



Prepaid Contracting

Consumer Protection Act

Are you considering renovating the interior or exterior of your property? Whether you are a homeowner getting renovations or a contractor performing renovations, know your contract and what must be included in it. A business requesting an upfront payment before work commences, or payments before a renovation is completed, is a prepaid contracting business in Alberta and must be licensed with Service Alberta and Red Tape Reduction (SARTR).

Prepaid contracting

A prepaid contracting business solicits, negotiates, **or** concludes prepaid contracts in person at any place other than the seller's place of business, and accepts money before all the work is done or the services are provided.

Prepaid contracts are for construction, maintenance, repairing, altering, adding to or improving private dwellings, or real property used in conjunction with a private dwelling such as landscaping services.

Prepaid contracts

All prepaid contracts worth \$200 or more must be in writing and contain the following:

- Full names and addresses for you, the contractor, and, if applicable, the salesperson.
- The contractor's telephone number and fax, if applicable.
- The date and place of the contract.
- A detailed description of the quality or type of materials to be used and the services and work to be carried out under the contract.
- Itemized prices for all goods and services.
- The completion date of the services to be provided.
- A statement of your cancellation rights.
- The total price of the contract and the terms of payment. This includes all taxes.
- The delivery date for the goods and the commencement date for the services as well as the date when all services will be completed, and goods provided.
- Full cost-of-credit disclosure including details about any security taken for payment.
- Your signature and the signature of the business's sales representative.

The contractor must give you a copy of the written contract at whichever of these times comes first:

- On or before the date the work begins.
- Within 10 days after you sign the contract.

Exemptions

The following prepaid contracts are exempt from licensing requirements:

- Contracts for business or commercial buildings.
- Contracts between contractors, sub-contractors and sub-trades.
- Contracts for home construction covered by the Alberta New Home Warranty Program that include pre-possession insurance or deposit insurance.
- Contracts for the construction or renovation of a home covered by the National Home Warranty Program.
- Contracts for drilling or maintaining water wells covered by the Water (Ministerial) Regulation, where the contractor holds a Class A, B or D approval for water wells.

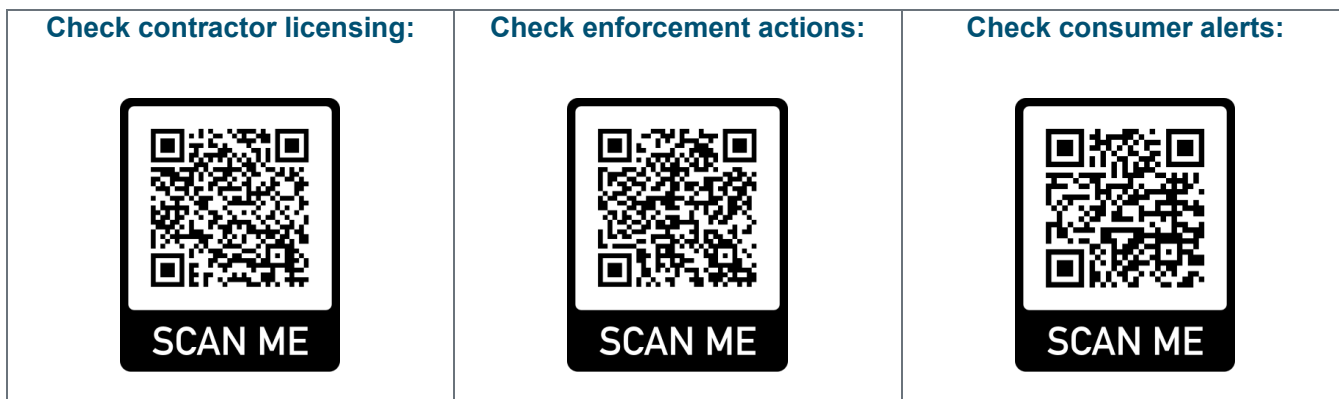
General tips for hiring a contractor

- Get estimates and contracts in writing, as verbal conversations are hard to prove.
- Document all changes to a contract in writing.
- Use a traceable method of payment.
- Get and check references.
- Check municipal licenses and permits.
- Check for insurance and Worker's Compensation Board coverage.

For more information call Service Alberta and Red Tape Reduction at 1-877-427-4088

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Questions?

Consumer Contact Centre

Hours: 8:15 am to 4:30 pm (open Monday to Friday, closed statutory holidays)

Phone: 780-427-4088

Toll free: 1-877-427-4088 (in Alberta)

Email: service.alberta@gov.ab.ca

Online: <https://www.alberta.ca/consumer-business-tips.aspx>

Report a Rip-Off: You can submit an anonymous complaint as a tip via Report a Rip-Off. Call the Service Alberta and Red Tape Reduction Consumer Contact Centre at 1-877-427-4088 to submit your anonymous tip.

File a complaint: The Consumer Investigations Unit (CIU) investigates potential violations of consumer protection and tenancy laws. You may submit a complaint whenever you feel that a business has breached these laws. File a complaint by calling the Consumer Contact Centre at 1-877-427-4088 (Toll free in Alberta).

Online Resources: Home Improvements – what you need to know: <http://open.alberta.ca/publications/home-improvements-what-you-need-to-know>.