

## Contractors Must Provide Disclosures

Idaho law requires general contractors to provide certain disclosures to property owners and customers.

### 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.

**Idaho Bureau of Occupational Licenses**

1109 Main Street, Suite 220  
Boise, Idaho 83702-5642



Idaho Bureau of Occupational Licenses

# How Does Idaho's Contractor Registration Law Affect You?

**New State Law Requires Registration  
Immediate Action Required**

[www.ibol.idaho.gov/cont.htm](http://www.ibol.idaho.gov/cont.htm)

**FREQUENTLY  
ASKED QUESTIONS**

**Are Contractors Required to Be Registered in Idaho?**

Yes. The Idaho Legislature recently passed legislation requiring all building contractors and any subcontractors to be registered with the Idaho Bureau of Occupational Licenses.

**Who Must Register?**

Any person who improves, alters or repairs a building or structure with a dollar amount exceeding \$2,000.00 (materials & labor) unless otherwise exempt must register. For a definition of construction and a full list of exemptions, please visit the Frequently Asked Questions link on our webpage or check Idaho Code 54-5201.

**Why Am I Required to Register?**

The State of Idaho has created these registration requirements in the interest of protecting the health, safety and welfare of Idaho's public. The law provides a mechanism to remove from practice those dishonest or fraudulent practitioners of construction.

**What if I Don't Register?**

If you fail to register and practice, the following penalties apply:

**No Lien Rights** -You lose the right to lien property to collect amounts due.

**No Contract Rights** -you lose your right to sue to collect money for work under any contract for which you must have been registered.

You could be charged with a misdemeanor criminal offense.

**REGISTRATION**

**How Do I Register?**

Follow the simple steps below:

1 Complete registration application, sign and have notarized

Registration applications are available online to download at:  
[www.ibol.idaho.gov/cont.htm](http://www.ibol.idaho.gov/cont.htm)

2 \$30 registration fee. Please make check or money order payable to: Idaho Bureau of Occupational Licenses

3 Copy of liability insurance (minimum \$300,000 aggregate)

4 Certificate of workers' compensation coverage (You can obtain information regarding workers' compensation at the following website:  
[www.ibol.idaho.gov](http://www.ibol.idaho.gov))

5 Full list of owners with addresses

6 Mail items listed in 1 — 5 to:  
Bureau of Occupational Licenses

700 WEST STATE STREET,  
PO Box 83720  
Boise, ID 83720-0063

Registration requires the submission of supplemental documents listed in steps 3 — 5 with your application before your registration can be considered.

Registration is not available via telephone.

**REGISTER TODAY**

**So don't delay -register today!**

Do not delay -your business could be adversely affected if you are not registered. Consumers, suppliers and lenders frequently verify registrations. Avoid delays that could potentially cost you. To download an application visit our website at:

[www.ibol.idaho.gov/cont.htm](http://www.ibol.idaho.gov/cont.htm)

**Idaho Bureau of Occupational Licenses**

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[www.ibol.idaho.gov/cont.htm](http://www.ibol.idaho.gov/cont.htm)

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courteous, and creative services  
to the boards and public.*

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Registration applications are available online