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Option A

S.136

Senator Mullin moves to amend the bill in Sec. 1, in 9 V.S.A. chapter 102,
as follows:

First: In 9 V.S.A. § 4001(9) by striking out “\$5,000.00” and inserting in
lieu thereof “\$15,000.00”

Second: In 9 V.S.A. § 4010 by striking out subsection (c) in its entirety and
by re-designating subsection (d) as subsection (c)

Option B

S.136

Senator Mullin moves to amend the bill by striking out Sec. 1 in its entirety
and inserting in lieu thereof a new Sec. 1 to read:

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

CHAPTER 102A. RESIDENTIAL HOME IMPROVEMENT CONTRACTS

§ 4011. DEFINITIONS

As used in this chapter:

(1) “Contractor” means a person who is given consideration by an
owner to provide labor that benefits residential real estate, including:

(A) to build, alter, repair, or demolish any improvement on,
connected with, or on or beneath the surface of, residential real estate;

1 (B) to excavate, clear, grade, fill, or landscape any residential real
2 estate;

3 (C) to construct driveways, private roadways, highways and bridges,
4 drilled wells, septic, sewage systems, utilities, including trees and shrubbery;
5 or

6 (D) to provide design or other professional or skilled services
7 rendered by architects, engineers, land surveyors, landscape architects, or
8 construction managers.

9 (2) “Owner” means a person who has an ownership interest in
10 residential real estate, and includes successors in interest of the owner and
11 agents of the owner acting within their authority.

12 (3) “Residential home improvement contract” means a contract between
13 a contractor and an owner to provide labor or services where the estimated or
14 actual cost of labor and materials benefiting residential real estate exceeds
15 \$15,000.00.

16 (4) “Residential real estate” means a residential structure with one or
17 two dwelling units and the real property on which it is constructed.

18 § 4012. RESIDENTIAL HOME IMPROVEMENT CONTRACTS

19 (a) Writing required.

20 (1) A residential home improvement contract, and any amendment to the
21 contract, shall be in writing.

1 (2) A contractor and an owner shall execute a residential home
2 improvement contract prior to the contractor commencing work on residential
3 real estate, except as follows:

4 (A) If the cost of labor and materials is initially estimated to be less
5 than \$15,000.00, the parties shall execute a residential home improvement
6 contract within a reasonable time, not to exceed ten days, of the date on which
7 the parties agree that the estimated or actual cost of labor and materials
8 exceeds \$15,000.00.

9 (B) If an owner requests a contractor to provide labor in an
10 emergency, the parties may waive the requirements of this chapter in a writing
11 executed within a reasonable time, not to exceed five days, of the date on
12 which the contractor completes the work.

13 (b) Required provisions. A residential home improvement contract shall
14 include the following:

15 (1) Contract price. One of the following provisions for the price of
16 the contract:

17 (A) a maximum price for all labor and materials;

18 (B) a statement that billing and payment will be made on a time and
19 materials basis, not to exceed a maximum price; or

20 (C) a statement that billing and payment will be made on a time and
21 materials basis and that there is no maximum price.

1 (2) Work dates. A start date and a completion date of the labor the
2 contractor will provide.

3 (3) Scope of work. A description of the labor the contractor will
4 provide and the materials he or she will use.

5 (4) Warranty. A provision that reads: “In addition to any other
6 warranties agreed to by the parties, the contractor warrants that his or her work
7 is free from faulty materials and is performed in a skillful manner according to
8 the standards of the building code applicable for this location or to a higher
9 standard agreed to by the parties.”

10 (5) Change order.

11 (A) Unless a residential home improvement contract specifies that
12 billing and payment will be made on a time and materials basis and that there
13 is no maximum price, subject to subdivision (B) of this subdivision (5), a
14 provision that the contractor shall not provide any labor or procure materials in
15 excess of the maximum price of the contract without prior written approval of
16 the owner.

17 (B) The contract may provide that an owner can approve a change
18 order verbally, provided that the owner and contractor shall memorialize the
19 approval in a writing within three days of the approval.

20 (c) Enforcement and remedies.

- 1 (1) A contractor who violates a provision of this section commits an
2 unfair and deceptive act in commerce in violation of section 2453 of this title.
- 3 (2) The Attorney General has the same authority to adopt rules, conduct
4 civil investigations, enter into assurances of discontinuance, and bring civil
5 actions to enforce the provisions of this section as is provided under chapter
6 63, subchapter 1 of this title.