

**November 17, 2020****CSLB #20-22**

Contractors State License Board Reminds Licensees about the Importance of Following Home Improvement Contract Requirements for Solar Jobs

SACRAMENTO – The Contractors State License Board (CSLB) is reminding licensed contractors that it is critically important to follow California law when it comes to contract requirements for solar projects. The installation of a residential solar system is considered home improvement and any contract for a residential solar system must follow the home improvement contract requirements in the Contractors State License Law

For example, [BPC 7159.5](#) restricts the amount that a contractor can request or receive for a down payment and provides detailed requirements about progress payments. You cannot ask for or take a down payment of more than \$1,000 or 10 percent of the contract price, whichever is less.

Except for that down payment, a contractor may not request or accept payment that exceeds the value of the work already performed or materials already delivered. For example, it is unlawful for a solar contractor to request or receive payment for installation of solar panels if those panels have not yet been provided or installed.

Also, the contract price and all subsequent progress payments must be stated in the contract, in dollars and cents. You must list the work or services provided that justify the progress payment being requested.

Violations of the home improvement contracting laws subject licensees to CSLB administrative disciplinary action and potential referral to a local prosecutor for possible misdemeanor criminal charges.

Here are just some important reminders about residential solar contract requirements:

- The [solar energy system disclosure document](#) must be included on the front page or cover page of the residential solar energy contract ([BPC 7169](#)).
- A home improvement salesperson (HIS) must register with CSLB in order to engage in the business of, or act in the capacity of a home improvement salesperson for a contractor ([BPC](#)

[7153\(a\)](#)). The HIS must be registered with the solar contractor or contractors they are selling for [\(BPC 7154\(a\)\)](#).

- Before any work begins, the contractor must give the buyer a copy of the contract signed and dated by both parties. The buyer's receipt of the copy of the contract initiates their right to cancel [\(BPC 7159\(c\)\(3\)\(A\)\)](#). For any contract entered into on or after January 1, 2021, the buyer's right to cancel a home improvement contract is five days for buyers 65 years or older [\(Assembly Bill 2471, Maienschein, 2020\)](#).
- The contract must include an approximate calendar date of when work will begin and the estimated completion date [\(BPC 7159\(10\)\(C\)\)](#).

Learn more in CSLB's publications, "[California Contractors License Law & Reference Book](#)" and "[Contracting for Success: A Contractor's Guide to Home Improvement Contracts](#)," and on CSLB's "[Solar Smart](#)" website page.

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