

Wisconsin's home improvement laws protect consumers contracting for improvements including:

basements porches landscaping
sidewalks terraces water softeners
patios/decks garages floor coverings
driveways heating air conditioning
swimming pools home alarm systems

Tips on 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, and follow through with their warranties? Would they hire the contractor again?
- Contact the Bureau of Consumer Protection, (800) 422-7128 or (608) 224-4976, and the Better Business Bureau, (800) 273-1002 or (414) 847-6000, to find out if complaints have been filed against the contractor.

Contractor requirements Before you enter into a home improvement contract, the contractor must inform you of all required building or construction permits. If the contractor is doing general construction work, such as siding, insulation, and

roofing, on one or two-family homes and will be obtaining the building permits, the contractor must have a Dwelling Contractor Certification, and a Dwelling Contractor Qualifier Certification from Department of Safety and Professional Services, (608) 266-2112.

These contractor certifications show proof that the contractor has 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 cannot 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. However, homeowners taking out building permits themselves have 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 Do not rely on oral agreements. For the protection of both you and the contractor, it is 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. Do not sign anything until you understand 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, do not 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 does not 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 Home improvement contractors by law, must give the buyer a "Notice of Consumer's Right to Receive Lien Waivers" before the buyer and seller enter into a home improvement contract. The notice shall inform the buyer, that the buyer may request lien waivers from all contractors, subcontractors, and material suppliers at, or prior to, the time any payment is made on the home improvement contract.

When any payment is made – especially final payment – consumers have the option to get lien waivers from the contractor.

Contractors must provide the lien waivers **if you request them**. You should always ask for a lien waiver from the contractor when you make a payment. This will prevent a subcontractor or material supplier from putting a lien on your home if the contractor does not pay the bills. 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" from the lumberyard where ABC Contractors obtained building materials in the mail.

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 does not 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.**

Beware of transients As sure as the summer brings tourists to Wisconsin, it also brings transient or temporary 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 material are usually inferior and they are likely to steal from you.

Consumers who pay for what they think is a bargain price for blacktopping may soon have dandelions growing through their driveways. 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:

- Do not give into high pressure tactics.
- Do not 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.

Right to Cure Law Under Wis. Stat. s.101.148, contractors must provide consumers a brochure, at the time of contracting, that describes the requirements for making future claims about construction defects. The “Right to Cure” law, Wis. Stat.

ss. 895.07(2) & (3), provides timetables and other steps to help consumers and contractors resolve disputes. Failure to follow the “Right to Cure Law” can result in dismissal of legal or arbitration actions.

If you have a concern about poor quality work or materials, you must provide written notice to the contractors or suppliers before any legal action may be filed. The contractors and suppliers have an opportunity to respond to the claims, including the right to inspect and test alleged defects. You have the right to accept or reject settlement offers – in full or in part – via written notice.

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.

If you pay for, but do not receive materials, services, or completion of work, you may cancel a home improvement contract after three business days by:

- Giving a written notice canceling the contract.
- Demands return of all money the contractor has not yet spent on the project. (The contractor must return this amount to you within 15 days.)
- Demands 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.)

- Demands a written accounting for all payments made to the contractor including specific details of how all payments were spent or used. (The contractor must give this accounting to you within 30 days.)

In addition, if your contract is for an exterior home repair or construction and involves an insurance claim, you may have additional protections under Wisconsin Law (§100.65, Wis. Stats.).

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.

For more information or to file a complaint, visit our website or contact the Bureau of Consumer Protection.

Bureau of Consumer Protection
2811 Agriculture Drive
PO Box 8911
Madison WI 53708-8911

E-MAIL: DATCPHotline@wi.gov

WEBSITE: datcp.wi.gov

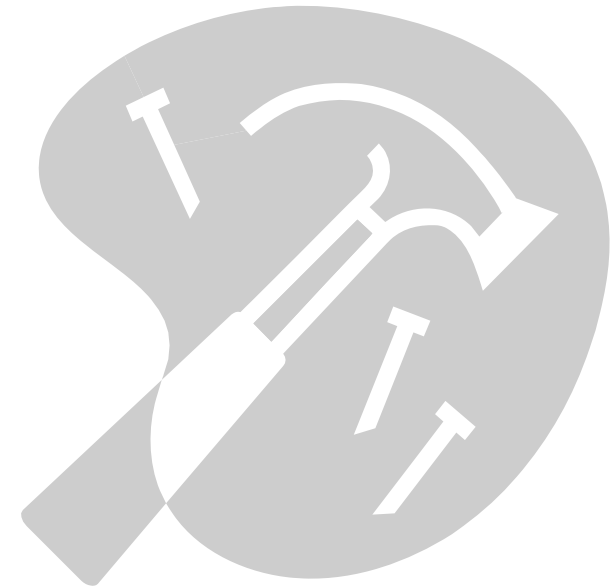
(800) 422-7128 ♦ FAX: (608) 224-4677

(608) 224-4976 ♦ TTY: (608) 224-5058

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HOME IMPROVEMENT

Consumer tips



**CONSUMER
PROTECTION** WISCONSIN
DEPARTMENT OF
AGRICULTURE,
TRADE AND
CONSUMER
PROTECTION

Wisconsin "Right to Cure Law"

The "Right to Cure Law" provides the steps and timetables to be followed in resolving any claims of dwelling construction defects by consumers against contractors or suppliers. Claims must be pursued through the "Right to Cure Law" process before arbitration or before legal action.

The 2005 Wisconsin Act 201, the "Right to Cure Law," says that consumers at the time of contracting for construction or remodeling work for dwellings must be provided with this brochure describing requirements for making any future claims of construction defects.

People who feel they have a claim concerning defective workmanship or materials need to provide written notice to contractors or suppliers before any legal action may be filed. The contractors and suppliers have the opportunity and the responsibility to respond to claims.

Construction defects can involve workmanship, materials, or code requirements in new construction or remodeling, but not maintenance or repairs. Claims may be made by owners, tenants, or property associations.

This document highlights some of the provisions of the "Right to Cure Law", and is not a complete description of the law, and is not a substitute for legal representation.

Notice Concerning Construction Defects

Wisconsin law contains important requirements you must follow before you may file a lawsuit for defective construction against the contractor who constructed your dwelling or completed your remodeling project or against a window or door supplier or manufacturer. Section 895.07 (2) and (3) of the Wisconsin statutes requires you to deliver to the contractor a written notice of any construction conditions you allege are defective before you file your lawsuit, and you must provide your contractor or window or door supplier the opportunity to make an offer to repair or remedy the alleged construction defects. You are not obligated to accept any offer made by the contractor or window or door supplier. All parties are bound by applicable warranty provisions.

More Highlights

- Claimants may accept settlement offers, accept them in part, or reject offers, doing so via detailed written notice.
- The law does not apply where there is no contract to construct, as in the case of purchasing an existing home.
- Contractors and suppliers have the right to inspect and, as appropriate, test alleged defects.
- Access must be provided in a timely fashion for inspections, tests, and repairs.
- Additional claims made or discovered after an original claim, are treated as separate in terms of time and process.
- There is a different timetable and process for the claims and responses if a contractor seeks contribution from a supplier.
- Failure by the claimant, contractor, or supplier to follow the "Right to Cure Law" can result in delay or dismissal of legal or arbitration actions.

The Department Safety and Professional Services prepared this brochure, but does not investigate, arbitrate, or judge consumer-contractor/supplier disputes. Those disputes are solved through the "Right to Cure Law" process, by the state's court system, and, for alterations and additions, the Home Improvement Practices Code, ATCP 110, of the state Department of Agriculture, Trade, and Consumer Protection.

The Department Safety and Professional Services does not discriminate on the basis of sex, race, religion, age, national origin, ancestry, creed, pregnancy, marital or parental status, sexual orientation, or physical, mental, emotional or learning disability. Reasonable accommodation, including the provision of informational material in an alternative format, will be provided for qualified individuals with disabilities upon request. Contact the Industry Services Division at 608-266-2112, or TTY 800-947-3529.

Chronology of the step-by-step claim and response interaction between consumers and contractors/suppliers

Step One Notice of Claim—At least 90 working days before commencing an action against a contractor or window or door supplier or manufacturer, a claimant must deliver a written notice of the alleged defect to the contractor.

Step Two: Contractor's Response—The contractor will have 15 working days (or 25 working days if it involves a defect involving a window or door supplier) to provide the claimant with a written: (1) offer to repair or remedy the defect; (2) offer to settle the claim with a monetary payment; (3) offer of a combination of (1) and (2); (4) statement that the contractor rejects the claim and the reasons for rejecting the claim; or (5) proposal to inspect the alleged defect or perform any necessary testing.

Step Three: Claimant's Response—If the contractor rejects the claim, the claimant may proceed to commence an action against the contractor. The claimant must serve written notice on the contractor within 15 working days if he or she either accepts any offer or rejects an offer. Note that if the claimant has a claim against a window or door supplier or manufacturer, the claimant should contact the supplier to ensure that the supplier received a notice of the claim from the contractor.

Step Four: Contractor's Supplemental Response—If the claimant rejects the offer, the contractor has five working days to provide a written supplemental offer or a notice that no additional offer will be made.

Step Five: Claimant's Response—If the contractor has provided the claimant written notice that no additional offer will be made, the claimant may commence a lawsuit or other action against the contractor. If the claimant has received a supplemental offer from the contractor, the claimant must respond within 15 working days.

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