

## AIAVT Supports H. 157

### An act relating to registration of construction contractors

#### Key Points

- AIAVT supports [H. 157](#), an act relating to registration of construction contractors
- Homeowners face difficulty finding recourse after defects are found in residential construction.
- The VT Attorney General has compiled 600+ homeowner complaints totaling over \$1 million in the last eight years.
- The Office of Professional Regulation conducted a sunrise review of the VT home improvement industry to determine if there is real harm to the public. The 2018 report can be found [here](#).
- To better protect homeowners, 25 of 50 states require homebuilders to be licensed; several other states require some forms of registration and/or certification.

#### Position

While carefully written contracts and full insurance coverage are standard in Vermont's commercial construction industry, such protection in the single family home improvement and building arena is spotty at best. Single-family homeowners are thus at risk for harm, sometimes years after a construction project is complete. AIAVT joins other professional organizations, including HBRA-VT, to urge the State of Vermont to regulate home improvement and construction contractors. This brief is focused on smaller entities, not the larger ones that do have appropriate contracts and insurances.

#### Rationale

AIAVT members have witnessed and remediated collapsed basement slabs, undersized foundations, poorly flashed windows, and other residential construction defects that have caused substantial harm to homeowners. These defects are sometimes discovered years after completion, for instance when a house is sold or renovated. One contributing factor is unclear requirements for single family home construction in most of Vermont. Another factor is the lack of knowledge among homeowners about the wisdom of having defensible contracts and asking for contractors' proof of necessary insurance. While these are substantial concerns, the largest issue standing in the way of homeowner protection in Vermont is that there is no reliable way for consumers to determine if a particular individual has a solid reputation and is educated and up-to-date in relevant project requirements and specialties. Further, without the need to demonstrate proof of knowledge, there is little incentive for homebuilders to obtain training regarding framing, insulation, ventilation, and other critical building categories and systems. Though there is one certification and database in Vermont that is relevant to home renovators and builders—administered by Efficiency Vermont—it covers training only as applies to energy efficiency-related services.

#### Action Sought

AIAVT urges the Legislature to pass H. 157. The creation of a contractor registry, along with the proposed minimum requirements of insurance coverage and use of contracts would give homeowners piece of mind in the hiring process, and the potential for accountability in the case of defects and or fraud. A registry would also give the state the ability to communicate with those in the residential contracting industry, to offer information on trainings and education, which will become increasingly necessary as codes and standards evolve.

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