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Home Improvement Contract Requirements

DISCLAIMER: Remember, this is a general guide. Be sure to contact an attorney if you have questions or specific issues.

Pennsylvania passed the [Home Improvement Consumer Protection Act \(HICPA\)](#) to protect people who pay others to do work on their homes, but these rules also help contractors and other home improvement workers (which includes more types of work than you think!), who want to be able to have a clear understanding around the work they're doing, how and how much they'll be paid for it, and what is expected between the homeowner and the contractor. Below are a few of the requirements of contractors and how to know if the law applies to you, but this is not an exhaustive list as the law requires quite a few details depending on the work you do. Be sure to talk to a Pennsylvania lawyer if you have specific questions or want your contract reviewed.

1. Check if the law applies to you.

The law applies to anyone who does more than \$500 worth of "home improvement" work for a consumer in their home (or on the land surrounding their home.)

Home improvement includes: repair, replacement, remodeling, demolition, removal, renovation, installation, alteration, conversion, modernization, improvement, rehabilitation or sandblasting; as well construction, replacement, installation or improvement of driveways, swimming pools, pool houses, porches, garages, roofs, siding, insulation, solar energy systems, security systems, flooring, fences, gazebos, sheds, cabanas, certain types of landscaping like patios and porches, painting, doors and windows and waterproofing, among others.

Some things that this includes you might not have previously thought of as home improvement, like putting in a paver patio or doing an installation of built-in bookshelves or other custom woodwork in someone's home.

If you aren't sure the law applies to you, Trellis can help you figure it out. We offer [Business Legal Health](#) Audit Discussions, which include up to an hour of detailed discussion, advising, and

analysis of legal considerations specific to your business and identification of next steps and work.

2. If you do more than \$5,000 worth of home improvement work per year, you need to register with the PA Attorney General.

The registration process can be done online, and it asks for important details such as your business name and entity information, proof of certifications that might be required that are more specific to your industry, your liability insurance information (HICPA requires minimum coverage in the amount of at least \$50,000 for bodily harm (personal injury) and at least \$50,000 for property damage), and more. Renewal of registration is required every two years.

You also must include this registration number in all advertisements, contracts, estimates and proposals with owners in Pennsylvania.

3. Have a comprehensive written contract.

The law requires a written contract that is understandable and signed by both parties. The contract must include certain required provisions as well, including the contractor's registration number, the total price of the project, an estimated start and completion date, a disclosure of the contractor's insurance information, a 3-day cancellation right notice (explained below), among others.

There are several more requirements for your written contract, so you will definitely want to review the Home Improvement Consumer Protection Act, 73 P.S. § 517.1, and [give us a call](#), or your attorney, for a contract review. We can review your current contract or help you draft a new one that accounts for your unique business.

We also offer a Home Improvement Contract template compliant with the Act on our template library! Find it [HERE](#) and use code "LEGITCONTRACTOR" for 25%!

4. Inform the homeowner of their 3-day right to cancel.

Contractors must inform the customer of their right to cancel the contract within three days of receiving it except for certain emergency work situations (like when a furnace goes out in the middle of a February freeze).

5. Do not require too large of a deposit.

Generally, for a home improvement contract in which the total price is more than \$5,000, you cannot ask for a deposit that is more than one-third of the contract price plus the cost of any special order materials.

6. Make sure your advertising – including any trucks with company information on it, websites, and other ads – are in compliance.

There are certain specific requirements for contractor advertising. Importantly, contractors cannot advertise services, discounts or deals they do not wish to honor, or any other false statements. Additionally, all advertisements must include the contractor's registration number.

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Next Steps:

- There are many complex elements to HICPA and other Pennsylvania laws that apply to home improvement work. Trellis Legal LLC has experience helping contractors [set up their businesses](#) as entities, reviewing their home improvement contracts (as well as employee, [subcontractor](#), and lease agreements), reviewing advertisements for compliance, and more. [Drop us a line](#) today!
- **Download our [Home Improvement Contract](#) our template library to craft your own legally legit construction contract. Use code "LEGITCONTRACTOR" for 25% off!**