

Due Diligence When Hiring a Contractor in Idaho



Contractor

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My Why

Educating residents of Idaho on due diligence has become a passion project for me after reading about and receiving calls from consumers who ended up having a negative contractor experience. My goal is to provide the information to educate the communities of Idaho how to perform Due Diligence in Idaho regarding choosing a contractor. Completely eliminating a negative experience may not be possible, but knowing how to protect your home and your family using this information could greatly increase the chance of having a positive experience and best result for your project, as well as having options to resolve a problem that may occur.

Need a fence? Need an electrician? Need a remodeler? Need an HVAC system? The needs are endless when you are a homeowner, but so is the responsibility to be aware of who you are hiring and inviting onto your property. This booklet will address what is required of contractors in Idaho, types of contractors, the difference between unregistered and registered contractors, the difference between registration and license requirements, where to go for contractor and discipline action search, questions to ask, information about disclosures, how to file a complaint, and what options you have if something goes wrong.

In summary, I hope this resource will help you make the best decision for your property and family to receive the best outcome for your project. I also hope it can be used as a tool to educate those who perform contracting services in Idaho and want to serve their communities with integrity and professionalism. Some may not be aware of the requirements in Idaho and this guide will serve as a how-to if unaware of what is required.

The Idaho Division of Professional Licensing – Idaho State Contractors Board

11341 W Chinden Blvd Building 4, Boise, ID 83714
(208) 334-3233

State of Idaho Board of Contractors Website

<https://apps.dopl.idaho.gov/DOPLPortal/BoardPage.aspx?Bureau=CON>

Registered vs Unregistered: What is the difference and Why is It Important? – RCT or RCE

Any person who engages in a construction job with a dollar amount exceeding \$2000.00 (materials & labor). General contractors and specialty contractors (fencing, remodel, hardscape, landscape, concrete, etc) must be registered with the Contractors Board prior to supplying an estimate or proposal at \$2,000 to construct, alter, improve, or repair residential real property, or for the purchase and sale of newly constructed property. The registration is above and beyond the business filing with the Secretary of State and requires an application to the Board, current General Liability insurance, and Workman's Compensation insurance and must be renewed annually.

Unregistered contractors who provide an estimate of \$2,000 or more, perform the work as a contractor, where registration is required, the following penalties apply:

- No Building Permits - You cannot obtain a building permit.
- No Lien Rights - You waive any right to a lien on real property.
- No Contract Rights - You lose your right to sue to collect money for your work under any contract for which you were required to be registered.
- Misdemeanor: Any person acting in the capacity of a contractor as defined and who does not have a current registration as required shall be guilty of a misdemeanor. Upon conviction, each violation shall be punished by a fine of no more than \$1,000 or by imprisonment in the county jail for a term not to exceed six (6) months, or by both, in the discretion of the court.

Consumers should know that hiring unregistered contractors may expose you to risk. Unregistered contractors are likely not to have general liability insurance or workman's compensation insurance. If a worker is injured on your property, they could sue you. If a vendor is not paid for materials, the vendor could place a lien on the property. There may be other risks as well. There is little recourse when a problem arises with an unregistered contractor other than court where other judgments may be in front of yours.

Check for Registered Contractors here:

<https://apps.dopl.idaho.gov/DOPLPublic/LPRBrowser.aspx>

Review Registered Disciplinary Action here:

<https://apps.dopl.idaho.gov/DOPLPublic/FormalActionBrowser.aspx?Bureau=CON>

Review Unregistered Disciplinary Action here:

<https://apps.dopl.idaho.gov/DOPLPublic/FormalActionBrowserU.aspx?Bureau=CON>

“Licensed and Insured” Is that true in Idaho? When is a license required?

Idaho does NOT license contractors, other than:

- Electrical
- HVAC
- Manufactured Housing Contractors and Installers
- Plumbing
- Public Works Contractors

It is not legal for anyone to perform even “minor electrical, minor plumbing, or light HVAC” work as a handyman or contractor other than an Electrician, Plumber, or HVAC professional. These specialties require licensing and continuing education exams with the Division of Building Safety. Persons who perform electrical, HVAC or plumbing work without a required state-issued license or who violate other applicable codes or rules are subject to civil penalties.

The Idaho Division of Building Safety

11341 W Chinden Blvd, Boise, ID 83714

(208) 334-3950

Division of Building Safety Website:

<https://dbs.idaho.gov/>

Division of Building Safety License, Permits, Violations Search website:

<https://web.dbs.idaho.gov/etrakit3/>

Contractors Must Provide Disclosures

Idaho law requires contractors to provide certain disclosures to property owners and customers. Any estimate provided without an Initial Disclosure listing the customer's rights is in violation of state law and may indicate the contractor is not registered. During the application process, contractors are informed about requirements of disclosures and receive mailers from the Division to remind of requirements periodically. Please look for these disclosures when receiving estimates or proposals for your property. The contractor must provide an acknowledgement of receipt to be executed by homeowner or purchaser, retain proof of receipt and provide a copy.

A Disclosure Upon Completion is also required before final payment is received. This disclosure could be included on the final invoice or before an onsite final payment is made.

Initial Disclosure

This 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 contractor has general liability insurance, including completed operations and workman's 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 the amount up to the value of the construction project.

Disclosures continued

Disclosure Upon Completion

This statement must include the following:

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.

In Conclusion

Before you hire a contractor, take your time to make decisions. Social media and online contractor service lead platforms are not reliable ways of finding a registered contractor. Handyman companies are not typically registered or insured and are not vetted on the contractor recommendation sites like Angi or HomeAdvisor. Always check references and reviews. Hire only registered contractors for projects \$2,000 or more. Perform your due diligence by researching contractors using the included links. Know about contracts. Get it in writing. Read all the terms and conditions. Stay away from verbal agreements or cash only transactions. If a significant problem arises that is not being addressed with concern, file a complaint to the Board at:

<https://appengine.egov.com/apps/id/dopl/bcre-comp>

Who We Are

Henry's Construction & Treasure Valley Fence has been serving homeowners and business owners in the Treasure Valley since 2013, specializing in cedar, vinyl, and ornamental fence construction. We build with an attention to every detail providing you with a fence that will last for years to come. A beautifully crafted fence is a great investment adding curb appeal and security to your home. We have built strong connections in the valley to provide quality material at a reasonable price.

We are fully registered and insured in Idaho, which means our customers can count on their property being well taken care of and free from liability concerns.

We are dedicated to quality. We strive to create a team of people who want to provide the customer with a final product they can appreciate for years to come. We take this commitment personally and get great satisfaction in ensuring a happy customer and a team experiencing the pleasure of a project well done! Our team members receive advanced training and test to become certified installers.

Contact Us

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