## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## SENATE BILL

No. 1362 Session of 2020

INTRODUCED BY FARNESE AND SCHWANK, OCTOBER 19, 2020

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE, OCTOBER 19, 2020

## AN ACT

Amending the act of October 17, 2008 (P.L.1645, No.132), entitled "An act providing for the regulation of home 2 improvement contracts and for the registration of certain 3 contractors; prohibiting certain acts; and providing for 4 penalties," further providing for definitions and for home 5 improvement fraud. 6 7 The General Assembly of the Commonwealth of Pennsylvania 8 hereby enacts as follows: 9 Section 1. The definition of "owner" in section 2 of the act of October 17, 2008 (P.L.1645, No.132), known as the Home 10 11 Improvement Consumer Protection Act, is amended to read: 12 Section 2. Definitions. 13 The following words and phrases when used in this act shall 14 have the meanings given to them in this section unless the context clearly indicates otherwise: 15 \* \* \* 16 17 "Owner." 18 The term includes any of the following: 19 An owner of a private residence, including any person authorized by an owner to act on the owner's 20

- behalf to order, contract for or purchase a home
  improvement.
- (ii) A person entitled to the performance of the work of a contractor pursuant to a home improvement contract.
  - (2) An owner of a private residence shall not be required to reside in the residence to be deemed an owner under this act. To meet this definition for the purposes of exemption to register as a contractor for home improvements the owner of a private residence shall be required to maintain ownership and possession of the residence for one year following the completion of construction.
- 13 (3) A person who owns three or more private residences
  14 in this Commonwealth shall not be deemed an owner except with
  15 respect to the person's primary residence or the part of the
  16 building which houses the primary residence of the owner and
  17 those private residences the person uses for personal
  18 recreational purposes.
- 19 \* \* \*

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- Section 2. Section 8(a)(7) and (8) of the act are amended
- 21 and the subsection is amended by adding a paragraph to read:
- 22 Section 8. Home improvement fraud.
- 23 (a) Offense defined. -- A person commits the offense of home
- 24 improvement fraud if, with intent to defraud or injure anyone or
- 25 with knowledge that he is facilitating a fraud or injury to be
- 26 perpetrated by anyone, the actor:
- 27 \* \* \*
- 28 (7) alters a home improvement agreement, mortgage,
- 29 promissory note or other document incident to performing or
- 30 selling a home improvement without the consent of the

- 1 consumer; [or]
- 2 (8) directly or indirectly publishes a false or
- deceptive advertisement in violation of State law governing
- 4 advertising about home improvement[.]; or
- 5 (9) fails to register as a contractor and instead makes
- 6 <u>improvements as an owner with the intent to sell the property</u>
- 7 <u>to a new owner without ever residing in the home.</u>
- 8 \* \* \*
- 9 Section 3. This act shall apply to contracts entered into on
- 10 or after the effective date of this act.
- 11 Section 4. This act shall take effect in 60 days.