



# GUIDE FOR HIRING CONTRACTORS



## HOMEOWNERS BE AWARE!

*Each year our residents lose money to **unlicensed** individuals and craftsmen posing as contractors.*

### DID YOU KNOW?

- According to Florida Statute 455.228 if you hire an unlicensed person, the Department of Business and Professional Regulation (DBPR) may issue a cease and desist order and take you to Circuit Court which has the authority to impose a civil penalty up to \$5,000 for aiding and abetting unlicensed activity.
- If you hire an unlicensed person, you may actually pay more for the job than if you had hired a licensed contractor. Especially if the work is done incorrectly or never finished. You may have to pay much more to correct or finish the job.
- If you pull a permit for an unlicensed contractor, you are held responsible for the work, not the unlicensed person.
- If the unlicensed person fails to pay the sub-contractor or suppliers, you will be required to pay them, even though you have already paid the unlicensed person.
- Plumbing, electrical, heating and air conditioning work must be done only by licensed contractors in each specific trade.
- Home improvement contractors must be Certified by the State of Florida or have County Certification.
- Roofing contractors also are required to be Certified by the State or have County Certification.
- There is no such thing as a “jack-of-all trades” or “handyman” that does not require licensure.
- A Local Business Tax Receipt (formerly Occupational License) is not a Contractor’s License. It is a tax for the privilege of engaging in the managing of a business or profession. FS 205.032
- You can be held liable for injury of individuals working on your property if the unlicensed person has no insurance including the unlicensed person’s injuries.

### YOU CAN PROTECT YOURSELF

Simply by making three (3) telephone calls, you can greatly reduce your risk or loss to an unlicensed person.

- 1<sup>st</sup> Call to obtain more than one bid for the work you want performed.
- 2<sup>nd</sup> Require references from suppliers and call them.
- 3<sup>rd</sup> Call the Contractor Licensing Department / Building Department to report violations or confirm your bids are from **Licensed Contractors**.

# **UNLICENSED CONTRACTING - *EARLY WARNING SIGNS***

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- **“Licensed & insured” doesn’t mean a thing by itself.** It is a requirement per Florida Statute / St. Johns County Ordinance that an individual / company has their license number displayed on all advertisements, contracts, and business cards.
- **You are asked to obtain the permit.** A licensed contractor will always obtain their own permits.
- **Verbal contract only, no detailed terms in writing.** This is usually a sign of an unlicensed individual.
- **Contractor does not have proof of insurance.** All contractors must have general liability and workers’ compensation coverage or workers’ compensation exemption current at all times and be able to prove it. Call their agent to verify or contact the County Licensing Department.
- **You are informed the job does not require a permit or inspections.** All projects, except very minor repairs, generally require a permit and inspections.
- **The contractor prefers to work on week-ends or after hours.** This is often a sign an individual is not licensed and may be afraid to work when building inspectors are on duty.
- **When someone other than the person contracting with you obtains the permit.** Additional questions may be necessary.
- **Contractor displays only a local business tax receipt, (formerly Occupational License).** In order to lawfully engage in contracting the individual must hold a State Certification, State Registration or Specialty Trade License in the field they are contracting. Each will have a current wallet card bearing his name and scope of trade.
- **You are asked to make check payable in the individual contractor’s name or asked to make payment in cash, or to make the check payable to “cash”.** Licensed contractors usually have separate business accounts, so when paying by check the check should reflect the same name as on the contract.
- **Advertisements and contracts should reflect company name, phone number and contractor’s license number.** Contractors will have an address, phone number, and license number which you should verify with you local Contractor Licensing Department.