Don't be a victim.

Pictures are a great way to document the actions of the contractor.

Consumers

Guide to

HIRING a Contractor

For complaint information please visit our website: www.ibol.idaho.gov
Before You Hire a Contractor

♦ Take your time before you make any decisions about hiring a contractor.
♦ Always check references.
♦ Hire only registered contractors. Anyone performing home improvements in excess of $2000 must be Registered with the Idaho State Board of Contractors.

Know about Contracts

• Get the contract in writing, do not sign anything until you have read and understand the terms. Stay away from verbal agreements.
• Be specific in the contract. Describe the work to be done, the materials to be used, the total costs, and the start and completion dates.
• Negotiate the payment schedule in the contract—and follow it. Do not pay cash. Pay by check and get itemized receipts.
• If you have questions regarding the contract, seek the advice of an attorney.

Get Back to Basics

CONSUMERS SHOULD KNOW THAT HIRING UNREGISTERED CONTRACTORS MAY EXPOSE YOU TO ADDITIONAL RISK!

Initial Disclosure

General contractors must provide a disclosure statement, prior to entering into a contract in excess of $2,000 to construct, alter or repair residential real property, or for the purchase and sale of newly constructed property. The contractor must also provide an acknowledgment of receipt to be executed by homeowner or purchaser, retain proof of receipt and provide a copy to the homeowner or purchaser. The statement must include the following disclosures:

1. The customer has the right, at their reasonable expense, to require the general contractor to obtain lien waivers from any subcontractors providing services or materials.
2. The customer has the right to receive proof that the general contractor has general liability insurance, including completed operations and workers' compensation insurance for employees.
3. The customer must be informed of the opportunity to purchase an extended policy of title insurance covering unfilled or unrecorded liens.
4. The customer has the right to require, at their expense, a surety bond in an amount up to the value of the construction project.

Disclosure Upon Completion

A general contractor must provide an additional disclosure statement, within a reasonable time either: before receipt of final payment from the customer for construction, alteration, or repair of any property, or before closing on a purchase and sales agreement with a prospective purchaser. The following requirements apply:

1. The general contractor must sign the disclosure statement.
2. The disclosure statement must list the business names, addresses and telephone numbers of all subcontractors, materialmen and rental equipment providers who have a direct contractual relationship with the general contractor and who supplied materials or performed work on the residential property of a value in excess of $500.
3. Subcontractors, materialmen and rental equipment providers listed in the disclosure statement are authorized to disclose balances owed to the homeowner or purchaser and their agents.
4. The general contractor is not liable for any error, inaccuracy or omission of any information delivered pursuant to Idaho Code § 45-525(3) if the error, inaccuracy or omission was not within the general contractor's personal knowledge.

Pursuant to Idaho Law, failure to provide the required disclosures constitutes an unlawful and deceptive act or practice in trade or commerce under the Idaho Consumer Protection Act. The Contractors Board may discipline a registered contractor for a violation of the Idaho Consumer Protection Act.

Please consult your personal attorney with any questions about the required disclosures.