

A GUIDE TO PROTECTING AGAINST UNLICENSED CONTRACTORS

Every year thousands of property owners lose hundreds of thousands of dollars to unlicensed and uncertified contractors.

Protect yourself and your property by avoiding unlicensed contractors. The City of Temple Terrace is committed to protecting its property owners from unlicensed contractors and scams.

Unlicensed individuals cannot pull permits and usually carry no insurance. If the work is not done according to code or workmanship standards, there is no recourse against an unlicensed contractor, other than through civil courts. Unfortunately, there is little the City can offer as assistance in these situations.

Many permits require specialty licensing and/or state certifications. A handyman (jack of all trades) is not a licensed contractor and cannot obtain permits. While licensing isn't necessarily a measure of competence, it does imply a certain degree of professionalism and suggests that the individual is committed to the industry. Licensing can protect you from a number of potential problems, such as:

- Unlicensed usually means uninsured.
 - If you use an unlicensed contractor and property damage occurs, the worker has no way of reimbursing you for the damage he causes. Likewise, if someone suffers an injury or damages someone else's property, the problem is likely to become yours. Most homeowners insurance policies exclude claims arising from unlicensed construction activities.
- Unlicensed usually means non-compliance with building codes.
 - Most building projects require permits and inspections. Unlicensed contractors are often unfamiliar with building codes, inspection sequences and inspection requirements.
- Limited recourse for broken contracts and/or defective work.
 - If you have a dispute with a licensed individual, you can call his or her licensing agency. Some agencies may be able to resolve issues and assist in recovering consumer losses. At the very least, the licensing agency has the authority to suspend or revoke licensing privileges of dishonest contractors. This isn't a guaranty to eliminate all contractor problems, but it does provide incentives for contractors to conduct fair business practices.

TO BETTER YOUR CHANCES OF BEING SATISFIED WITH A CONTRACTOR'S WORK, YOU SHOULD:

- Get several estimates for comparison.
- Get references on prospective contractors from agencies such as the local home builders association, banks, suppliers, subcontractors, neighbors and friends.
- Have an attorney review all contracts before signing anything.
- Contact the local building authority and inquire as to the contractor's status. It can supply licensing and insurance information and the contractor's standing in the community.

WARNING SIGNS COMMONLY ASSOCIATED WITH UNLICENSED CONTRACTORS:

- You are asked to pull permits. Licensed individuals have no problem dealing with local building departments.
- A large down payment is requested before work begins.
- Payment is asked for in cash, or discounts are offered as incentive to begin work.
- Contract or proposal is not on company stationery.
- Vague performance conditions on proposal or contract.
- The contractor does not have proof of licensing or insurance. Licensed individuals are proud to show these items when requested.
- You are told that a permit or inspections are not required for the type of work proposed.
- The individual is only willing to work after hours or on weekends.
- You are asked to make checks out to individuals and not the company, or asked to make checks out to "cash."
- License numbers do not appear on written contracts or proposals.

HIRING UNLICENSED CONTRACTORS COULD COST YOU:

- If you pull permits as a homeowner for unlicensed contractors, then you, not the person doing the work, are held responsible.
- According to Florida Statutes, if you hire an unlicensed contractor, the Department of Business and Professional Regulation may issue a cease and desist order to stop your job, and may also take you to civil court, which has the authority to impose civil penalties for aiding and abetting unlicensed activities.
- If you hire an unlicensed person and work is not completed in accordance with state and local codes, you may have to pay additional monies to have it brought into compliance.
- If an unlicensed person does not pay his subcontractors or suppliers, you may be liable for these costs. These persons have the right to file liens on your property.
- You could be held liable for injuries or property damage caused by unlicensed individuals.