

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1543 Session of 2013

INTRODUCED BY KILLION, MILLARD, SWANGER, COHEN, ELLIS, HACKETT, MALONEY, KAUFFMAN, KORTZ, GINGRICH, REESE, PYLE, FARRY AND ENGLISH, JUNE 18, 2013

SENATOR TOMLINSON, CONSUMER PROTECTION AND PROFESSIONAL LICENSURE, IN SENATE, AS AMENDED, SEPTEMBER 16, 2014

AN ACT

1 Amending the act of October 17, 2008 (P.L.1645, No.132),
2 entitled "An act providing for the regulation of home
3 improvement contracts and for the registration of certain
4 contractors; prohibiting certain acts; and providing for
5 penalties," providing for the definition of "time and
6 materials"; and further providing FOR PROCEDURES FOR
7 REGISTRATION AS A CONTRACTOR, for application fees and for
8 home improvement contracts.

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

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

14 Section 2. Definitions.

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

18 * * *

19 "Time and materials." A construction practice where the

1 contractor and owner agree that the contractor will perform the
2 home improvement and the owner will pay the contractor under the
3 home improvement contract based on the actual cost of labor at a
4 specified hourly rate and the actual costs of materials and use
5 of equipment, plus an agreed upon percentage of the total actual
6 costs or a fixed amount, over and above the actual costs, to
7 cover the contractor's fee and overhead costs reasonably
8 incurred in the performance of the home improvement.

9 SECTION 2. SECTION 4 OF THE ACT IS AMENDED BY ADDING A <--
10 SUBSECTION TO READ:

11 SECTION 4. PROCEDURES FOR REGISTRATION AS A CONTRACTOR.

12 * * *

13 (C) REPORTING OF CHANGES IN REGISTRATION INFORMATION.--ANY
14 CONTRACTOR REQUIRED TO REGISTER UNDER THIS ACT SHALL UPDATE THE
15 INFORMATION REQUIRED TO BE INCLUDED IN THE CONTRACTOR'S
16 APPLICATION FOR REGISTRATION WITHIN 30 DAYS AFTER ANY CHANGE IN
17 THE REQUIRED INFORMATION. NO FEE SHALL BE REQUIRED FOR UPDATING
18 THE INFORMATION IN AN ACTIVE REGISTRATION.

19 Section ~~2~~ 3. Sections 5(b)(2) and 7(a)(8) of the act are <--
20 amended to read:

21 Section 5. Application fees.

22 * * *

23 (b) Home Improvement Account.--

24 * * *

25 (2) The funds in the Home Improvement Account and any
26 interest earned on the funds [may be] are hereby appropriated
27 on a continuing basis to the Attorney General for
28 administering and enforcing the provisions of this act and to
29 protect consumers with respect to home improvements through
30 consumer education and other means.

1 Section 7. Home improvement contracts.

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

4 * * *

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

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

14 (ii) The contract shall state:

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

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

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

27 (D) A statement that the cost of the services to
28 be performed under the time and materials provision
29 shall not be increased over the initial cost estimate
30 plus a 10% increase without a written change order

1 signed by the owner and contractor.

2 * * *

3 Section 3 4. This act shall take effect immediately. <--