

Representative Mark Higley Orleans/ Lamoille

S.163 Registration of Home Improvement Contractors

This recommendation comes after three public hearings in 2017. The first had only one attendee, the second had 12 and the third had 20. Information also came from the Attorney General's Consumer Assistance Program (CAP). I had attended a public hearing in Newport on Dec. 10, 2018 where approx. 12 people showed. I would say only 2 of those were supporting Registration.

The consumer complaint list includes a large group of professions, both part time and full time, with limited, if any, industry representation. This complaint list also included: landscaping/lawns; driveways/paving; chimney sweeps; swimming pools; well drilling etc. The OPR Sunrise Review report states that the "Consumer Assistance Program (CAP) received 587 consumer complaints in a 5 year period about home-improvement services, with claimed losses exceeding \$3.1 million." I was given information from the tax department on "purchases made by people who are engaged in construction of: 1. Residential maintenance and repair; 2. Single-family residential structures; 3. Multifamily residential structures; 4. Other residential structures." In a year, approximately \$353 million in taxable purchases, or \$21.2 million in sales and use tax has been received. This, over a five-year period is \$1.76 billion in taxable purchases, or \$106 million in sales and use tax.

357 of the 587 complaints, or 61 percent, are under \$5,000, which qualify for small claims court. I talked with a Washington County Superior Court Judge who stated, "small claims court does a good job and is fact based not needing much lawyering".

In S.163, under "Fees" it states, \$75 for the first certification and \$25 for each additional certification. As a general contractor, doing many aspects of construction from, concrete work to cabinet work, will I have to pay an additional \$25 for each aspect of construction?

OPR's "Sunrise Review" mentions last biennium's S.136 with a materials and labor contract starting at \$5000 now, S.163 is looking at only \$2000. There is already current law regarding construction contracts! Vermont's Prompt Payment Law, Commerce and Trade, Title 9 Construction contracts, § 4001. Definitions (5) "Construction contract" means any agreement, whether written or oral, to perform work on any real property located within the State of Vermont.

§ 4002: "Owner's Payment Obligations" a) The owner shall pay the contractor strictly in accordance with the terms of the construction contract.