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*Rebuilding After the 2025 LA Wildfires:*

# Important Contract and Payment Rules

If you are rebuilding your home after a wildfire or another declared disaster, the law treats rebuilding as a home improvement project. This means contractors must follow all **home improvement contract** and payment rules and not treat the work as new construction.

**Contractors must use a fixed price contract.** A fixed-price contract lists the full agreed upon price for the project. Contractors are not allowed to use “time and materials” or “cost plus” contracts for disaster-related home improvement work.

**Down payments should not be more than $1,000 or 10%.** Contractors cannot ask for or accept a down payment of more than $1,000 or 10 percent of the total contract price, whichever is less. Any other payments must be clearly listed in the contract. They must also be based on the actual value of work already completed or on materials that have been delivered to your home.

These rules apply to all home improvement projects, including residential solar installations and the construction of residential accessory dwelling units (ADUs).

Before agreeing to work with a contractor to rebuild your home after a declared disaster or perform other home improvement work, the Contractors State License Board (CSLB) reminds homeowners to:

- ✔ Verify the contractor is licensed and in good standing. You can check a license on CSLB’s website at cslb.ca.gov/LicenseCheck.
- ✔ Make sure the contract is a fixed-price contract.
- ✔ Agree to a total contract price that works for you and your contractor.
- ✔ Make sure the down payment isn’t more than $1,000 or 10%, whichever is less.
- ✖ **Never sign any contract or change order that requires a progress payment larger than the value of the work completed.**
- ✔ Get any other payments clearly listed in the contract.
- ✔ Seek other bids if a contractor can’t meet these requirements.

**For more information & resources, visit CSLB’s Disaster Help Center at cslb.ca.gov/Disaster.**