



INSTRUCTIONS — NOT PART OF THE AGREEMENT

Before You Begin: This template helps you understand what a strong Kentucky contractor agreement looks like. It is an educational starting point provided by jaspector.com — not a finished contract, and not legal advice. Kentucky does not have a single statewide general contractor license; licensing requirements vary by city and county, and certain trades require a state license from the Kentucky Department of Housing, Buildings and Construction (DHBC). Have this document reviewed by a Kentucky-licensed attorney before use. Use of this template does not create an attorney-client relationship, and jaspector.com assumes no liability for any outcomes arising from its use.

How to Use This Template

This template was built by **jaspector.com** to help Kentucky homeowners protect themselves when hiring a contractor. It reflects Kentucky consumer protection law, the right to cancel home solicitation sales, mechanics' lien rules, and the Notice and Opportunity to Repair Act.

1. **Verify the contractor's credentials.** Kentucky has no single statewide general contractor license. Check with your local building department for general contractor registration requirements in your city or county. For licensed trades (plumbing, electrical, HVAC), verify at **dhbc.ky.gov**. For other regulated professions, check **oop.ky.gov**.
2. **Download and print this document.** Fill in all blank fields — do not leave any section empty. Both parties must sign before work begins.
3. **Review each Kentucky note.** These notes highlight state-specific legal protections and requirements. Read them carefully before signing.
4. **Both parties sign.** You and the contractor each receive a signed copy before any work starts.
5. **Consult an attorney.** This template is a starting point. For large projects or complex scopes, have a Kentucky-licensed attorney review the agreement.

Field-by-Field Guide

- › **Section 1 (Parties):** Fill in the contractor's legal business name exactly as registered. Record both the local registration number (from your city/county building department) and any state trade license number (from DHBC) that applies to the work being done.
- › **Section 2 (Scope):** Be as specific as possible. List materials, dimensions, finishes, and everything excluded from scope. Vague scope descriptions are the leading cause of contractor disputes.
- › **Section 3 (Payment):** Kentucky has no statutory deposit cap, but the Attorney General recommends limiting down payments to one-third (1/3) of the contract price. Tie every payment to a completed milestone, not a calendar date.

- › **Section 4 (Timeline):** Get start and completion dates in writing. Fill in the delay penalties to protect yourself if the contractor falls behind.
- › **Section 7 (Warranties):** Fill in the warranty period. One year is common; negotiate for more on major structural work.
- › **Section 9.3 (Right to Cancel):** If the contractor solicited and signed this contract at your home, Kentucky law (KRS 367.420) gives you three business days to cancel. The contractor must provide a written cancellation notice form at signing.
- › **Section 14 (Exhibits):** Attach plans, specs, the contractor's license printout, and the cancellation notice form. Check each box for what you are including.

Kentucky Legal Notes

- › **Section 1 — Licensing:** Kentucky's Department of Housing, Buildings and Construction (DHBC) at dhbc.ky.gov licenses plumbers, electricians, and HVAC contractors. There is no statewide general contractor license — verify local requirements with your building department.
- › **Section 3.2 — Deposits:** No statutory cap exists, but the Kentucky Attorney General advises homeowners to pay no more than one-third of the total price upfront. Avoid paying in cash — use check or credit card for documentation.
- › **Section 9.3 — Right to Cancel:** KRS 367.420–367.430 gives you three business days to cancel any home solicitation sale over \$25 made at your residence. Emergency repairs you requested are exempt. The contractor must hand you a written cancellation notice at signing.
- › **Section 11 — Mechanics' Liens:** Under KRS Chapter 376, contractors and subcontractors have up to six months from last work to file a lien. On owner-occupied residential property, subcontractors must serve you a preliminary notice within 75 days of their last day of work — or they forfeit lien rights.
- › **Section 12.1 — Notice and Opportunity to Repair:** KRS 411.250–411.266 requires you to serve written notice of any construction defects and give the contractor 21 days to respond before you can file suit. This pre-litigation step is mandatory for construction defect claims in Kentucky.
- › **Section 10.4 — Small Claims:** Kentucky's small claims limit is \$2,500 (KRS 24A.220). Disputes above this amount must be filed in District or Circuit Court.

About Jaspector

Jaspector is an AI-powered property advisory service that helps homeowners navigate construction projects, verify contractors, and resolve disputes. If a problem arises during your project, jaspector.com can help you document the issue and build a resolution strategy.

Learn more at jaspector.com or email hi@jaspector.com to get started.

The instructions above are provided by jaspector.com as an educational resource. They are not part of the agreement, do not constitute legal advice, and do not create an attorney-client or endorsement relationship.

KENTUCKY HOMEOWNER-CONTRACTOR AGREEMENT

Governing Law: KRS 367.110 et seq.; KRS 367.420–367.460; KRS Chapter 376; KRS 411.250–411.266; KRS Chapter 342

1. Parties

Homeowner (Property Owner)

Name(s) _____

Property Address _____

Mailing Address (if different) _____

Phone _____

Email _____

Contractor

Business Name (Legal Entity) _____

Local Registration / License # _____

Issuing Jurisdiction (City/County) _____

State Trade License # (if applicable) _____

Issuing Board (DHBC / OOP) _____

Business Address _____

Phone _____

Email _____

Workers' Compensation Policy # _____

General Liability Policy # _____

2. Scope of Work

2.1 Project Description

Describe the work in specific, measurable detail. Include materials, methods, dimensions, and reference any plans, drawings, or specifications attached as exhibits.

2.2 Work NOT Included

Explicitly list work that is excluded from this contract to prevent scope disputes.

2.3 Permits and Inspections

- Contractor is responsible for obtaining all required building permits
- Contractor is responsible for scheduling all required inspections
- Permit costs are: Included in contract price Billed separately at cost

2.4 Plans and Specifications

- Attached as Exhibit A (architectural/engineering plans)
- Attached as Exhibit B (material specifications)
- No formal plans — scope defined by Section 2.1 above

3. Contract Price and Payment Schedule

3.1 Total Contract Price

Item	Amount
Total Contract Price	\$ _____
Sales Tax (if applicable)	\$ _____
Permit Fees (if billed separately)	\$ _____
Total Amount Due	\$ _____

3.2 Payment Schedule

Kentucky has no statutory deposit cap for residential home improvement contracts. The Kentucky Attorney General recommends limiting the down payment to no more than one-third (1/3) of the total contract price. All payments must be tied to completed work milestones, not calendar dates.

Payment	Amount	Trigger (Work Milestone)
Down Payment	\$ _____	Upon signing (recommended: no more than 1/3 of total)
Progress Payment 1	\$ _____	_____
Progress Payment 2	\$ _____	_____
Progress Payment 3	\$ _____	_____
Final Payment	\$ _____	Completion and final inspection

Payment	Amount	Trigger (Work Milestone)
Total	\$ _____	

3.3 Payment Terms

- Payments are due within _____ days of written invoice
- Acceptable payment methods: _____
- No payment shall be due for work not yet performed or materials not yet delivered to the job site
- Final payment is due only after: (a) all work is complete, (b) final inspection is passed (if applicable), and (c) Homeowner has had reasonable opportunity to inspect

4. Project Timeline

Milestone	Date
Estimated Start Date	_____
Estimated Completion Date	_____

4.1 Delays

- Contractor shall notify Homeowner in writing within **48 hours** of any event that may delay the project
- Excusable delays include: weather, permit delays, material shortages, acts of God, government orders
- Non-excusable delays exceeding _____ business days entitle Homeowner to a daily credit of \$ _____ (liquidated damages), not to exceed _____% of the total contract price
- If the project is not substantially complete within _____ days of the estimated completion date (excluding excusable delays), Homeowner may terminate this contract under Section 9

5. Change Orders

Any changes to the scope, price, or timeline of this contract must be documented in a written Change Order signed by both parties before the changed work begins.

Each Change Order shall include:

1. Description of the changed work
2. Addition to or deduction from the contract price
3. Impact on the project timeline
4. Signature of both Homeowner and Contractor

No verbal agreements will modify this contract.

6. Materials and Workmanship

6.1 Materials

- All materials shall be new unless otherwise specified in writing
- Specific materials, brands, and grades are listed in: Section 2.1 Exhibit B
- Substitutions require prior written approval from Homeowner
- Contractor warrants that all materials comply with applicable building codes

6.2 Workmanship Standards

- All work shall be performed in a professional, workmanlike manner
- All work shall comply with applicable Kentucky building codes and local ordinances
- All work shall conform to the plans, specifications, and scope described in this contract
- Contractor shall maintain a clean and safe job site

6.3 Subcontractors

- Contractor will will not use subcontractors
- If subcontractors are used, Contractor remains fully responsible for their work, licensing, and insurance
- All subcontractors performing state-licensed trade work (plumbing, electrical, HVAC) must hold a valid license from the Kentucky Department of Housing, Buildings and Construction (DHBC)
- Homeowner may request license or registration numbers for any subcontractor working on the project

7. Warranties

7.1 Contractor Warranty

Contractor warrants all labor and workmanship for a period of _____ year(s) from the date of completion. During this period, Contractor shall repair or correct, at Contractor's expense, any defects in workmanship or materials furnished by Contractor.

7.2 Manufacturer Warranties

Contractor shall provide Homeowner with all manufacturer warranties for materials and equipment installed. Contractor shall ensure installations comply with manufacturer specifications to preserve warranty coverage.

7.3 Warranty Exclusions

This warranty does not cover:

- Normal wear and tear
- Damage caused by Homeowner negligence or misuse
- Damage caused by third parties or acts of God
- Items specifically excluded in writing

8. Insurance and Bonding

8.1 Contractor Insurance Requirements

Contractor shall maintain, at minimum, the following coverage for the duration of the project:

Coverage	Minimum Amount
General Liability	\$ _____
Workers' Compensation	Statutory limits (required for all contractors with one or more employees, KRS Chapter 342)
Automobile Liability (if applicable)	\$ _____

- Contractor shall provide certificates of insurance upon request
- Homeowner shall be named as additional insured on the general liability policy

8.2 Bond Requirements

Kentucky does not impose a statewide contractor bond requirement for general contractors. However, many cities and counties require a surety bond as part of local contractor registration. Ask your local building department whether a bond is required for your jurisdiction and verify the contractor's bond status before signing. Workers' compensation proof of coverage is required before a building permit is issued (KRS Chapter 342).

9. Termination

9.1 Homeowner's Right to Terminate

Homeowner may terminate this contract at any time by providing written notice to Contractor. Upon termination:

- Homeowner shall pay for all work satisfactorily completed and materials delivered to the job site as of the termination date
- Contractor shall provide an itemized accounting of all work completed and materials delivered within **10 business days** of termination
- Contractor shall not charge a cancellation penalty exceeding the actual costs reasonably incurred

9.2 Contractor's Right to Terminate

Contractor may terminate this contract if:

- Homeowner fails to make a payment due under this contract within _____ days of written notice of default
- Conditions at the job site make the work unsafe or illegal to continue

9.3 Three-Day Right to Cancel (Home Solicitation Sales)

Kentucky Law (KRS 367.420–367.430): If this contract was solicited and signed at the Homeowner's residence and the contract price exceeds \$25, the Homeowner has the right to cancel this contract within **three (3) business days** of signing without penalty or obligation. The Contractor must provide a written "Notice of Right to Cancel" at the time of signing. To cancel, the Homeowner must deliver written notice to the Contractor within the three-business-day period by mail, in person, or any other reliable means. Upon cancellation, the Contractor must return all payments and deposits within **ten (10) days**. This right does not apply to sales made at the contractor's place of business, sales made entirely by mail or telephone, or emergency repairs requested by the homeowner.

10. Dispute Resolution

10.1 Informal Resolution

The parties agree to attempt informal resolution of any dispute by written notice describing the issue. The other party shall respond in writing within **15 business days**.

10.2 Mediation

If informal resolution fails, the parties agree to submit the dispute to non-binding mediation before a mutually agreed mediator. Mediation costs shall be shared equally.

10.3 Kentucky Attorney General Complaint

Homeowners may file a consumer complaint with the Kentucky Attorney General's Office of Consumer Protection at ag.ky.gov/Resources/Consumer-Resources/Consumers/Pages/Consumer-Complaints.aspx. The OCP enforces the Kentucky Consumer Protection Act (KRS 367.110 et seq.) against unfair, deceptive, or misleading practices. Call (502) 696-5389 or toll-free 1-888-432-9257. Filing a complaint does not prevent pursuit of civil legal remedies.

10.4 Legal Action

If mediation fails, either party may pursue legal action in the county where the property is located. The prevailing party shall be entitled to recover reasonable attorney's fees and costs. Kentucky small claims court (District Court Small Claims Division, KRS 24A.220) handles claims up to **\$2,500**.

11. Mechanics' Lien Notice

Kentucky Law (KRS Chapter 376): Kentucky allows contractors, subcontractors, and material suppliers to place a mechanics' and materialman's lien on your property if they are not paid. A lien must be filed in the county clerk's office within **six (6) months** after the last date labor or materials were furnished. For owner-occupied single or double-family residences, subcontractors and suppliers must serve a preliminary notice on the homeowner within **75 days** of their last day of work or materials furnished — or they forfeit their lien rights on that property. Once filed, a lien automatically dissolves unless an enforcement action is filed within **twelve (12) months** of the lien filing date. After filing, the lien claimant must mail a copy of the lien statement to the property owner within **seven (7) days**.

11.1 Protecting Against Mechanics' Liens

- Request **lien waivers** from the contractor and all subcontractors with each progress payment
- Request a **final lien waiver** from the contractor and all subcontractors upon final payment
- Consider requiring Contractor to provide a list of all subcontractors and material suppliers at the start of the project
- Verify that payments are flowing to subcontractors by requesting proof of payment
- Keep all preliminary notices you receive on file — they preserve the sender's lien rights but do not indicate a current problem

12. Additional Kentucky Requirements

12.1 Notice and Opportunity to Repair Act (KRS 411.250–411.266)

Before filing a lawsuit for construction defects, the Homeowner must first serve written notice on the Contractor describing the alleged defects in reasonable detail. The Contractor has **21 days** after service of the notice to respond in writing — by offering to inspect, offering to repair, offering monetary compensation, or a combination thereof. The Homeowner must give the Contractor a reasonable opportunity to cure the defect before proceeding with litigation. Statutes of limitation and repose are tolled during this notice-and-cure process.

12.2 State-Licensed Trade Contractors (DHBC)

The following trades require a state license from the Kentucky Department of Housing, Buildings and Construction (dhbc.ky.gov): plumbing (master and journeyman), electrical (master and journeyman), HVAC (master contractor and journeyman mechanic), and fire protection sprinkler contractors. Verify each trade contractor's DHBC license before work begins.

12.3 Local Contractor Registration

Kentucky does not issue a statewide general contractor license. Many cities and counties — including Louisville/Jefferson County, Lexington/Fayette County, Bowling Green, and others — require general contractors to register locally, pass an exam, or post a bond. Contact the building department serving your property's address to confirm what local credential is required before signing this contract.

12.4 Required Compliance Checklist

- Contractor's name, address, and local registration or license number are listed in Section 1
- A reasonably detailed description of the proposed work is included in Section 2
- Approximate start and completion dates are listed in Section 4
- Contract price and payment schedule are set forth in Section 3
- Notice of Right to Cancel provided (if contract signed at homeowner's residence) — Exhibit C
- Both parties have signed the contract and each holds a signed copy before work begins

12.5 Kentucky Consumer Protection Statement

Under the Kentucky Consumer Protection Act (KRS 367.110 et seq.), it is unlawful for any contractor to engage in unfair, false, misleading, or deceptive acts or practices in the conduct of trade or commerce. Violations may be investigated and prosecuted by the Kentucky Attorney General's Office of Consumer Protection.

13. General Provisions

13.1 Entire Agreement

This contract, including all exhibits and change orders, constitutes the entire agreement between the parties. No prior verbal or written representations shall be binding unless incorporated herein.

13.2 Severability

If any provision of this contract is found unenforceable, the remaining provisions shall continue in full force and effect.

13.3 Governing Law

This contract shall be governed by the laws of the Commonwealth of Kentucky.

13.4 Notice

All notices under this contract shall be in writing and delivered to the addresses listed in Section 1, by personal delivery, certified mail, or email with confirmed receipt.

13.5 Assignment

Neither party may assign this contract without the prior written consent of the other party.

14. Exhibits and Attachments

- Exhibit A: Plans and Drawings
- Exhibit B: Material Specifications
- Exhibit C: Notice of Right to Cancel (Home Solicitation Sales — KRS 367.430)
- Exhibit D: Contractor's Local Registration / DHBC License Printout
- Exhibit E: Certificates of Insurance
- Additional: _____

Signatures

By signing below, both parties acknowledge that they have read, understand, and agree to all terms of this contract.

Homeowner

Signature _____

Printed Name _____

Date _____

Homeowner (if jointly owned)

Signature _____

Printed Name _____

Date _____

Contractor

Signature _____

Printed Name _____

Title _____

Local License / Registration # _____

Date _____

Kentucky Pre-Signing Checklist (For Homeowner Use)

Before signing, confirm:

- Verified contractor's local registration or license with your city/county building department
- Confirmed state trade licenses (plumbing, electrical, HVAC) if applicable at dhbc.ky.gov
- Verified any required state professional licenses at oop.ky.gov
- Workers' compensation status confirmed (required for all contractors with one or more employees)
- General liability insurance certificate obtained
- Local bond status confirmed (if required by your jurisdiction)
- Notice of Right to Cancel provided (if contract solicited and signed at your home)
- Down payment limited to no more than one-third of the total contract price
- All blank fields in this contract are filled in — no blank spaces
- Received a signed copy of the complete contract before work starts
- Payment schedule tied to work milestones, not calendar dates
- Plans, specs, and material lists are attached or described in detail

This template was prepared by jaspector.com as an educational resource for Kentucky homeowners. It is not legal advice. Kentucky home improvement contract law involves statewide consumer protection statutes and local licensing rules that vary by jurisdiction — consult a Kentucky-licensed attorney before executing any construction contract. Template Version 1.0 — March 21, 2026.