

Home Improvement Consumer Tips

Wisconsin's home improvement laws protect consumers contracting for improvements including: basements, driveways, landscaping, home alarm systems, water softeners, heating/air conditioning, garages, sidewalks, floor coverings, terraces, patios/decks, swimming pools, and porches.

Hiring Contractors

Most contractors involved in home improvements are honest, reliable and skilled, but some are not. Here are suggestions on how to find good contractors:

- Decide in advance what the job will involve. Draw sketches and clip pictures to show to prospective contractors.
- Get more than one estimate. Make sure all contractors are bidding on exactly the same work. Make sure the contractor comes to the job site rather than giving a telephone estimate. Be leery of an extremely low estimate.
- Ask for the names of the contractor's recent customers and call to see if they are satisfied. Did the contractor show up on time, clean up afterward, perform follow-up service on warranties? Would they hire the contractor again?
- Contact the Bureau of Consumer Protection, 800-422-7128, and the Better Business Bureau, 800-273-1002, to find out if complaints have been filed against the contractor.

Contractor Requirements

A contractor must inform you, before you enter into a home improvement contract, of all required building or construction permits. To get a building permit for one or two-family homes built after 1980 (in many municipalities, homes of any age), contractors must be registered with the Division of Safety and Buildings (608-266-3151), showing proof they have paid for worker's compensation, unemployment insurance, and minimum levels of liability or a bond. The liability insurance covers worker and public injuries and damage to property.

If contractors can't show you a registration card, it may mean trouble if you hire them. Some contracts are written to put the responsibility for building permits and insurance on the homeowner. By taking out the building permit, the homeowner has no assurance that the contractor has proper insurance.

Consumers may ask any contractor for a certificate of insurance with the homeowner's name and address listed as a certificate holder. This certificate shows that the contractor has an active policy. As a certificate holder, the homeowner will then be informed if the contractor's insurance policy expires.

Contracts

Don't rely on oral agreements. For the protection of both you and the contractor, it's wise to request a written contract in all situations. The contract serves as a statement that the contractor knows exactly what services you want performed. Don't sign anything until you know the meaning of it all. Consult an attorney if you have questions.

Make sure the contract contains:

- The name and address of the salesperson, as well as the company name and address (not just a post office box number).
- A full description of the job. Again, don't rely on oral agreements.
- A detailed list of materials to be used including the name, brand, size, models, performance capacity of the items, and the quantity of materials to be used.
- The total price, plus finance charges.
- A starting and completion date, to prevent the job from going on indefinitely.
- A statement explaining any warranties on materials, labor or services. Be sure you understand any exceptions or limitations.

If any payment is required before the work is done, a written contract is required by the law. The consumer should demand one if the contractor doesn't offer it. Get all guarantees in writing. Never sign a completion certificate or make final payment until you are satisfied and all work is done as specified.

Lien Waivers

When any payment is made-especially final payment get lien waivers from the contractor. This will prevent a subcontractor or material supplier from putting a lien on your home if the contractor doesn't pay the bills.

Wisconsin law requires that consumers receive a lien waiver from a contractor whenever they make partial or final payments. Consumers, however, should know in advance to ask for a lien waiver if one is not offered. The following case history explains why lien waivers are so important to consumers:

Case History

Mr. Jones signed a contract with ABC Contractors for the construction of an addition to his home. When the work was done, Jones paid the contracted price and started enjoying his new addition.

A month later, he received a "Notice of Intent to File Claim for Lien" in the mail from the lumberyard where ABC Contractors obtained building materials. What happened? Although Jones had paid his bill, ABC Contractors did not pay the lumberyard. The law allows a subcontractor or supplier of materials to place a lien on the property where the work was done, if the contractor doesn't pay his bills. This can happen even if the homeowner has paid the contract in full. To protect against this, insist on being given completed "waiver of lien" forms from the contractor and each subcontractor anytime payment is made. These forms should be signed by the contractor and every other person supplying materials or labor covered by the payment.

Right to Cancel

If you were solicited and signed a contract for more than \$25 at your home (or away from the contractor's regular place of business); Wisconsin law allows you three business days to cancel. The contractor is required to provide you with two copies of the notice of your right to cancel at the time the contract is signed.

To cancel the sale, consumers must sign and date a notice of cancellation and mail it to the contractor before midnight of the third business day. Sending cancellation notices by certified mail, return receipt requested, lets you know your notice was delivered.

What do you do after three business days? Here's how to cancel home improvement contracts if you pay for but don't get materials and services:

- Give a written notice canceling the contract.
- Demand return of all money the contractor has not yet spent on the project. (The contractor must return this amount to you within 15 days.)
- Demand delivery of all materials which the contractor has purchased with your money. (The contractor must deliver the materials within 15 days or within 5 days after the contractor receives materials from the supplier, whichever is later.)

Criminal Violations of home improvement laws can result in maximum fines of \$5000 and imprisonment for up to a year. Civil violations can result in maximum fines of \$10,000.

Consumers may sue for twice the amount of any damages, together with courts costs and reasonable attorney's fees.

Beware of Transients

As sure as the summer brings tourists to Wisconsin, it also brings transient home improvement workers and scams. These rip-off artists will probably hit your town.

Transient contractors specialize in blacktopping driveways, installing lightning rods, painting, and yard work. Their work and materials are usually inferior and they are likely to steal from you.

A consumer who pays for what he thinks is a bargain price for blacktopping may soon have dandelions growing through his driveway. Homes may need repainting after the next rainfall.

Also, the cost of the job may rise considerably after the work is performed, and the consumer may be intimidated into paying the increase.

Transients hit an area, take the money, and run. Frequently, they know the quickest route to the banks in your area to cash checks.

If transients come to your door:

- Don't give into high pressure tactics.
- Don't let them in your home. They are experts at finding and taking valuables.
- Determine the make and model of their vehicles, get license plate numbers, and alert local law enforcement.
- Call the police immediately if they begin to do a job without your authorization.