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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2140 Session of  
2019

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INTRODUCED BY DRISCOLL, MILLARD, DELLOSO, KENYATTA, HOHENSTEIN,  
YOUNGBLOOD, DeLUCA, HILL-EVANS, CIRESI AND ISAACSON,  
DECEMBER 17, 2019

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REFERRED TO COMMITTEE ON COMMERCE, DECEMBER 17, 2019

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AN ACT

1 Providing for bonding requirements for contractors performing  
2 work on adjoining properties.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the Contractor  
7 Bonding for Adjoining Properties Act.

8 Section 2. Definitions.

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

12 "Adjoining property." Real property which is physically  
13 connected to the adjacent real property in which construction  
14 work is being performed and which is zoned residential or dual-  
15 use by a municipality or municipal authority.

16 "Contractor." Any person who owns and operates a home  
17 improvement business or who undertakes, offers to undertake or

1 agrees to perform any home improvement. The term includes a  
2 subcontractor or independent contractor who has contracted with  
3 a home improvement retailer, regardless of the home improvement  
4 retailer's net worth, to provide home improvement services to  
5 the home improvement retailer's customers. The term does not  
6 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 the previous taxable year.

10 (2) A home improvement retailer having a net worth of  
11 more than \$50,000,000 or an employee of that retailer that  
12 does not perform home improvements.

13 "Home improvement."

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

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

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

1 (iii) Without regard to affixation, the installation  
2 of central heating, air conditioning, storm windows or  
3 awnings.

4 (2) The term does not include:

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

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

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

16 (iv) Any work performed without compensation by the  
17 owner of the owner's private residence or residential  
18 rental property.

19 (v) Any work performed by a landscaper certified by  
20 the Department of Agriculture under the act of December  
21 16, 1992 (P.L.1228, No.162), known as the Plant Pest Act,  
22 except to the extent that the work involves any of the  
23 following at a private residence:

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

30 (B) The placement of retaining walls, fountains

1 or drainage systems.

2 (vi) Emergency work under section 7 of the act of  
3 December 17, 1968 (P.L.1224, No.387), known as the Unfair  
4 Trade Practices and Consumer Protection Law.

5 (vii) The conversion of existing commercial  
6 structures into residential or noncommercial structures.

7 "Home improvement retailer." A person who sells materials  
8 for use in home improvement contracts.

9 Section 3. Bonding requirement.

10 (a) General rule.--A contractor performing a home  
11 improvement project or a new home construction project on  
12 adjoining property shall purchase a surety bond of \$500,000 for  
13 each property adjoining the property on which the home  
14 improvement project or a new home construction project is being  
15 performed. The bond shall only be used to cover damages to a  
16 property caused by a home improvement project or a new home  
17 construction project on an adjoining property.

18 (b) Proof.--Proof of bonding must be submitted to the  
19 municipality in which the home improvement project or a new home  
20 construction project is being performed at the time of issuance  
21 of any building permit.

22 Section 4. Violation and penalties.

23 If a contractor is found to be in violation of section 3, the  
24 contractor shall be subject to the following:

25 (1) A civil penalty of \$10,000 for the first offense.

26 (2) A civil penalty of \$20,000 for each subsequent  
27 offense.

28 Section 5. Effective date.

29 This act shall take effect in 180 days.