



O'Donnell, Weiss & Mattei, P.C.

**YOUR LIFE. YOUR BUSINESS. YOUR LAW FIRM.**

### **Pennsylvania Home Improvement Consumer Protection Act**

A few months ago, you may have read in this column about new legislation enacted in 2008 called the Pennsylvania Home Improvement Consumer Protection Act. This Act becomes effective July 1, 2009, and will affect contractors providing home improvement services, as defined under the Act, as well as the homeowners who sign contracts for home improvements. A review of the Act indicates that the Legislature intended, by passing this legislation, to provide additional protections to homeowners by placing certain duties and requirements upon contractors.

The first requirement for contractors under the Act is to register with the Office of the Attorney General. The Attorney General has been charged with creating the registration application, as well as with the responsibility for maintaining a database of registered contractors. The application, which can be found at the Attorney General's website ([www.attorneygeneral.gov](http://www.attorneygeneral.gov)), is a lengthy form requesting substantial information regarding the contractor. The required information to be disclosed includes the type of entity offering the services, be it a sole proprietorship, partnership, limited liability company, etc., background information regarding the company, and other registrations maintained. Additionally, the contractor must report any past issues or problems related to his or her business. Once the application has been submitted and approved, the contractor will be provided with a registration number. This registration number must be included in various written correspondence, including contracts and business cards. The registration is valid for two years, and must be renewed by the contractor every two years thereafter. In addition, contractors should review the additional requirements found under the Act, which include requiring a written contract in most circumstances. The written contract must include certain information as required under the Act. Furthermore, the contract cannot include certain clauses, such as a hold harmless clause or confession of judgment clause, which will then make the contract voidable by the homeowner.

Homeowners, before entering into any home improvement contract, should know what rights available under the Act. The homeowner should look for each contractor's registration number which will be required to be listed on the written contract. The homeowner should use that registration number and contact the Attorney General via a dedicated hotline to obtain the available background information about the contractor before executing the contract. The Act provides additional protection for homeowners by requiring that a home improvement contract include a right of rescission. This is a right given to the homeowner allowing them to rescind, or void, a contract without penalty.

Contractors who do not comply with the requirements of the Act potentially face both civil and/or criminal penalties. Criminal penalties are imposed if a contractor commits "home improvement fraud" as defined under the Act. In addition, the contractor may, by violating the Act, also violate the Unfair Trade Practices and Consumer Protection Law, and by doing so, faces penalties as stated under the Unfair Practices Act.

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#### **Attorney Spotlight**

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To be fully protected, both homeowners and contractors should be aware of the rights and responsibilities under this Act.

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### **Beginning of Year Review Time**

The beginning of the year is not only the time to start thinking about taxes, it also the time to make sure your estate plan is in order. It is a great time to review your Wills, Powers of Attorney, Life Insurance and Retirement accounts, to name a few things.

If revisions are needed you should contact your professional advisors, including your attorney, accountant and financial planner.

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### **UPCOMING EVENTS**

Read Legal Ease in Sunday's Edition of the Pottstown Mercury

See Legal Talk, brought to you by OWM, on PCTV, Tuesdays at 8:30 on Channel 28, and Thursdays at 9:30 p.m. on Channel 98

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