the date of
12 signing the contract. For the purposes of this paragraph, a
13 post office box number alone shall not be considered an
14 address.

15 (11) Except as provided in section ~~19~~ 12, provides that <—
16 the contractor agrees to maintain liability insurance
17 covering personal injury in an amount not less than ~~\$50,000~~ <—
18 \$300,000 and insurance covering property damage caused by the <—
19 work of a home improvement contractor in an amount not less
20 than ~~\$50,000~~ \$300,000 and identifies the current amount of <—
21 insurance coverage maintained at the time of signing the
22 contract.

23 (12) Includes the toll-free telephone number under
24 section 3(b) AND A NOTICE OF THE RIGHT OF RESCISSION UNDER <—
25 SUBSECTION (B).

26 (b) Right of rescission.--An individual signing a home
27 improvement contract, except as provided in the emergency
28 provisions of section 7 of the act of December 17, 1968
29 (P.L.1224, No.387), known as the Unfair Trade Practices and
30 Consumer Protection Law, shall be permitted to rescind the

1 contract without penalty regardless of where the contract was
2 signed, within three ~~days of the date of signing.~~ BUSINESS DAYS <—
3 FOLLOWING THE DATE OF SIGNING. A HOME IMPROVEMENT CONTRACT THAT
4 DOES NOT CONTAIN A NOTICE OF THIS RIGHT OF RESCISSION IS
5 VOIDABLE BY THE OWNER.

6 (c) Copy to be provided.--A contractor or salesperson shall
7 provide and deliver to the owner, without charge, a completed
8 copy of the home improvement contract at the time the contract
9 is executed ~~which shall contain all required notices.~~ <—

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

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

17 (2) The text shall be printed in 12-point boldface type
18 and the arbitration clause must appear on a separate page
19 from the rest of the contract.

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

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

25 (5) The clause shall state clearly whether the decision
26 of the arbitration is binding on the parties or may be
27 appealed to the court of common pleas.

28 (6) The clause shall state whether the facts of the
29 dispute, related documents and the decision are confidential.

30 (e) Voidable clauses.--If a home improvement contract

1 contains any of the following clauses, the home improvement
2 contract shall be voidable BY THE OWNER: <—

3 (1) A hold harmless clause IN FAVOR OF THE CONTRACTOR. <—

4 (2) A waiver of Federal, State or local health, life,
5 safety or building code requirements.

6 (3) A confession of judgment clause AGAINST THE OWNER. <—

7 (4) A waiver BY THE OWNER of any right to a jury trial <—
8 in any action brought by or against the owner.

9 ~~(5) (Reserved).~~ <—

10 ~~(6) An assignment~~ (5) AN ASSIGNMENT BY THE OWNER of or <—
11 order for payment of wages or other compensation ~~for services~~ <—
12 BY THE OWNER FOR SERVICES PERFORMED BY THE CONTRACTOR. <—

13 ~~(7)~~ (6) A provision by which the owner agrees not to <—
14 assert any claim or defense arising out of the contract.

15 ~~(8)~~ (7) A provision that the contractor shall be awarded <—
16 attorney fees and costs.

17 ~~(9)~~ (8) A clause by which the owner relieves the <—
18 contractor from liability for acts committed by the
19 contractor or the contractor's agents in the collection of
20 any payments or in the repossession of any goods.

21 ~~(10) A waiver~~ (9) A WAIVER BY THE OWNER of any rights <—
22 provided under this act.

23 ~~(11)~~ (10) A provision providing for the automatic or <—
24 recurring renewal of any provisions of the agreement, unless:

25 (i) the contract establishes a procedure by which
26 the ~~consumer~~ OWNER can choose not to renew the provision <—
27 or provisions, thereby avoiding any new fees or charges,
28 by providing written notice to the contractor via first
29 class mail postmarked no later than three business days
30 prior to any renewal;

1 (ii) such procedure is clearly and conspicuously
2 disclosed in the agreement; and

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

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

16 (1) Is in writing and legible and contains all of the
17 following:

18 (i) The name, address and telephone number of the
19 retailer.

20 (ii) The name of the ~~person signing the contract on~~ <—
21 ~~behalf of the retailer and the person's position with the~~
22 ~~retailer or the person's authority to sign the contract.~~
23 RETAILER'S AGENT AND THE AGENT'S POSITION WITH THE <—
24 RETAILER.

25 (iii) The signature of the owner, the owner's agent
26 or 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)

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 8. Home improvement fraud.

6 (a) Offense defined.--A person commits the offense of home
7 improvement fraud if the person intentionally or knowingly:

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

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

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

27 (4) SUBSEQUENT TO ENTERING INTO AN AGREEMENT FOR HOME ←
28 IMPROVEMENT SERVICES OR MATERIALS, CHANGES THE NAME OF THE
29 CONTRACTOR'S BUSINESS, LIABILITY INSURANCE INFORMATION, THE
30 CONTRACTOR'S BUSINESS ADDRESS OR ANY OTHER IDENTIFYING

1 INFORMATION WITHOUT ADVISING THE OWNER IN WRITING WITHIN TEN
2 DAYS FOLLOWING ANY SUCH CHANGE;

3 ~~(4)~~ (5) damages a person's property with the intent to <—
4 induce, encourage or solicit that person to enter into a
5 written or oral agreement for performing home improvement
6 services or providing home improvement materials;

7 ~~(5)~~ (6) misrepresents himself or another as an employee <—
8 or agent of the Federal, Commonwealth or municipal
9 government, any other governmental unit or any public
10 utility, with the intent to cause a person to enter into any
11 agreement for performing home improvement services or
12 providing home improvement materials;

13 ~~(6)~~ (7) misrepresents an item as a special order <—
14 material or to misrepresent the cost of the special order
15 material;

16 ~~(7)~~ (8) alters a home improvement agreement, mortgage, <—
17 promissory note or other document incident to performing or
18 selling a home improvement without the consent of the
19 consumer; or

20 ~~(8)~~ (9) directly or indirectly publishes a false or <—
21 deceptive advertisement in violation of State law governing
22 advertising about home improvement.

23 (b) Grading.--

24 (1) A violation of subsection (a)(1), (3), ~~(4), (5), (6)~~ <—
25 ~~or (7)~~ (5), (6), (7) OR (8) constitutes: <—

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

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

1 (2) A violation of subsection (a)(2) constitutes:
2 (i) a felony of the third degree if the amount of
3 the payment retained exceeds \$2,000; or
4 (ii) a misdemeanor of the first degree if the amount
5 of the payment retained is \$2,000 or less or if the
6 amount of the payment cannot be satisfactorily
7 ascertained.

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

12 (4) Where a person commits an offense under subsection
13 (a) and the victim is 60 years of age or older, the grading
14 of the offense shall be one grade higher than specified in
15 paragraphs (1), (2) and (3). This paragraph shall not be
16 applicable to ~~persons~~ A PERSON whose sentence would be ←
17 enhanced pursuant to paragraph (5).

18 (5) Notwithstanding any other provisions of this
19 section, where a person commits a second or subsequent
20 offense described in subsection (a), the offense will
21 constitute a felony of the second degree regardless of the
22 amount of money involved. For this paragraph to be
23 applicable, the second or subsequent offense must have
24 occurred after the first conviction. Paragraph (4) shall not
25 be applicable to ~~persons whose sentences~~ A PERSON WHOSE ←
26 SENTENCE would be enhanced pursuant to this paragraph.

27 (6) In addition to any other penalty imposed by this
28 act, the court may revoke or suspend the certificate of
29 registration issued under section 3. At the time of
30 sentencing, the court shall state the reasons for such

1 revocation or suspension. A person whose registration has
2 been revoked or suspended may petition the court of original
3 jurisdiction for reinstatement after a period of five years
4 from the date of revocation or suspension, or as specified in
5 the court's order.

6 (c) Jurisdiction.--

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

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

24 Section 9. Prohibited acts.

25 ~~No person shall:~~ (A) SPECIFIC CONDUCT.--NO PERSON SHALL: <—

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

27 (2) Fail to refund the amount paid for a home
28 improvement within ten days of either the acceptance and
29 execution of a return receipt for certified mail containing a
30 written request for a refund or the refusal to accept the

1 certified mail sent to the contractor's last known address if
2 all of the following apply:

3 (i) No substantial portion of the contracted work
4 has been performed at the time of the request.

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

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

11 (4) Utter, offer or use a completion certificate or
12 other proof that a home improvement contract is complete or
13 satisfactorily concluded when the person knows or has reason
14 to know that the document or proof is false and is made to
15 accomplish any of the following:

16 (i) Make or accept an assignment or negotiation of
17 the right to receive payment under a home improvement
18 contract.

19 (ii) Get or grant credit or a loan on security of
20 the right to receive payment under a home improvement
21 contract.

22 (5) Abandon or fail to perform, without justification,
23 any home improvement contract or project engaged in or
24 undertaken by a contractor. For the purposes of this
25 paragraph, the term "justification" shall include nonpayment
26 by the owner as required under the contract or any other
27 violation of the contract by the owner.

28 (6) Deviate from or disregard plans or specifications,
29 in any material respect, without a written change order dated
30 and signed by both the contractor and owner, which contains

1 the accompanying price changes for each deviation.

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

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

9 (i) Accept a home improvement contract.

10 (ii) Perform the home improvement.

11 (iii) Charge for the home improvement at the price
12 advertised or offered.

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

15 (10) For a home improvement contract in which the total
16 price is more than \$1,000, receive a deposit in excess of+ <—

17 ~~(i) one third of the home improvement contract~~
18 ~~price; or~~

19 ~~(ii) one third of the home improvement contract~~
20 ~~price in the event special order materials are included.~~

21 ONE-THIRD OF THE HOME IMPROVEMENT CONTRACT PRICE, PLUS <—
22 THE TOTAL COST OF SPECIAL ORDER MATERIALS THAT HAVE BEEN
23 ORDERED.

24 (11) While acting as a salesperson, fail to account for
25 or remit to the contractor whom the salesperson represents a
26 payment received in connection with a home improvement.

27 (B) CRIMINAL PENALTY.--IN ADDITION TO ANY OTHER PENALTY <—
28 PROVIDED BY LAW, A PERSON WHO KNOWINGLY VIOLATES ANY PROVISION
29 OF THIS ACT FOR WHICH A CRIMINAL PENALTY IS NOT OTHERWISE
30 PROVIDED COMMITS A SUMMARY OFFENSE SUBJECT TO THE FINE

1 ESTABLISHED IN 18 PA.C.S § 1101 (RELATING TO FINES) AND THE
2 SENTENCE ESTABLISHED IN 18 PA.C.S. § 1105 (RELATING TO SENTENCE
3 OF IMPRISONMENT FOR SUMMARY OFFENSES).

4 Section 10. Unfair Trade Practices and Consumer Protection Law.

5 A violation of any of the provisions of this act shall be
6 deemed a violation of the act of December 17, 1968 (P.L.1224,
7 No.387), known as the Unfair Trade Practices and Consumer
8 Protection Law. Nothing in this act shall preclude a consumer
9 from exercising any right provided under the Unfair Trade
10 Practices and Consumer Protection Law.

11 Section 11. Regulations.

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

14 Section 12. Preemption of local registration.

15 Registration under this act shall preclude any requirement of
16 payment of a fee or registration or licensing of any home
17 improvement contractor by any political subdivision. Political
18 subdivisions shall be permitted to require building permits and
19 local enforcement of the building code for that political
20 subdivision, for which a reasonable fee may be charged. This
21 provision does not affect a municipality's responsibilities or
22 authority under the act of November 10, 1999 (P.L.491, No.45),
23 known as the Pennsylvania Construction Code Act, or the
24 requirements under section 302(e) of the act of June 2, 1915
25 (P.L.736, No.338), known as the Workers' Compensation Act,
26 regarding workers' compensation. This provision does not affect
27 existing licensing standards in effect on the effective date of
28 this act, with respect to electricians, plumbers, sheet metal
29 workers, warm air installers and fire suppression workers, where
30 licensing is conditioned on requirements of testing or

1 possession of certificates obtained through specific training in
2 electricity, plumbing, sheet metal work, warm air installation
3 and fire suppression. This provision does not affect standards
4 for liability insurance adopted by a municipality prior to
5 January 1, 2006, and which are in effect on the effective date
6 of this section.

7 Section 13. Home Improvement Guaranty Fund.

8 (a) Establishment.--The Home Improvement Guaranty Fund is
9 hereby established in the State Treasury and shall be
10 administered by the bureau in accordance with this act. ALL ←
11 MONEYS DEPOSITED INTO THE FUND SHALL NOT BE CONSIDERED GENERAL
12 REVENUE OF THE COMMONWEALTH BUT SHALL BE USED ONLY TO EFFECTUATE
13 THE PURPOSES OF THIS ACT.

14 (b) Biennial fund fee.--Each contractor who applies for a
15 certificate, or renewal thereof, pursuant to this act shall pay
16 a fee of \$100 biennially to the fund. The fee shall be payable
17 with the fee for an application for a certificate or renewal
18 thereof as provided in section 5 and shall be refunded in full
19 in the event the applicant is denied a certificate.

20 (c) Minimum balance.--

21 (1) Payments received under subsection (b) shall be
22 credited to the fund which shall maintain a balance of at
23 least \$2,000,000. If the bureau finds that, because of
24 pending claims, the amount of the fund may fall below
25 \$1,000,000, the bureau shall assess each contractor \$25.
26 However, under this subsection the bureau may not make more
27 than one assessment in any calendar year.

28 (2) Failure to make payments to the fund as required by
29 this act shall result in suspension of registration. Barring
30 the existence of other grounds for suspension or revocation

1 of registration, the contractor's certificate of registration
2 shall be reinstated upon full payment of all the required
3 fees.

4 (d) Investment.--The moneys of the fund shall be invested
5 and the interest arising from the investments shall be credited
6 to the fund.

7 (e) Waiver of biennial fund fee.--In the event that the
8 bureau finds that the fund is adequately funded, the bureau
9 shall, during the first month of each fiscal year, adjust or
10 waive any biennial fund fee for the fiscal year.

11 Section 14. Claims against fund.

12 (a) General rule.--An owner may be compensated from the fund
13 for an actual loss that results from an act or omission BY A <—
14 CONTRACTOR IN THE PERFORMANCE OF SERVICES UNDER A HOME
15 IMPROVEMENT CONTRACT or a violation of this act by a registered <—
16 contractor as found by a court of competent jurisdiction, upon
17 the final determination of or expiration of time for appeal in
18 connection with any such judgment OR IF AN OWNER IS PREVENTED <—
19 FROM COLLECTING THE ENTIRETY OF A FINAL JUDGMENT AS A RESULT OF
20 THE CONTRACTOR'S FILING FOR BANKRUPTCY PROTECTION UNDER FEDERAL
21 LAW. In the event the bureau and a contractor enter into an
22 assurance of voluntary compliance, ~~as described in section 5 of~~ <—
23 ~~the act of December 17, 1968 (P.L.1224, No.387), known as the~~
24 ~~Unfair Trade Practices and Consumer Protection Law,~~ which
25 requires payment of restitution to an owner and the contractor
26 fails to pay as required by the terms of the assurance of
27 voluntary compliance, the bureau shall issue an order of payment
28 from the fund to the owner. The payment made pursuant to an
29 assurance of voluntary compliance shall be considered a claim
30 for purposes of reimbursement of the fund; however, subsection

1 ~~(g)~~ (F) shall not be applicable. <—

2 (b) Acts of subcontractors and employees.--For purposes of
3 recovery from the fund, the act or omission of a ~~registered~~ <—
4 contractor includes the act or omission of a subcontractor or
5 employee of the ~~registered~~ contractor whether or not any express <—
6 agency relationship exists so long as the subcontractor or
7 employee acted within the scope of the home improvement
8 contract.

9 ~~(c) Denial of claim. The bureau may deny a claim if the~~ <—
10 ~~bureau finds that the claimant:~~

11 ~~(1) unreasonably rejected good faith efforts by the~~
12 ~~contractor to resolve the claim; or~~

13 ~~(2) failed to make good faith efforts to collect the~~
14 ~~amount due from the contractor.~~

15 ~~(d)~~ (C) Limitation on recovery.-- <—

16 (1) The bureau may not provide from the fund:

17 (i) More than \$10,000 to one ~~claimant~~ OWNER for acts <—
18 or omissions of one contractor.

19 (ii) More than \$50,000 to all ~~claimants~~ OWNERS for <—
20 acts or omissions of one contractor unless, after the
21 bureau has paid out \$50,000 on account of acts or
22 omissions of the contractor, the contractor reimburses
23 the fund. However, in no case shall any one contractor be
24 indebted, at any one time, to the fund for more than
25 \$50,000.

26 (iii) An amount for any attorney fees, consequential
27 damages, court costs, interest, personal injury damages
28 or punitive damages, EXCEPT AS MAY BE PROVIDED IN AN <—
29 ASSURANCE OF VOLUNTARY COMPLIANCE.

30 (2) In addition to the limits set forth in paragraph

1 (1), ~~a claimant~~ AN OWNER may not recover from the fund more <—
2 than that ~~claimant's~~ OWNER'S actual loss, to a maximum of <—
3 \$10,000, for a claim made on one contract.

4 (3) NOTHING IN THIS SECTION SHALL PRECLUDE AN OWNER FROM <—
5 RECOVERING OR SEEKING TO RECOVER FROM A CONTRACTOR:

6 (I) THE DIFFERENCE BETWEEN THE AMOUNT OF THE
7 JUDGMENT AGAINST THE CONTRACTOR RECEIVED BY THE OWNER AND
8 THE AMOUNT ACTUALLY PAID TO THE OWNER FROM THE FUND; OR

9 (II) THE DIFFERENCE BETWEEN THE AMOUNT A CONTRACTOR
10 AGREES TO PAY TO AN OWNER UNDER AN ASSURANCE OF VOLUNTARY
11 COMPLIANCE AND THE AMOUNT ACTUALLY PAID TO THE OWNER FROM
12 THE FUND.

13 IN THE EVENT THE OWNER DOES NOT RECEIVE PAYMENT IN FULL OF A
14 JUDGMENT AMOUNT FROM THE FUND, THE JUDGMENT SHALL BE DEEMED TO
15 BE SATISFIED ONLY TO THE EXTENT OF THE PAYMENT RECEIVED, AND THE
16 JUDGMENT SHALL CONTINUE IN FULL FORCE AND EFFECT WITH RESPECT TO
17 THE AMOUNT STILL OWED UNTIL THE OWNER RECEIVES PAYMENT IN FULL.

18 ~~(c) Excluded claimants.~~ <—

19 ~~(1) A claim against the fund based on the act or~~
20 ~~omission of a particular contractor shall not be made by:~~

21 ~~(i) a spouse or other immediate relative of the~~
22 ~~contractor, or of a party which holds a financial stake~~
23 ~~in the business of the contractor;~~

24 ~~(ii) an employee, officer, director, partner or~~
25 ~~other party which holds a financial stake in the business~~
26 ~~of the contractor; or~~

27 ~~(iii) an immediate relative of an employee, officer,~~
28 ~~director, partner or other party which holds a financial~~
29 ~~stake in the business of the contractor.~~

30 ~~(2) An owner may make a claim against the fund only if~~

1 ~~the owner:~~

2 ~~(i) resides in the residence as to which the claim~~
3 ~~is made; or~~

4 ~~(ii) does not own more than two dwelling places,~~
5 ~~unless the dwelling place as to which the claim is made~~
6 ~~is the primary residence of the owner or the part of the~~
7 ~~building which houses the primary residence of the owner.~~

8 (D) EXCLUDED CLAIMANTS.--A CLAIM AGAINST THE FUND BASED ON <—
9 THE ACT OR OMISSION OF A PARTICULAR CONTRACTOR SHALL NOT BE MADE
10 BY:

11 (1) A SPOUSE OR OTHER IMMEDIATE RELATIVE OF THE
12 CONTRACTOR, OR OF A PARTY WHICH HOLDS A FINANCIAL STAKE IN
13 THE BUSINESS OF THE CONTRACTOR;

14 (2) AN EMPLOYEE, OFFICER, DIRECTOR, PARTNER OR OTHER
15 PARTY WHICH HOLDS A FINANCIAL STAKE IN THE BUSINESS OF THE
16 CONTRACTOR; OR

17 (3) AN IMMEDIATE RELATIVE OF AN EMPLOYEE, OFFICER,
18 DIRECTOR, PARTNER OR OTHER PARTY WHICH HOLDS A FINANCIAL
19 STAKE IN THE BUSINESS OF THE CONTRACTOR.

20 ~~(f)~~ (E) Limitations period.--A claim must be made against <—
21 the fund within two years after the ~~claimant~~ OWNER obtains an <—
22 entry of final judgment or decree against the contractor and all
23 appeal rights have expired or been exhausted, or, in the case of
24 an assurance of voluntary compliance, within the later of two
25 years of entry into such assurance or one year after nonpayment
26 according to the terms of the assurance.

27 ~~(g)~~ (F) Offer of proof.--In order to recover from the fund <—
28 ~~the claimant must offer proof to the bureau that the claimant~~ <—
29 ~~has caused to be issued a writ of execution upon a judgment~~
30 ~~obtained against the contractor, and the officer executing the~~

1 ~~same has made a return showing that no bank accounts or real~~
2 ~~property of the contractor liable to be levied upon in~~
3 ~~satisfaction of the judgment could be found, or that the amount~~
4 ~~realized on the sale of them or of such of them as were found,~~
5 ~~under the execution, was insufficient to satisfy the judgment or~~
6 ~~stating the amount realized and the balance remaining due on the~~
7 ~~judgment after application thereon of the amount realized. A~~
8 ~~true and attested copy of the executing officer's return must be~~
9 ~~attached to an application for fund reimbursement. AN OWNER MUST~~ <—
10 OFFER PROOF TO THE BUREAU THAT THE OWNER HAS EXHAUSTED ALL
11 REASONABLE ACTIONS AVAILABLE AT LAW AND IN EQUITY TO COLLECT THE
12 UNPAID AMOUNT OF A FINAL JUDGMENT.

13 ~~(h)~~ (G) Partial payments for fund integrity.--In order to <—
14 preserve the integrity of the fund, the bureau may order payment
15 out of the fund of an amount less than the ~~order issued by the~~ <—
16 ~~court.~~ JUDGMENT AMOUNT OR THE AMOUNT AGREED TO BE PAID IN AN <—
17 ASSURANCE OF VOLUNTARY COMPLIANCE. The balance remaining due to
18 the claimant shall be paid from the fund pursuant to subsection
19 ~~(i)~~ (H). <—

20 ~~(i)~~ (H) Special order of payment.--If the money in the fund <—
21 is insufficient to satisfy any duly authorized claim or portion
22 thereof, the bureau shall, when sufficient money exists in the
23 fund, satisfy the unpaid claims or portions thereof, in the
24 order that those claims or portions thereof were originally
25 determined.

26 ~~(j)~~ (I) Investigation by bureau.--As provided in section 16, <—
27 if the bureau pays any amount from the fund as a result of a
28 claim against a contractor, the bureau may conduct an
29 investigation to determine if the contractor is possessed of
30 assets liable to be sold or applied in satisfaction of the claim

1 on the fund. If the bureau discovers any such assets, the bureau
2 may take any lawful action necessary for the reimbursement of
3 the fund.

4 ~~(k)~~ (J) Revocation caused by payment of claim.--If the ←
5 bureau makes a payment of an amount as a result of a claim
6 against a contractor, the bureau shall revoke the certificate of
7 the contractor and the contractor shall not be eligible to
8 receive a new or renewed certificate until that contractor has
9 repaid such amount in full, plus interest, from the time the
10 payment is made from the fund, except that the bureau may permit
11 a contractor to receive a new or renewed certificate after that
12 contractor has entered into an agreement with the bureau whereby
13 the contractor agrees to repay the fund in full in the form of
14 periodic payments over a set period of time. If the contractor
15 fails to pay in accordance with the terms of the agreement, the
16 bureau shall automatically suspend the contractor's certificate.
17 Section 15. Procedure for submitting claims.

18 (a) Initial claim.--In order to recover from the fund, a
19 claimant must submit to the bureau the documentation required
20 under section 14(g), ~~if applicable, and the following~~ ←
21 ~~information on a form provided by the bureau:~~

- 22 ~~(1) The amount claimed based on the actual loss.~~
- 23 ~~(2) The facts giving rise to the claim.~~
- 24 ~~(3) Any other evidence that supports the claim.~~
- 25 ~~(4) Any other information that the bureau requires.~~

26 14(F), TOGETHER WITH A COPY OF THE JUDGMENT AND EVIDENCE THAT ←
27 THE JUDGMENT HAS NOT BEEN APPEALED OR A COPY OF THE ASSURANCE
28 OF VOLUNTARY COMPLIANCE AND A CERTIFICATION THAT THE
29 CONTRACTOR HAS FAILED TO PAY OR EVIDENCE THAT THE OWNER HAS
30 BEEN PREVENTED FROM COLLECTING THE ENTIRETY OF A FINAL

1 JUDGMENT AS A RESULT OF THE CONTRACTOR'S FILING FOR
2 BANKRUPTCY PROTECTION UNDER FEDERAL LAW. IN THE LATTER EVENT,
3 THE OWNER SHALL ONLY BE ENTITLED TO COLLECT FROM THE FUND THE
4 AMOUNT HE WAS PREVENTED FROM COLLECTING AS A RESULT OF THE
5 FILING.

6 (b) Copy of claim to contractor.--On receipt of a claim
7 pursuant to this section, the bureau shall send a copy of the
8 claim to the contractor alleged to be responsible for the actual
9 loss. The contractor shall file a response or objection to the
10 claim within 30 days of receipt of the notice of such claim.
11 Failure to respond to the claim shall constitute a waiver of any
12 defense or objection to the claim. THE ONLY DEFENSE A CONTRACTOR ←
13 MAY RAISE IN HIS RESPONSE IS A DEFENSE OF PAYMENT IN FULL OF THE
14 CLAIM.

15 (c) General order of payment.--Except as otherwise provided
16 in this act, the bureau shall pay from the fund approved claims
17 in the order that they are submitted.

18 Section 16. Reimbursement of fund.

19 (a) General rule.--After the bureau pays a claim from the
20 fund:

21 (1) The bureau shall be subrogated to all rights of the
22 ~~claimant~~ OWNER in the claim up to the amount paid. ←

23 (2) The ~~claimant~~ OWNER shall assign to the bureau all ←
24 rights of the ~~claimant~~ OWNER in the claim up to the amount ←
25 paid.

26 (3) The bureau has a right to reimbursement of the fund
27 by the contractor for:

28 (i) The amount paid from the fund.

29 (ii) Interest on the amount at an annual rate of 5%
30 as adjusted by the Consumer Price Index on an annual

1 basis.

2 All money that the bureau recovers on a claim shall be deposited
3 in the fund.

4 (b) Suit for nonpayment.--If, within 30 days after the
5 bureau gives notice, a contractor on whose account a claim was
6 paid shall fail to reimburse the fund in full, the bureau may
7 initiate an action against the contractor in a court of
8 competent jurisdiction for the unreimbursed amount.

9 (c) Judgment.--The bureau is entitled to a judgment for the
10 unreimbursed amount if the bureau proves that:

11 (1) A claim was paid from the fund on account of the
12 contractor.

13 (2) The contractor has not reimbursed the fund in full.

14 (3) The bureau directed payment based on a final
15 judgment of a court of competent jurisdiction or an assurance
16 of voluntary compliance.

17 (d) Withholding of tax refund.--If a person is delinquent
18 for at least one year in making payments to the bureau for the
19 purposes of reimbursing the fund, the Department of Revenue
20 shall credit the amount of any refundable overpayment of tax
21 imposed by Article III of the act of March 4, 1971 (P.L.6,
22 No.2), known as the Tax Reform Code of 1971, against the
23 delinquency in respect to this act on the part of the person who
24 made the overpayment.

25 (e) Bankruptcy proceedings.--For the purpose of excepting to
26 a discharge of an individual or business under Federal
27 bankruptcy law, the bureau shall be a creditor of the individual
28 or business for the amount paid from the fund.

29 Section 17. Notice of suspension or revocation.

30 The Administrative Office of Pennsylvania Courts shall report

1 to the bureau any suspension or revocation of a certificate of
2 registration ordered by a court.

3 Section 18. Exemptions.

4 This act shall not apply to any of the following persons or
5 organizations:

6 (1) The Commonwealth, or any of its political
7 subdivisions.

8 (2) The Federal Government.

9 ~~Section 19. Applicability.~~ <—

10 ~~This act shall not apply to local regulations, relating to~~
11 ~~liability insurance coverage for contractors which were adopted~~
12 ~~by a municipality prior to January 1, 2006, and which are in~~
13 ~~effect on the effective date of this section.~~

14 SECTION 20. BUILDING STANDARDS. <—

15 ALL WORK PERFORMED BY A HOME IMPROVEMENT CONTRACTOR UNDER A
16 HOME IMPROVEMENT CONTRACT SHALL COMPLY WITH THE REQUIREMENTS OF
17 THE INTERNATIONAL RESIDENTIAL CODE AND THE INTERNATIONAL
18 EXISTING BUILDING CODE AS CURRENTLY ADOPTED BY THE DEPARTMENT OF
19 LABOR AND INDUSTRY UNDER THE ACT OF NOVEMBER 10, 1999 (P.L.491,
20 NO.45), KNOWN AS THE PENNSYLVANIA CONSTRUCTION CODE ACT,
21 REGARDLESS OF WHETHER A PERMIT OR INSPECTION IS REQUIRED BY THE
22 MUNICIPALITY IN WHICH THE WORK IS BEING PERFORMED.

23 Section ~~20~~ 30. Repeal. <—

24 All acts and parts of acts are repealed insofar as they are
25 inconsistent with this act.

26 Section ~~21~~ 31. Effective date. <—

27 This act shall take effect in 180 days.