



Date: March 16, 2017

To: Senate Economic Development, Housing & General Affairs Committee

RE: 17-1176 - An act relating to consumer protection; nonresidential improvement fraud

The Associated General Contractors of Vermont has been very active on this legislation in the past. Similar proposals were introduced during the 2016 Legislative session in the Consumer Protection Bill and in the H.84 - Internet Dating Bill. At that time, a representative from the Attorney General's office told the Senate Government Operations committee that they had not seen an increase in non-residential complaints and that the intent of the proposed legislation was a response to the increase of complaints in the home improvement industry.

If we were to point what is the most concerning aspect of this bill, we would highlight:

- Fraud in general may not involve a contract, especially with small residential projects. However general contractors, for the most part, work on large projects, require a contract, worker's compensation and project deadlines and payment terms.
- Contracts are generally utilized in the commercial construction industry. When the contract is signed, there are many variables that are not easily indicated. The way the bill is written, it creates an enormous amount of paperwork, is too vague, and is not focused on the obligations and liabilities, proving who is at fault and who is liable for the contract that has gone bad. This bill is not detailed enough to be enforceable and narrowing the focus of the bill will not benefit many consumers.
- Projects are often contracted as time and materials with a budget allowance and the scope of work can change day by day leaving the contractor with a huge unnecessary liability.

Everyone that has been in business recognizes that some projects can turn and either end poorly or end with someone not feeling 100% satisfied. With this concern in mind, I believe this bill as written is open to interpretation and if a contractor is found liable, the issue will follow the contractor for years to come.

AGC/VT does not support adding commercial contractors into a law. To our knowledge, evidence has not been presented to the legislature to require new regulations.

We **oppose** the draft consumer protection bill that includes nonresidential improvement fraud, the addition of a registry and inclusion of the fines/penalties.

Cathy Lamberton
Executive Vice President