

# CONTRACTOR RECOVERY FUNDS



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\* denotes approval from State Board

## Introduction

A primary purpose for regulating residential contractors at the state level is consumer protection. State agencies who license construction contractors have set up rules, regulations and laws to protect the health, welfare, and safety of the general public. Unfortunately, even hiring a licensed contractor can cause harm to the public. For example, homeowner's can be the last to discover that their contractor is in financial trouble, has gone out of business and left them with an abandoned project. Licensing agencies have established ways to safeguard the public from financial loss incurred from using a licensed contractor on residential projects.

Construction recovery funds were created to help consumers recoup from financial loss incurred from project abandonment, negligence and fraud by a licensed residential contractors. In most instances claims against the fund require an unsatisfied court action on behalf of the homeowner before a claim will be considered. Recovery funds were not created to prevent harm to the homeowner (except lien restrictions) but they can provide some relief from financial loss. Similarly, recovery funds are not disciplinary agents for the contractor but disciplinary action may be the final outcome.

The history of construction related recovery funds began in Hawaii in May 1974. The *Hawaii Contractors Recovery Fund* was designed to cover construction improvements and alterations made to private residences. Today, most funds cover claims against licensed residential contractors made by aggrieved homeowners. Currently, there are nine (9) NASCLA State Members across the United States that have construction recovery funds in operation.

There are no "typical" recovery funds; each is unique in design and management. The efficiency of a fund varies with the cost of outside legal support and administrative expenses. Similarly, the aggressiveness of pursuing repayments from the contractor to the fund can have an impact on the efficiency of the fund. Additional aspects vary as well from what type of construction is covered to who is covered and from the method of accessing the fund to the statute of limitations.

For example, the *Arizona Residential Contractors' Recovery Fund* is easily accessible. A homeowner may recover actual damages caused by a contractor for any reason that is in violation of the contractor licensing statutes by an administrative process. The *Michigan Homeowner Construction Lien Recovery Fund*, by contrast, is tied to the lien law and protects homeowners from paying twice for materials and labor. Court judgments are required for restitution and attorney fees are not reimbursed.

This publication has been created to provide NASCLA State Members with an overview of the recovery funds that are operating in states around the country today. This information has been compiled from extensive research on the statutes, laws and regulations of states with recovery funds. The appendices contain the statutes and rules pertaining to all NASCLA State Members recovery funds.

## **Contractor Recovery Fund Features**

As previously mentioned, there are no typical contractor recovery funds. Individual fund characteristics vary greatly among the different funds. However, the following items cover some of the basic components common to all funds.

### **Statute of Limitations**

Most funds provide for a specific time frame in which claimants may go against the fund for compensation. The allowable time to file varies from one to ten years among the funds and also is variable as to when the time starts running. The statute of limitations may be measured from the contract date, cause of action date, completion date or date of discovery depending on the particular fund.

### **Groups Covered**

Most funds have residential homeowners as the exclusive group protected under the fund. The exceptions to this are the “lien recovery” funds that either directly or indirectly include suppliers, other contractors and labor in the claimant class.

### **Actions Necessary to Collect**

The actions necessary to collect can vary from a relatively simple administrative procedure to the requirement of a court judgment and an exhaustive asset search.

Most states require court judgments as a precondition to a payment from the fund. This has the effect of increasing the pay out on a given claim if attorney fees are included and can significantly increase the legal fees of the fund if it is a party to the litigation.

### **Fund Revenue Sources**

The revenue source usually consists of fees charged to new licensees and subsequent reassessments either as needed or on a routine renewal basis.

### **Fund Balance**

The minimum balance to be maintained is generally covered by statute and can vary from \$100,000 to \$2,000,000. When a fund goes below this specified floor, special assessments may be made to bring the balance back up.

### **Pay Out Limits**

Limits on the amount paid to individual claimants exist in all funds. These limits may be set as a fixed amount or be based on the value structure. Contractor limits can be fixed or may be based on the number of completed projects.

## Overview of NASCLA State Members Recovery Funds

State	Fund Since	Payout Limits		Group Covered	Revenue Source
		Claimant	Contractor		
AL	1993	\$20,000	\$50,000	Homeowners	\$60.00 no more than once a year
AZ	1981	\$30,000	\$200,000	Homeowners	Funded by assessments paid upon application and renewal
FL	1993			Homeowners	One-half cent per square foot surcharge on building permits
HI	1974	\$12,500	\$25,000	Homeowners	\$150.00 for new licensees
MD	1985	\$15,000			\$100.00 for new licensees
MI	1982			Homeowners	\$50.00 membership fee
NC	1991			Homeowners	\$10.00 per building permit
UT	1994	\$75,000 per residence	\$500,000	Homeowners	\$195.00 initial fee
VA	1980			Homeowners	\$25.00 initial fee

## **Alabama Home Builders Licensure Board Homeowner's Recovery Fund**

### **Fund Overview**

An aggrieved homeowner may recover, from the Homeowner's Recovery Fund, actual economic damages sustained within the state of Alabama as the direct result of a licensed residential home builder's gross negligence, incompetence and/or misconduct in the practice of residential home building or a violation by a licensed residential home builder of the rules and regulations of the Board.

Actual economic damages shall be supported by an itemized list of the actual economic damages incurred by the homeowner, a description of the repairs reasonable and necessary to correct the damages and an estimate by a licensee of the Board, of the reasonable cost of making the repairs.

### **History**

In 1993 the Home Builders Licensure Board was authorized to establish a recovery fund for the benefit of homeowners. New Rules adopted in June 1999 attempt to limit recovery to actual damages.

### **Statute of Limitations**

State has not yet responded

### **Group Covered**

Homeowners who have sustained actual economic damages within the State of Alabama as the direct result of conduct of a licensee in violation of the rules and regulations of the Board.

### **Actions Necessary to Collect**

The home builder must have been licensed at the time the acts were committed.

The homeowner must first obtain a valid judgment. The homeowner must make reasonable effort to collect the judgment from the licensed home builder. Thereafter, if the homeowner desires to seek recovery from the fund the homeowner must file a verified claim for actual damages, give the Board a 30 day written notice which will include the date the judgment was entered, the amount of the judgment, an itemized list of actual economic damages, and the amount owing on the judgment.

The homeowner shall notify the Board in writing, by certified mail, at the time a civil action is commenced (no later than 10 days from the date when the complaint is filed with the court) and submit a sworn written complaint detailing the activities complained of and the activities the builder is alleged to have engaged in.

## **Alabama Homeowner's Recovery Fund Continued**

### **Fund Revenue Sources**

Each licensee shall pay a fee not to exceed sixty dollars (\$60.00), no more than once a year, per licensee. The annual homeowner's recovery fund fee shall be set by the board after considering all expenses

### **Fund Balance**

### **Pay Out Limits**

Payments for claims based on judgments or settlements against any one licensee shall not exceed fifty thousand dollars (\$50,000) in the aggregate.

Payments for claims arising out of the same transaction shall not exceed twenty thousand dollars (\$20,000) in the aggregate.

# **Arizona Registrar of Contractors Residential Contractors' Recovery Fund**

## **Fund Overview**

The Residential Contractors Recovery Fund was established to cover claims against Arizona licensed residential contractors made by the owner of residential real property which is occupied or intended to be occupied by the owner as a residence.

Any person injured by an act, representation, transaction or conduct of a licensed residential contractor may be awarded in the county where the violation occurred an amount of not more than thirty thousand dollars (\$30,000) for damages sustained by the act, representation, transaction or conduct of a contractor.

## **History**

In 1981 the Registrar of Contractors started the Residential Contractors' Recovery Fund which compensates homeowners for actual damages sustained by the act, representation, transaction or conduct of a contractor.

## **Statute of Limitations**

There is a two year statute of limitation from the commission of the act in which to file an action against the contractor.

## **Group Covered**

Eligible persons are owner occupants of class three (3) residential property who contracted with a contractor who was properly licensed to perform residential construction and whose license was in good standing.

The recovery fund is not subject to claims by suppliers, subcontractors, laborers or others.

## **Actions Necessary to Collect**

A homeowner can pursue the fund by way of the administrative procedure or the civil procedure.

### ***Administrative Procedure for Recovery***

If the contractor's license has been revoked or suspended as a result of an order to remedy a violation, a homeowner may be eligible to apply directly to the fund.

An administrative claim must be filed on forms prescribed by the Registrar and submitted to the office along with supporting documentation. Required documentation includes a copy of the contract with the contractor, proof of payment on that contract and at least three itemized bids from licensed Arizona residential contractors as to necessary costs to complete or repair the project.

## **Arizona Residential Contractors' Recovery Fund Continued**

### ***Civil Procedure for Recovery***

A civil action must be brought against the contractor in either Justice of the Peace Court or Superior Court. The plaintiff (claimant) must also pursue the contractor's license bond. This can be accomplished in the same action.

The claimant must notify the Registrar of the commencement of the action. The claimant must submit a copy of the summons and complaint, judgment and all supporting documentation for review prior to obtaining a certified order from the court directing payment from the recovery fund. If awarded in the civil judgment, the fund can cover court costs and attorney's fees, not to exceed the \$30,000 maximum individual award payable (civil procedure only).

### **Fund Revenue Sources**

The Residential Contractor Fund is funded by the assessments paid upon application and at renewal by residential and dual licensed contractors.

### **Fund Balance**

If at any time the balance remaining in the residential contractors' recovery fund is less than two million dollars (\$2,000,000), every residential contractor who paid into the fund may be reassessed (in an amount determined by the registrar) and required to make payment into the fund. The registrar shall suspend a residential contractor's license for failure to make the required payment until the amount owed is paid in full.

If at any time the monies deposited in the residential contractor's recovery fund are insufficient to satisfy any duly authorized claim or portion thereof, the registrar shall, when sufficient monies have been deposited in the fund, satisfy any unpaid claims or portion of the unpaid claim with priority for payment based on the time frame of filing a certified copy of the court order with the registrar.

### **Pay Out Limits**

A "person injured" can recover as much as thirty thousand dollars (\$30,000) but the award is limited to actual damages (workmanship) and will not exceed the amount necessary to complete or repair the project. The maximum payout per residential contractor's license is two hundred thousand dollars (\$200,000).

# **Construction Industry Licensing Board**

## **Florida Homeowners' Construction Recovery Fund**

### **Fund Overview**

The Florida Homeowners' Construction Recovery Fund is a fund of last resort that is available to claimants who have suffered monetary damages by the financial mismanagement or misconduct of a contractor, and who has exhausted all other resources of payment. The Construction Industry Licensing Board makes the determination for an award.

As a prerequisite to access the fund, claimants must have obtained a final judgment, arbitration award, or board issued restitution order against the licensee. Eligible claims are those where claimants have suffered damages that are the direct result of a compensable violation committed by a licensee and that satisfy all other legal requirements. The fund can only pay out to the extent of the unsatisfied portion of actual damages, up to the statutory maximum, suffered as a direct result of the licensee's wrongdoing. The Construction Industry Licensing Board makes the determination for an award.

### **History**

It is the intent of the Legislature that the sole purpose of the Florida Homeowners' Construction Recovery Fund is to compensate any aggrieved claimant who contracted for the construction or improvement of the residence located within this state and who has obtained a final judgment in any court of competent jurisdiction, was awarded restitution by the Construction Industry Licensing Board, or received an award in arbitration against a licensee on grounds of financial mismanagement or misconduct, abandoning a construction project, or making a false statement with respect to a project and arising directly out of any transaction when the judgment debtor was licensed and performed any of the activities enumerated under s.489.129(1)(g), (j) or (k) on the homeowner's residence.

### **Statute of Limitations**

A claim for recovery is made within one (1) year after the conclusion of any civil, criminal, or administrative action or award in arbitration based on the act.

### **Group Covered**

The fund is restricted to homeowners only and is limited to contracts entered into with a Division 1 contractor. For contracts entered into after January 1, 2005, the fund is restricted to homeowners only and is limited to contracts entered into with Division 1 contractors only. If you have a contract to install or repair a pool or roof, for example, you will no longer be eligible for reimbursement from the fund after January 1, 2005.

### **Actions Necessary to Collect**

Any claimant is eligible to seek recovery from the Homeowners' Construction Recovery Fund after having made a claim and exhausting the limits of any available bond, cash bond, surety, guarantee, warranty, letter of credit, or policy of insurance, provided that each of the following conditions is satisfied:

## **Florida Homeowners' Construction Recovery Fund Continued**

- (a) The claimant has received final judgment in a court of competent jurisdiction in this state or has received an award in arbitration or the Licensing Board has issued a final order directing the licensee to pay restitution to the claimant.
- (b) The judgment, award, or restitution is based upon a violation of s. 489.129(1)(g), (j), or (k) or s. 713.35.
- (c) The violation was committed by a licensee.
- (d) The judgment, award, or restitution order specifies the actual damages suffered as a consequence of such violation.
- (e) The contract was executed and the violation occurred on or after July 1, 1993.
- (f) A claim for recovery is made within 1 year after the conclusion of any civil, criminal, or administrative action or award in arbitration based on the act. This paragraph applies to any claim filed with the board after October 1, 1998.
- (g) Any amounts recovered by the claimant from the judgment debtor or licensee, or from any other source, have been applied to the damages awarded by the court or the amount of restitution ordered by the board.
- (h) The claimant is not a person who is precluded by this act from making a claim for recovery.

### **Fund Revenue Sources**

The Florida Homeowners' Construction Recovery Fund is a separate account in the Professional Regulation Trust Fund. The recovery fund shall be funded out of the receipts deposited in the Professional Regulation Trust Fund from the one-half cent per square foot surcharge on building permits collected and disbursed.

### **Fund Balance**

Annual appropriation is \$4,000,000. Disbursed \$2,196,640 in FY 04-05 and disbursed \$3,195,217.69 in FY 05-06.

### **Pay Out Limits**

Maximum pay out limits, prior to July 1, 2004 were \$25,000 and payments for claims against any one licensee did not exceed, in the aggregate, \$100,000 annually, up to a total aggregate of \$250,000. Beginning in January 1, 2005 for each contract entered after July 1, 2004 payment from the recovery fund will be subject to a \$50,000 maximum payment and the total aggregate cap is \$500,000.

# **Hawaii Contractors License Board Contractors Recovery Fund**

## **Fund Overview**

The Contractors Recovery Fund is a service for homeowners that is wholly funded by Hawaii's licensed contractors and it is administered by the Contractors License Board.

The fund provides protection to homeowners who find that a licensed contractor has not performed as promised, has defaulted on the contract, or has violated some other provision of the law regulating contractors.

## **History**

The Hawaii Contractors Recovery Fund began in 1974 making it the oldest construction recovery fund in the country.

## **Statute of Limitations**

Actions to obtain relief from the Contractors Recovery Fund must be commenced within six (6) years from the cause of action.

## **Group Covered**

The fund covers construction improvements and alterations to private residences.

## **Actions Necessary to Collect**

The procedure for obtaining relief from the Contractors Recovery Fund is as follows:

- The homeowner must file a court action against the contractor or enter into arbitration proceedings with the contractor.
- The homeowner must notify the Contractors License Board of the court action or arbitration at the time the suit is filed or the arbitration proceedings are initiated.
- If the homeowner obtains a judgment or award against a licensed contractor and the licensed contractor lacks the assets to pay off the judgment, a claim against the fund must be made.
- Homeowners who have paid the contractor in full but are subject to a lien due to the contractor's default may also obtain a judgment directing payment from the fund.

## **Fund Revenue Sources**

When any person applies for a contractor's license, the person shall pay, in addition to the person's original license fee, a fee of \$150 for deposit in the contractor's recovery fund.

## **Hawaii Contractors Recovery Fund Continued**

### **Fund Balance**

If the balance remaining in the contractor's recovery fund is less than \$250,000, the board may assess every contractor a fee not to exceed \$500 annually for deposit into the fund. The failure for any contractor to pay the assessment within sixty (60) days from the date of assessment shall constitute forfeiture of the contractor's license. The board may impose other penalties or requirements as a condition of restoration of the license.

### **Pay Out Limits**

A homeowner may recover up to \$12,500 per contract from the Contractors Recovery Fund on any judgment obtained against a licensed contractor and the fund will pay out up to \$25,000 per contractor.

# **Maryland Home Improvement Commission**

## **Home Improvement and Guarantee Fund**

### **Fund Overview**

The Home Improvement and Guarantee Fund covers “actual loss”, including restoration, repair, replacement, or completion that arise from an un-workmanlike, inadequate, or incomplete home improvement.

### **History**

State has not yet responded

### **Statute of Limitations**

State has not yet responded

### **Group Covered**

State has not yet responded

### **Actions Necessary to Collect**

A claimant shall comply with a written agreement to submit a dispute to arbitration before seeking recovery from the fund. The Commission may deny a claim if the Commission finds that the claimant unreasonably rejected good faith efforts by the contractor to resolve the claim.

### **Fund Revenue Sources**

Contractors are required to pay a \$100 fee to the fund before the Commission issues a license.

### **Fund Balance**

The Commission will keep the fund at a level of at least \$250,000 and will deposit all money collected to the credit of the fund with the State Treasurer for placement in a special account.

If the fund falls below \$250,000 because of pending claims, the Commission will assess each contractor a fee of \$50. However, the Commission may not assess a contractor more than \$150 in a calendar year. If a contractor fails to pay an assessment fee within 60 days after notice of the assessment, the contractor license is suspended until the assessment is paid.

### **Pay Out Limits**

The Commission may not award from the fund more than \$15,000 to 1 claimant for acts or omissions of 1 contractor or more than \$100,000 to all claimants for acts of omissions of 1 contractor unless, after the Commission has paid out \$100,000 on account of acts or omissions of the contractor, the contractor reimburses \$100,000 to the fund.

## **Michigan Department of Labor & Economic Growth Homeowner Construction Lien Recovery Fund**

### **Fund Overview**

The Homeowner Construction Lien Recovery Fund was created to protect both homeowners who have contracted with a licensed builder or remodeler for construction or improvements on a home, and the subcontractors, suppliers and laborers who have provided materials or labor on the job.

### **History**

The Homeowner Construction Lien Recovery Fund (FUND), a special restricted fund program created by the Construction Lien Act in 1982, serves to provide a means of redress for the Fund members acting as subcontractors, suppliers and laborers that were not paid by the licensed contractor who received the monies from the homeowner. In order to get paid on the “unpaid bill,” the subcontractor, supplier or laborer could file a construction lien or “claim of lien” on the property.

The Fund acts as a consumer safety net for homeowners by providing a source of recovery on the valid liens to the subcontractors, suppliers and laborers so that the homeowner would not be responsible for paying twice for their construction remodeling or home building project.

### **Statute of Limitations**

Subcontractors, suppliers and laborers must maintain an active membership in the Fund (licensed contractors are required to be members) in order to file their claim against the Fund in circuit court. A lawsuit to foreclose on the claim of lien must be filed within one year from the date of filing the lien.

### **Groups Covered**

The groups covered by the Fund are homeowners and subcontractors, suppliers and laborers. The Fund does not protect from losses on apartment buildings, “spec” homes or commercial construction.

### **Actions Necessary to Collect**

As a subcontractor, supplier or laborer, it is imperative to always work with a licensed contractor in order to collect from the Fund. In order for a lien claimant to receive payment from the Fund they must be an active member of the Fund prior to the date of entering into contract, this excludes laborers. There is a membership fee of \$50. Laborers are not required to be members of the fund before making a claim; however, a fee of \$15 will be withheld from any money awarded to laborers from the fund.

## **Michigan Construction Lien Recovery Fund Continued**

### **Fund Revenue Sources**

The revenue sources for the Fund come from mandatory \$50 payments from persons applying for a residential builder's license, a residential maintenance and alteration contractor's license, an electrical contractor's license, a plumbing contractor's license, or a mechanical contractor's license. Once the fee is paid the person is a member of the Fund. Each member is also required to pay any additional assessments as mandated by the law.

### **Fund Balance**

If the fund falls below \$1,000,000.00, the Department director may assess an additional assessment up to \$50 per member to replenish the Fund's balance.

### **Pay out Limits**

The Department shall not pay out of the Fund to member subcontractors, suppliers, and laborers more than a total of \$75,000.00 per residential structure. When it appears that the amount claimed from the fund, with respect to a residential structure, will exceed \$75,000.00, the department may delay payment until the total amount to be paid can be ascertained. If the total amount payable to subcontractors, suppliers, and laborers exceeds \$75,000.00, they shall be paid their proportional shares of that amount.

# **North Carolina Licensing Board for General Contractors Homeowners Recovery Fund**

## **Fund Overview**

The purpose of the North Carolina Homeowners Recovery Fund is to provide some amount of monetary assistance to homeowners who have suffered a reimbursable loss resulting from the dishonest or incompetent conduct of a licensed general contractor. The fund is administered by the Licensing Board for General Contractors.

## **History**

During the summer of 1991, the General Assembly passed a bill to create the Homeowners Recovery Fund and the law went into effect on October 1, 1991.

## **Statute of Limitations**

The application must be made within one year of the conclusion of all civil matters, or in the case of bankruptcy, within three years of the discovery of the facts surrounding the incompetent or dishonest conduct, or within six years of substantial completion of the construction (whichever comes first).

## **Group Covered**

The group that is covered by the fund is owners or former owners of single-family residential dwelling units who have suffered a reimbursable loss and who have filed an application for reimbursement from the fund.

## **Actions Necessary to Collect**

Claimants must complete an application (available by calling the Board directly), sign and notarize it and return the completed application along with copies of all requested documents to the Board office.

## **Fund Revenue Sources**

Whenever a general contractor applies for a permit for the construction of any single-family residential dwelling unit, a city or county building inspector collects ten dollars (\$10.00) for each dwelling unit to be constructed or altered under the permit.

## **Fund Balance**

State has not yet responded

## **Pay out Limits**

State has not yet responded

## **Utah Construction Trades Bureau Residence Lien Recovery Fund**

### **Fund Overview**

The Utah Residence Lien Recovery Fund provides homeowners in Utah with limited protection from mechanic's liens arising from construction of/on their residence. The Fund also reimburses those contractors, suppliers, etc. that are unable to collect on a lien because of the homeowner protection.

### **History**

In 1994, the Utah Legislature recognized a problem within the residence construction industry. A few contractors were taking money for construction but not paying subcontractors and suppliers. Therefore, the homeowners had to pay the subcontractors and suppliers directly to prevent loss of the home due to lien foreclosure. In effect, the homeowner had to pay twice for the same product or service. To correct this inequity, the legislature passed the Utah Residence Lien Restriction and Lien Recovery Fund Act.

### **Statute of Limitations**

State has not yet responded

### **Group Covered**

The act provides homeowner protection and fund availability limited to construction performed on single-family and duplex homes that are occupied by the homeowner or his tenant as a primary or secondary residence within 180 of the completion of construction. Neither the lien restriction provisions of the Act nor fund availability apply to larger residential projects, "spec" homes that remain unoccupied for more than 180 days, condominiums with more than two units per building, or commercial projects.

### **Actions Necessary to Collect**

The lien claimant initiates a lawsuit to enforce a claim of a lien and is required to serve the homeowner with

### **Fund Revenue Sources**

The source of revenue for the fund is from initial fees and special assessments (as needed) from all contractors and those suppliers wishing to register as beneficiaries under the fund. The initial fee is \$195 for each contractor (mandatory) and every supplier who wishes to participate in the program.

## **Utah Residence Lien Recovery Fund Continued**

### **Fund Balance**

The participants in the fund will be reassessed when the fund drops below \$1,500,000 in an amount necessary to bring the fund up to an amount between 2.0 and 2.5 million.

### **Pay out Limits**

Payments from the fund may not exceed \$75,000 per residence or a \$500,000 total lifetime amount per qualifying beneficiary. Except in the case of laborers, judgments are required prior to payment from the fund.

# **Virginia Board for Contractors**

## **Virginia Contractor Transaction Recovery Fund**

### **Fund Overview**

A person who has been awarded a judgment against a licensed contractor in a court of competent jurisdiction due to the improper and dishonest conduct may be eligible to receive relief from the Contractor Transaction Recovery Fund. Improper and dishonest conduct is defined as the wrongful taking or conversion of money, property or other things of value which involves fraud, material misrepresentation or conduct constituting gross negligence, continued incompetence, or intentional violation of the Uniform Statewide Building Code.

### **History**

The Virginia Contractor Transaction Recovery Fund Act became effective July 1, 1980. The act provides relief to consumers who have incurred losses through the improper and dishonest conduct of a licensed contractor.

### **Statute of Limitations**

A Contractor Transaction Recovery Act claim form must be filed with the Department of Professional and Occupational Regulation within twelve (12) months after the judgment.

### **Group Covered**

A person who has been awarded judgment in court of competent jurisdiction in the Commonwealth of Virginia against a licensed contractor may be eligible to file a claim.

### **Actions Necessary to Collect**

After the consumer has obtained a judgment from a court, an attempt must be made to collect from the contractor by conducting debtor interrogatories. This action determines whether the contractor has any assets which can be sold or applied in satisfaction of the judgment. If any assets are revealed by the questions, the consumer must provide evidence that all legally available actions have been taken.

### **Fund Revenue Sources**

The Recovery Fund is supported entirely by assessments paid by licensed contractors. A \$25 Recovery Fund assessment is required with each initial application.

### **Fund Balance**

The minimum balance of the fund will be \$400,000.

# APPENDICES

## Recovery Fund Statutes

Alabama Home Builders Licensure Board

Arizona Registrar of Contractors

Florida Construction Industry Licensing Board

Hawaii Contractors License Board

Maryland Home Improvement Commission

Michigan Department of Labor & Economic Growth

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