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No. _____

Legislative Reference Bureau

AN ACT

Providing for bonding requirements for contractors performing work on adjoining properties; and imposing penalties.

INTRODUCED _____ **20** _____

By _____ **District NO.** _____

By _____ **District NO.** _____

By _____ **District NO.** _____

By _____ **District NO.** _____

See next page for additional co-sponsors.

Prior Session _____

Referred to Committee on	
Date _____	20 _____
Reported _____	20 _____
As Committed-Amended	
Recommendation	

By Hon. _____	

1998-1999

AN ACT

1 Providing for bonding requirements for contractors performing
2 work on adjoining properties; and imposing penalties.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Contractor
7 Bonding for Adjoining Properties Act.

8 Section 2. Definitions.

9 The following words and phrases when used in this act shall
10 have the meanings given to them in this section unless the
11 context clearly indicates otherwise:

12 "Adjoining property." Real property which is physically
13 connected to the adjacent real property in which construction
14 work is being performed and which is zoned residential or dual-
15 use by a municipality or municipal authority.

16 "Contractor." A person that owns and operates a home
17 improvement business or who undertakes, offers to undertake or

1 agrees to perform any home improvement. The term includes a
2 subcontractor or independent contractor who has contracted with
3 a home improvement retailer, regardless of the home improvement
4 retailer's net worth, to provide home improvement services to
5 the home improvement retailer's customers. The term does not
6 include any of the following:

7 (1) A person for whom the total cash value of all of
8 that person's home improvements is less than \$5,000 during
9 the previous taxable year.

10 (2) A home improvement retailer having a net worth of
11 more than \$50,000,000 or an employee of that retailer that
12 does not perform home improvements.

13 "Home improvement." The following:

14 (1) The term includes all of the following done in
15 connection with land or a portion of the land adjacent to a
16 private residence or a building or a portion of the building
17 which is used or designed to be used as a private residence
18 for which the total cash price of all work agreed upon
19 between the contractor and owner is more than \$500:

20 (i) Repair, replacement, remodeling, demolition,
21 removal, renovation, installation, alteration,
22 conversion, modernization, improvement, rehabilitation or
23 sandblasting.

24 (ii) Construction, replacement, installation or
25 improvement of driveways, swimming pools, pool houses,
26 porches, garages, roofs, siding, insulation, solar energy
27 systems, security systems, flooring, patios, fences,
28 gazebos, sheds, cabanas, landscaping of a type that is
29 not excluded under paragraph (2)(vi), painting, doors and
30 windows and waterproofing.

1 (iii) Without regard to affixation, the installation
2 of central heating, air conditioning, storm windows or
3 awnings.

4 (2) The term does not include:

5 (i) The sale of goods or materials by a seller that
6 neither arranges to nor performs, directly or indirectly,
7 any work or labor in connection with the installation or
8 application of the goods or materials.

9 (ii) The sale of services furnished for commercial
10 or business use or for resale, if the service takes place
11 somewhere other than at a private residence.

12 (iii) The sale of appliances, including stoves,
13 refrigerators, freezers, room air conditioners and others
14 which are designed for and are easily removable from the
15 premises without material alteration.

16 (iv) Any work performed without compensation by the
17 owner of the owner's private residence or residential
18 rental property.

19 (v) Any work performed by a landscaper certified by
20 the Department of Agriculture under the act of December
21 16, 1992 (P.L.1228, No.162), known as the Plant Pest Act,
22 except to the extent that the work involves any of the
23 following at a private residence:

24 (A) The construction, replacement, installation
25 or improvement of buildings, driveways, swimming
26 pools, porches, garages, roofs, siding, insulation,
27 solar energy systems, security systems, flooring,
28 patios, nondecorative fences, doors, lighting
29 systems, concrete walkways and windows.

30 (B) The placement of retaining walls, fountains

1 or drainage systems.

2 (vi) Emergency work under section 7 of the act of
3 December 17, 1968 (P.L.1224, No.387), known as the Unfair
4 Trade Practices and Consumer Protection Law.

5 (vii) The conversion of existing commercial
6 structures into residential or noncommercial structures.

7 "Home improvement retailer." A person that sells materials
8 for use in home improvement contracts.

9 Section 3. Bonding requirement.

10 (a) General rule.--A contractor performing a home
11 improvement project or a new home construction project on
12 adjoining property shall purchase a surety bond of \$500,000 for
13 each property adjoining the property on which the home
14 improvement project or a new home construction project is being
15 performed. The bond shall only be used to cover damages to a
16 property caused by a home improvement project or a new home
17 construction project on an adjoining property.

18 (b) Proof.--Proof of bonding must be submitted to the
19 municipality in which the home improvement project or a new home
20 construction project is being performed at the time of issuance
21 of any building permit.

22 Section 4. Violation and penalties.

23 If a contractor is found to be in violation of section 3, the
24 contractor shall be subject to the following:

25 (1) A civil penalty of \$10,000 for the first offense.

26 (2) A civil penalty of \$20,000 for each subsequent
27 offense.

28 Section 5. Effective date.

29 This act shall take effect in 180 days.