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Pa.'s new home improvement contractor law has detractors

Pittsburgh Business Times - by [Ben Semmes](#)

Starting in July, Pennsylvania will join many other states in the union by enacting basic protections for owners looking to renovate their homes.

The law, known as the Home Improvement Consumer Protection Act, is a start in establishing a registration process for home improvement contractors statewide, said John McCloskey, president of **J. Francis Co.**, a North Side-based remodeling company.

“We are one of only a few states left that don’t have this type of protection in effect,” McCloskey said. “Reputable contractors have been shouting for this for a long time.”

Indeed, the **Builders Association of Metropolitan Pittsburgh** and the **Pennsylvania Builders Association** have come out in support of the measure.

There may be negative side effects, according to Chad Michaelson, an attorney with Downtown-based Meyer, Unkovic and Scott LLP. He said the legislation, which establishes a registration scheme and contractual requirements, likely will raise costs for contractors.

Some business owners may be unaware of the changes, Michaelson said, and should take a look at the specifics of the bill, such as a requirement that prohibits contractors from demanding more than one-third of a project’s payment up-front without special exception.

But Murray Rust, president of Allison Park-based home builder **Montgomery & Rust Inc.**, said the requirements do not seem to be excessive and the registration scheme should help home owners avoid scam artists.

“I think it is a good thing, because it compels (contractors) to register,” Rust said. “There’s some protection in it. There are some fraudulent players in the remodeling business. This is designed to flesh out those people and make it more difficult to operate. If they are caught, there are some real serious sanctions.”

Still, sources in the industry said even more could be done to protect consumers.

“I think it is an okay start,” Rust said. “It doesn’t mean it is the end of things. It certainly is a good first step.”

McCloskey said the new bill doesn't go far enough to protect consumers. Specifically, the minimum \$50,000 insurance provision is barely enough to cover the most basic jobs, he said.

"It is better than nothing, but not much," McCloskey said. "This is a small amount of what should be in place. It just doesn't cover anything. We will not allow a subcontractor to work for us unless he is carrying six times as much, at a minimum. To ask that much for a general contractor is a joke. We as general contractors carry a \$5 million (insurance) umbrella."

McCloskey said that obtaining a contractors license in neighboring states remains quite difficult.

"We have always been so fascinated with how there are literally no protections in Pennsylvania," McCloskey said. "I think the citizens of Pennsylvania deserve a lot more."

McCloskey believes that in Pennsylvania, as in other states, contractors should face basic skills tests.

When Fairfax Station, Va.-based **Kingston Custom Remodeling** recently lost a partner who went through the licensing process for the company, it took company principal John Schmitt nearly a year to make his way through the necessary tests and other approvals to maintain registration.

Schmitt said strict standards in the areas he does business — Virginia, Maryland and Washington, D.C. — help "weed out a lot of marginal operators."

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