

# **Affects and the Effects of Unlicensed Construction & Remodeling in Florida (and really in any community across the nation)**

Does unlicensed remodeling and construction activity really matter? Why can't a guy or gal earn a living without having big-brother watching over them?

Well, for starters, does one wish to have a lay person, acting as a doctor, perform open heart surgery or remove your bladder? How about a "handy-man dentist" to perform a root canal or extract a tooth?

Of course you would not, those are regulated professions, as is the construction industry. And for most people, homeownership is probably the largest or second largest investment of a lifetime so why would a person put that investment at risk by hiring unlicensed individuals to perform work on that investment?

So let's take a look on how unlicensed remodeling & construction activities affect the community and the effects that this activity causes.

**Homeowner** – Hiring unlicensed workers presents many issues, some are even quite dangerous:

- Work not properly completed because unlicensed and uninsured individuals cannot pull permits; therefore there is no oversight of their work. Issues include potential fire from incorrect wiring, flooding due to improper plumbing, injury (possible death) due to improper structures erected, just to name a few.
- In Florida, there is NO legal relief from improper work or defective materials used if the work and/or materials were provided/installed by an unlicensed individual or firm.
- Anyone who is injured on your property can sue the homeowner and/ or your estate for medical expenses and lost wages if they do not have Workers Comp. insurance or exemptions from the State.
- If you hire unlicensed workers, in Florida, it is against the law AND you are liable to pay their unemployment, Workers Comp and FICA taxes.
- Based on sting operations and other data from government agencies, most unlicensed people have a prior criminal background that include child molestation and other sex crimes, burglary, Grand Theft, just to name a few. Not exactly the kind of people you want in your house, working on YOUR investment.

**The Community** – Unlicensed firms and individuals cannot pull permits. And because there is no oversight of them, they also do not buy insurance. The net result is that we have our buildings where we work, live and play put at risk.

- Because permits are not being pulled, the revenue normally generated to support the municipality charged with overseeing construction work is much less. Less funds = less service due to building official personnel layoffs and cut-backs.
- Property insurance costs increase overall for a community because the claims that are filed due to the effects of poor or incorrect workmanship by unlicensed/uninsured workers often do not appear for years. Therefore, the 2nd or 3rd generation owners are making claims and often see their rates increase as a result.
- Injuries and resulting chronic illness and/or disabilities sustained on the job site by uninsured workers also taxes the system. The community at-large is paying for those Individual's medical care costs because there were no premiums being paid into the system for Workers Compensation.
- Loss of premiums by the insurance industry for general liability coverages is an additional negative effect. Take thousands of firms and individuals NOT paying insurance that would typically cover losses that do occur,

even when the work is done correctly; because accidents do happen. The community, once again, is called upon to shore up those losses.

- Individuals who do not bother with getting proper licenses and insurance are also less likely to properly account for their income. The losses at the county, state and federal level would be staggering, if measurable.
- The lack of enforcement by local law enforcement encourages unlicensed workers to converge on those areas, thereby further increasing all of the negative effects for both homeowners and the community as listed above.

**The information above is provided by the  
Tampa Bay Chapter of The National Association of The Remodeling  
Industry.**



***NARI's Core Purpose is to advance and promote  
the remodeling industry's professionalism, product & vital public purpose.***

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