



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4268

Introduced 1/19/2018, by Rep. André Thapedi

SYNOPSIS AS INTRODUCED:

815 ILCS 513/10
815 ILCS 513/20

Amends the Home Repair and Remodeling Act. Provides that "residence" means a single-family home or dwelling or a multiple-family home or dwelling containing 6 or fewer apartments, condominiums, town houses, or dwelling units, used or intended to be used by the consumer as his or her dwelling place (instead of "by occupants as dwelling places"). In the home repair consumer rights pamphlet, replaces notice language concerning lien waivers with the following: "Illinois law requires that, before payment, your contractor give you a sworn statement which lists: (1) all the persons or companies your contractor hired to work on your home and their addresses; and (2) the amounts previously paid, the amounts about to be paid, and the total amount owed after the payment to these persons or companies. The sworn statement should be fully completed, signed, and notarized. When the contractor's sworn statement lists an amount due or to become due to a subcontractor, or when a subcontractor gives you notice of an amount due to the subcontractor, you must retain sufficient funds to pay that subcontractor. Subcontractors give the contractors lien waivers when they are paid. Ask your contractor for copies of these lien waivers. If your contractor tells you he or she needs a payment from you in order to pay subcontractors, you have the right to pay the subcontractors directly.".

LRB100 13196 HEP 30588 b

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Home Repair and Remodeling Act is amended by
5 changing Sections 10 and 20 as follows:

6 (815 ILCS 513/10)

7 Sec. 10. Definitions. As used in this Act:

8 "Home repair and remodeling" means the fixing, replacing,
9 altering, converting, modernizing, improving, or making of an
10 addition to any real property primarily designed or used as a
11 residence other than maintenance, service, or repairs under
12 \$500. "Home repair and remodeling" includes the construction,
13 installation, replacement, or improvement of driveways,
14 swimming pools, porches, kitchens, bathrooms, basements,
15 chimneys, chimney liners, garages, fences, fallout shelters,
16 central air conditioning, central heating, boilers, furnaces,
17 electrical wiring, sewers, plumbing fixtures, storm doors,
18 windows, roofs, awnings, and other improvements to structures
19 within the residence or upon the land adjacent to the
20 residence. "Home repair and remodeling" does not include the
21 sale, installation, cleaning, or repair of carpets; the repair,
22 installation, replacement, or connection of any home appliance
23 including, but not limited to, disposals, refrigerators,

1 ranges, garage door openers, televisions or television
2 antennas, washing machines, telephones, hot water heaters,
3 satellite dishes, or other appliances when the persons
4 replacing, installing, repairing, or connecting the home
5 appliance are employees or agents of the merchant that sold the
6 home appliance or sold new products of the same type; or
7 landscaping.

8 "Person" means any individual, partnership, corporation,
9 business, trust, or other legal entity.

10 "Residence" means a single-family home or dwelling or a
11 multiple-family home or dwelling containing 6 or fewer
12 apartments, condominiums, town houses, or dwelling units, used
13 or intended to be used by the consumer as his or her dwelling
14 place ~~occupants as dwelling places~~. This Act does not apply to
15 original construction of single-family or multi-family
16 residences or repairs to dwellings containing more than 6
17 apartments or family units.

18 (Source: P.A. 91-230, eff. 1-1-00.)

19 (815 ILCS 513/20)

20 Sec. 20. Consumer rights brochure.

21 (a) For any contract over \$1,000, any person engaging in
22 the business of home repair and remodeling shall provide to its
23 customers a copy of the "Home Repair: Know Your Consumer
24 Rights" pamphlet prior to the execution of any home repair and
25 remodeling contract. The consumer shall sign and date an

1 acknowledgment form entitled "Consumer Rights Acknowledgment
2 Form" that states: "I, the homeowner, have received from the
3 contractor a copy of the pamphlet entitled 'Home Repair: Know
4 Your Consumer Rights.'" The contractor or his or her
5 representative shall also sign and date the acknowledgment
6 form, which includes the name and address of the home repair
7 and remodeling business. The acknowledgment form shall be in
8 duplicate and incorporated into the pamphlet. The original
9 acknowledgment form shall be retained by the contractor and the
10 duplicate copy shall be retained within the pamphlet by the
11 consumer.

12 (b) For any contract for \$1,000 or under, any person
13 engaging in the business of home repair and remodeling shall
14 provide to its customers a copy of the "Home Repair: Know Your
15 Consumer Rights" pamphlet. No written acknowledgment of
16 receipt of the pamphlet is required for a contract of \$1,000 or
17 under.

18 (c) The pamphlet must be a separate document, in at least
19 12 point type, and in legible ink. The pamphlet shall read as
20 follows:

21 "HOME REPAIR: KNOW YOUR CONSUMER RIGHTS

22 As you plan for your home repair/improvement project, it is
23 important to ask the right questions in order to protect your
24 investment. The tips in this fact sheet should allow you to

1 protect yourself and minimize the possibility that a
2 misunderstanding may occur.

3 AVOIDING HOME REPAIR FRAUD

4 Please use extreme caution when confronted with the following
5 warning signs of a potential scam:

6 (1) Door-to-door salespersons with no local connections
7 who offer to do home repair work for substantially less than
8 the market price.

9 (2) Solicitations for repair work from a company that lists
10 only a telephone number or a post-office box number to contact,
11 particularly if it is an out-of-state company.

12 (3) Contractors who fail to provide customers references
13 when requested.

14 (4) Persons offering to inspect your home for free. Do not
15 admit anyone into your home unless he or she can present
16 authentic identification establishing his or her business
17 status. When in doubt, do not hesitate to call the worker's
18 employer to verify his or her identity.

19 (5) Contractors demanding cash payment for a job or who ask
20 you to make a check payable to a person other than the owner or
21 company name.

22 (6) Offers from a contractor to drive you to the bank to
23 withdraw funds to pay for the work.

1

CONTRACTS

2 (1) Get all estimates in writing.

3 (2) Do not be induced into signing a contract by
4 high-pressure sales tactics.

5 (3) Never sign a contract with blank spaces or one you do
6 not fully understand. If you are taking out a loan to finance
7 the work, do not sign the contract before your lender approves
8 the loan.

9 (4) Remember, you have 3 business days from the time you
10 sign your contract to cancel any contract if the sale is made
11 at your home. The contractor cannot deprive you of this right
12 by initiating work, selling your contract to a lender, or any
13 other tactic.

14 (5) If the contractor does business under a name other than
15 the contractor's real name, the business must either be
16 incorporated or registered under the Assumed Business Name Act.
17 Check with the Secretary of State to see if the business is
18 incorporated or with the county clerk to see if the business
19 has registered under the Assumed Business Name Act.

20 (6) Homeowners should check with local and county units of
21 government to determine if permits or inspections are required.

22 (7) Determine whether the contractor will guarantee his or
23 her work and products.

24 (8) Determine whether the contractor has the proper
25 insurance.

1 (9) Do not sign a certificate of completion or make final
2 payment until the work is done to your satisfaction.

3 (10) Illinois law requires that, before payment, your
4 contractor give you a sworn statement which lists: (1) all the
5 persons or companies your contractor hired to work on your home
6 and their addresses; and (2) the amounts previously paid, the
7 amounts about to be paid, and the total amount owed after the
8 payment to these persons or companies. The sworn statement
9 should be fully completed, signed, and notarized. When the
10 contractor's sworn statement lists an amount due or to become
11 due to a subcontractor, or when a subcontractor gives you
12 notice of an amount due to the subcontractor, you must retain
13 sufficient funds to pay that subcontractor. Subcontractors
14 give the contractors lien waivers when they are paid. Ask your
15 contractor for copies of these lien waivers. If your contractor
16 tells you he or she needs a payment from you in order to pay
17 subcontractors, you have the right to pay the subcontractors
18 directly. Remember, homeowners should know who provides
19 supplies and labor for any work performed on your home.
20 Suppliers and subcontractors have a right to file a lien
21 against your property if the general contractor fails to pay
22 them. To protect your property, request lien waivers from the
23 general contractor.

1 (1) Contractor's full name, address, and telephone number.
2 Illinois law requires that persons selling home repair and
3 improvement services provide their customers with notice of any
4 change to their business name or address that comes about prior
5 to the agreed dates for beginning or completing the work.

6 (2) A description of the work to be performed.

7 (3) Starting and estimated completion dates.

8 (4) Total cost of work to be performed.

9 (5) Schedule and method of payment, including down payment,
10 subsequent payments, and final payment.

11 (6) A provision stating the grounds for termination of the
12 contract by either party. However, the homeowner must pay the
13 contractor for work completed. If the contractor fails to
14 commence or complete work within the contracted time period,
15 the homeowner may cancel and may be entitled to a refund of any
16 down payment or other payments made towards the work, upon
17 written demand by certified mail.

18 (7) A provision stating the grounds for termination of the
19 contract if you are notified by your insurer that all or any
20 part of the claim or contract is not a covered loss under the
21 insurance policy, you may cancel the contract by mailing or
22 delivering written notice to (name of contractor) at (address
23 of contractor's place of business) at any time prior to the
24 earlier of midnight on the fifth business day after you have
25 received such notice from your insurer or the thirtieth
26 business day after receipt of a properly executed proof of loss

1 by the insurer from the insured. If you cancel, any payments
2 made by you under the contract will be returned to you within
3 10 business days following receipt by the contractor of your
4 cancellation notice. If, however, the contractor has provided
5 any goods or services related to a catastrophe, acknowledged
6 and agreed to by the insured homeowner in writing to be
7 necessary to prevent damage to the premises, the contractor is
8 entitled to the reasonable value of such goods and services.

9 Homeowners should obtain a copy of the signed contract and
10 keep it in a safe place for reference as needed.

11 To file a complaint against a roofing contractor, contact
12 the Illinois Department of Financial and Professional
13 Regulation at 312-814-6910 or file a complaint directly on its
14 website.

15 IF YOU THINK YOU HAVE BEEN DEFRAUDED OR YOU HAVE QUESTIONS

16 If you think you have been defrauded by a contractor or
17 have any questions, please bring it to the attention of your
18 State's Attorney or the Illinois Attorney General's Office.

19 Attorney General Toll-Free Numbers

20 Carbondale (800) 243-0607

21 Springfield (800) 243-0618

22 Chicago (800) 386-5438".

23 (Source: P.A. 97-235, eff. 1-1-12.)