



TEN THINGS YOU SHOULD KNOW about Contractors

- 1 Any contractor who does home improvement work worth more than \$500 (labor and materials) must be licensed by the Contractor's License Board (Bus. & Prof. Code §7048).
- 2 If the total cost of a home improvement project exceed \$500, the contract must be in writing (Bus. & Prof. Code §7159).
- 3 Among other things, the contract must contain specific provisions regarding scheduling the work, describing the work, paying for the work, and (if applicable) cancellation rights (Bus. & Prof. Code §7159).
- 4 Every contractor must include his or her license number on all contracts and all forms of advertising (Bus. & Prof. Code §7030.5).
- 5 It is illegal for a contractor to require an advance payment larger than \$1000 or % 10 of the contract price for home improvements, whichever is less (Bus. & Prof. Code §7159 (d)).
- 6 Failure to complete the job for the contract price constitutes a ground for disciplinary action against the contractor (Bus. & Prof. Code §7113).
- 7 An unpaid licensed contractor can use a "mechanics lien" to secure his or her interest in the property. The contractor can foreclose on the property, but must use a lawsuit to do so. (Civil Code §3110).
- 8 To enforce a mechanic's lien, the contractor must file a lawsuit to foreclose on the property within 90 days of the date the lien was recorded (Civil Code §3144).
- 9 An unlicensed contractor cannot sue to get paid for work requiring a license (Bus. & Prof. Code §7031). An unlicensed person causing injury or damage may be liable for three times the amount of damages (to a maximum of \$10,000), plus costs and legal fees (Code of Civil Procedure §1029.8).
- 10 You can check the status of a contractor's license by contacting the Contractors State License Board (CSLB). They can be reached by telephone at (800) 321-2752. The CSLB also has a useful "self-serve" web site at <http://www.cslb.ca.gov>.

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