

1 Introduced by Senator Mullin

2 Referred to Committee on

3 Date:

4 Subject: Commerce and trade; consumer protection; home improvement
5 contracts

6 Statement of purpose of bill as introduced: This bill proposes to create
7 contract and notice requirements for home improvement contracts

8 An act relating to home improvement contracts

9 It is hereby enacted by the General Assembly of the State of Vermont:

10 Sec. 1. 9 V.S.A. chapter 102 is amended to read:

11 CHAPTER 102: CONSTRUCTION CONTRACTS

12 § 4001. DEFINITIONS

13 As used in this chapter:

14 (1) "Contractor" means a person or entity which contracts with an owner
15 to perform work, or provide materials or machinery necessary to perform work
16 on real property.

17 (2) "Work" means:

18 (A) to build, alter, repair, or demolish any improvement on,
19 connected with, or on or beneath the surface of any real property, or to
20 excavate, clear, grade, fill, or landscape any real property or to construct

1 driveways, private roadways, highways and bridges, drilled wells, septic,
2 sewage systems, utilities, including trees and shrubbery, or to furnish
3 materials, for any of such purposes, or to perform any labor upon real property;
4 and ~~."Work" also~~

5 (B) includes any design or other professional or skilled services
6 rendered by architects, engineers, land surveyors, landscape architects, and
7 construction managers.

8 (3) "Owner" means a person or entity having an interest in real property
9 on which work is performed, if the person or entity has agreed to or requested
10 such work. "Owner" includes successors in interest of the owner and agents of
11 the owner acting within their authority. "Owner" shall also include the State of
12 Vermont and instrumentalities and subdivisions of the State of Vermont
13 including municipalities and school districts having an interest in such real
14 property.

15 (4) "Real property" means real estate, including lands, leaseholds,
16 tenements and hereditaments, and improvements placed thereon.

17 (5) "Construction contract" means any agreement, whether written or
18 oral, to perform work on any real property located within the State of Vermont.

19 (6) "Subcontractor" means any person or entity which has contracted to
20 perform work, or provide materials or machinery necessary to perform work

1 for a contractor or another subcontractor in connection with a construction
2 contract.

3 (7) "Delivery" means receipt by addressee, including first class,
4 registered, or certified mail, hand delivered or transmitted by facsimile
5 machine. Mail, properly addressed, shall be deemed delivered three days from
6 the day it was sent.

7 (8) "Billing period" means the period agreed to by the parties or, in the
8 absence of an agreement, the calendar month within which work is performed.

9 (9) "Residential home improvement contract" means a contract between
10 a contractor and an owner for work on residential real estate where the
11 estimated value of the work and materials exceeds \$2,500.00.

12 (10) "Residential real estate" means a residential structure with one to
13 four housing units and the real property on which it is constructed.

14 * * *

15 § 4010. Residential home improvement contract; requirements

16 (a) **Writing required.** A residential home improvement contract shall be
17 in writing.

18 (b) **Cost of contract.** The contract shall include either:

19 (1) an estimated price or price range for the total cost of work and
20 materials; or

1 (2) a clear and conspicuous statement that billing and payment will be
2 made on a time and materials basis and that there is no maximum limit on the
3 contract price.

4 (c) **Change order.** Unless a contract specifies that payment and bill will
5 be made on a time and materials basis, a contractor shall not perform any work
6 or procure materials in excess of the maximum estimated cost of the contract
7 without prior written approval of the owner.

8 (d) **Enforcement and remedies.** A contract that does not comply with the
9 provisions of this section shall be unenforceable against an owner.

10 Sec. 2. EFFECTIVE DATE

11 This act shall take effect on July 1, 2015.