

P.L. 2004, CHAPTER 16, *approved May 13, 2004*  
Assembly, No. 2052 (*Second Reprint*)

1 **AN ACT** concerning contractors engaged in home improvements and  
2 supplementing P.L.1960, c.39 (C.56:8-1 et seq.).

3  
4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6  
7 1. This act shall be known and may be cited as the “Contractors’  
8 Registration Act.”

9  
10 2. As used in this act:

11 "Contractor" means a person engaged in the business of making or  
12 selling home improvements and includes a corporation, partnership,  
13 association and any other form of business organization or entity, and  
14 its officers, representatives, agents and employees.

15 "Director" means the Director of the Division of Consumer Affairs  
16 in the Department of Law and Public Safety.

17 "Division" means the Division of Consumer Affairs in the  
18 Department of Law and Public Safety.

19 “Home improvement” means the remodeling, altering, renovating,  
20 repairing, restoring, modernizing, moving, demolishing, or otherwise  
21 improving or modifying of the whole or any part of any residential or  
22 non-commercial property. Home improvement shall also include  
23 insulation installation, and the conversion of existing commercial  
24 structures into residential or non-commercial property.

25 “Home improvement contract” means <sup>2</sup>[a] an oral or<sup>2</sup> written  
26 agreement for the performance of a home improvement <sup>2</sup>[costing  
27 \$2,500 or more]<sup>2</sup> between a contractor and an owner, tenant or lessee,  
28 of a residential or noncommercial property, and includes all  
29 agreements under which the contractor is to perform labor or render  
30 services for home improvements, or furnish materials in connection  
31 therewith.

32 “Residential or non-commercial property” means any single or  
33 multi-unit structure used in whole or in part as a place of residence,  
34 and all structures appurtenant thereto, and any portion of the lot or  
35 site on which the structure is situated which is devoted to the  
36 residential use of the structure.

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.**

**Matter underlined thus is new matter.**

**Matter enclosed in superscript numerals has been adopted as follows:**

<sup>1</sup> Assembly ARP committee amendments adopted February 9, 2004.

<sup>2</sup> Assembly floor amendments adopted February 23, 2004.

1       3. a. No person shall offer to perform, or engage, or attempt to  
2 engage in the business of making or selling home improvements unless  
3 registered with the Division of Consumer Affairs in accordance with  
4 the provisions of this act.

5       b. Every contractor shall annually register with the director.  
6 Application for registration shall be on a form provided by the division  
7 and shall be accompanied by a reasonable fee, set by the director in an  
8 amount sufficient to defray the division's expenses incurred in  
9 administering and enforcing this act.

10       c. Every contractor required to register under this act shall file an  
11 amended registration within 20 days after any change in the  
12 information required to be included thereon. No fee shall be required  
13 for the filing of an amendment.

14  
15       4. Except for persons exempted pursuant to section 5 of this act,  
16 any person who advertises in print or puts out any sign or card or  
17 other device after the effective date of this act which would indicate  
18 to the public that he is a contractor in New Jersey, or who causes his  
19 name or business name to be included in a classified advertisement or  
20 directory in New Jersey after the effective date of this act under a  
21 classification for home improvements covered by this act, is subject to  
22 the provisions of this act. This section shall not be construed to apply  
23 to simple <sup>2</sup>residential<sup>2</sup> alphabetical listings in standard telephone  
24 directories.

25  
26       5. The provisions of this act shall not apply to:

27       a. Any person required to register pursuant to "The New Home  
28 Warranty and Builders' Registration Act," P.L.1977, c.467  
29 (C.46:3B-1 et seq.);

30       b. Any person performing a home improvement upon a residential  
31 or non-commercial property he owns, or that is owned by a member  
32 of his family, a bona fide charity, or other non-profit organization;

33       c. Any person regulated by the State as an architect, professional  
34 engineer, landscape architect, land surveyor, electrical contractor,  
35 master plumber, or any other person in any other related profession  
36 requiring registration, certification, or licensure by the State, who is  
37 acting within the scope of practice of his profession;

38       d. Any person who is employed by a community association or  
39 cooperative corporation;

40       e. Any public utility as defined under R.S.48:2-13;

41       f. Any person licensed under the provisions of section 16 of  
42 P.L.1960, c.41 (C.17:16C-77); and

43       g. Any <sup>1</sup>[person employed by a]<sup>1</sup> home improvement <sup>1</sup>[store]  
44 retailer<sup>1</sup> with a net worth of more than \$50,000,000 <sup>1</sup>, or employee of  
45 that retailer<sup>1</sup>.

1       6. In addition to any other procedure, condition or information  
2 required by this act:

3       a. Every applicant shall file a disclosure statement with the director  
4 stating whether the applicant has been convicted of any crime, which  
5 for the purposes of this act shall mean a violation of any of the  
6 following provisions of the "New Jersey Code of Criminal Justice,"  
7 Title 2C of the New Jersey Statutes, or the equivalent under the laws  
8 of any other jurisdiction:

9       (1) Any crime of the first degree;

10       (2) Any crime which is a second or third degree crime and is a  
11 violation of chapter 20 or 21 of Title 2C of the New Jersey Statutes;  
12 or

13       (3) Any other crime which is a violation of N.J.S.2C:5-1, 2C:5-2,  
14 2C:11-2 through 2C:11-4, 2C:12-1, 2C:12-3, 2C:13-1, 2C:14-2,  
15 2C:15-1, subsection a. or b. of 2C:17-1, subsection a. or b. of 2C:17-  
16 2, 2C:18-2, 2C:20-4, 2C:20-5, 2C:20-7, 2C:20-9, 2C:21-2 through  
17 2C:21-4, 2C:21-6, 2C:21-7, 2C:21-12, 2C:21-14, 2C:21-15, or 2C:21-  
18 19, chapter 27 or 28 of Title 2C of the New Jersey Statutes,  
19 N.J.S.2C:30-2, 2C:30-3, 2C:35-5, 2C:35-10, 2C:37-1 through  
20 2C:37-4.

21       b. The director may refuse to issue or may suspend or revoke any  
22 registration issued by him upon proof that the applicant or holder of  
23 the registration:

24       (1) Has obtained a registration through fraud, deception or  
25 misrepresentation;

26       (2) Has engaged in the use or employment of dishonesty, fraud,  
27 deception, misrepresentation, false promise or false pretense;

28       (3) Has engaged in gross negligence, gross malpractice or gross  
29 incompetence;

30       (4) Has engaged in repeated acts of negligence, malpractice or  
31 incompetence;

32       (5) Has engaged in professional or occupational misconduct as may  
33 be determined by the director;

34       (6) Has been convicted of any crime involving moral turpitude or  
35 any crime relating adversely to the activity regulated by this act. For  
36 the purpose of this subsection a plea of guilty, non vult, nolo  
37 contendere or any other such disposition of alleged criminal activity  
38 shall be deemed a conviction;

39       (7) Has had his authority to engage in the activity regulated by the  
40 director revoked or suspended by any other state, agency or authority  
41 for reasons consistent with this section;

42       (8) Has violated or failed to comply with the provisions of any act  
43 or regulation administered by the director;

44       (9) Is incapable, for medical or any other good cause, of  
45 discharging the functions of a licensee in a manner consistent with the  
46 public's health, safety and welfare.

1 c. An applicant whose registration is denied, suspended, or  
2 revoked pursuant to this section shall, upon a written request  
3 transmitted to the director within 30 calendar days of that action, be  
4 afforded an opportunity for a hearing in a manner provided for  
5 contested cases pursuant to the "Administrative Procedure Act,"  
6 P.L.1968, c.410 (C.52:14B-1 et seq.).

7 d. An applicant shall have the continuing duty to provide any  
8 assistance or information requested by the director, and to cooperate  
9 in any inquiry, investigation, or hearing conducted by the director.

10 e. If any of the information required to be included in the  
11 disclosure statement changes, or if additional information should be  
12 added after the filing of the statement, the applicant shall provide that  
13 information to the director, in writing, within 30 calendar days of the  
14 change or addition.

15 f. Notwithstanding the provisions of paragraph (6) of subsection  
16 b. of this section, no individual shall be disqualified from registration  
17 or shall have registration revoked on the basis of any conviction  
18 disclosed if the individual has affirmatively demonstrated to the  
19 director clear and convincing evidence of the individual's  
20 rehabilitation. In determining whether an individual has affirmatively  
21 demonstrated rehabilitation, the following factors shall be considered:

22 (1) The nature and responsibility of the position which the  
23 convicted individual would hold;

24 (2) The nature and seriousness of the offense;

25 (3) The circumstances under which the offense occurred;

26 (4) The date of the offense;

27 (5) The age of the individual when the offense was committed;

28 (6) Whether the offense was an isolated or repeated incident;

29 (7) Any social conditions which may have contributed to the  
30 offense; and

31 (8) Any evidence of rehabilitation, including good conduct in  
32 prison or in the community, counseling or psychiatric treatment  
33 received, acquisition of additional academic or vocational schooling,  
34 successful participation in correctional work-release programs, or the  
35 recommendation of persons who have had the individual under their  
36 supervision.

37

38 7. a. Every registered contractor who is engaged in home  
39 improvements shall secure, maintain and file with the director proof of  
40 a certificate of commercial general liability insurance in a minimum  
41 amount of \$500,000 per occurrence.

42 b. Every proof of a commercial general liability insurance policy  
43 required to be filed with the director shall provide that cancellation or  
44 nonrenewal of the policy shall not be effective unless and until at least  
45 10 days' notice of intention to cancel or nonrenew has been received  
46 in writing by the director.

1       8. a. The director may refuse to issue or renew, and may revoke,  
2 any registration for failure to comply with, or violation of, the  
3 provisions of this act or for any other good cause shown within the  
4 meaning and purpose of this act. A refusal or revocation shall not be  
5 made except upon reasonable notice to, and opportunity to be heard  
6 by, the applicant or registrant.

7       b. The director, in lieu of revoking a registration, may suspend the  
8 registration for a reasonable period of time, or assess a penalty in lieu  
9 of suspension, or both, and may issue a new registration,  
10 notwithstanding the revocation of a prior registration, if the applicant  
11 is found to have become entitled to the new registration.

12  
13       9. a. All registrants shall prominently display their registration  
14 numbers within their places of business, in all <sup>2</sup>[printed]<sup>2</sup>  
15 advertisements distributed within this State, on business documents,  
16 contracts and correspondence with consumers of home improvement  
17 services in this State, and on all commercial vehicles registered in this  
18 State and leased or owned by registrants and used by registrants for  
19 the purpose of providing home improvements, except for vehicles  
20 leased or rented to customers of registrants by a registrant or any  
21 agent or representative thereof.

22       b. Any invoice, contract or correspondence given by a registrant  
23 to a consumer shall prominently contain the toll-free telephone number  
24 provided pursuant to section 14 of this act.

25  
26       10. The provisions of this act shall apply to any person engaging  
27 in any of the activities regulated by this act in this State, including  
28 persons whose residence or principal place of business is located  
29 outside of this State.

30  
31       11. a. It is an unlawful practice and a violation of P.L.1960, c.39  
32 (C.56:8-1 et seq.) to violate any provision of this act.

33       b. In addition to any other penalty provided by law, a person who  
34 knowingly violates any of the provisions of this act is guilty of a crime  
35 of the fourth degree.

36  
37       12. a. This act shall supersede any municipal ordinance or  
38 regulation that provides for the licensing or registration of contractors  
39 or for the protection of homeowners by bonds or warranties required  
40 to be provided by contractors, exclusive of those required by water,  
41 sewer, utility, or land use ordinances or regulations.

42       b. No municipality shall issue a construction permit for any home  
43 improvement to any contractor who is not registered pursuant to the  
44 provisions of this act.

45  
46       13. This act shall not deny to any municipality the power to

1 inspect a contractor's work or equipment, the work of a contractor  
2 who performs improvements to commercial property, or the power to  
3 regulate the standards and manners in which the contractor's work  
4 shall be done.

5  
6 14. a. The director shall establish and undertake a public  
7 information campaign to educate and inform contractors and the  
8 consumers of this State of the provisions of this act. The public  
9 information campaign shall include, but not be limited to, the  
10 preparation, printing and distribution of booklets, pamphlets or other  
11 written pertinent information.

12 b. The director shall provide a toll-free telephone number for  
13 consumers making inquiries regarding contractors.

14  
15 15. Nothing in this act shall limit the application of P.L.1960, c.39  
16 (C.56:8-1 et seq.), or any regulations promulgated thereunder, in  
17 regard to the registration or regulation of contractors.

18  
19 16. a. Every home improvement contract <sup>2</sup>for a purchase price in  
20 excess of \$500<sup>2</sup>, and all changes in the terms and conditions of the  
21 contract, shall be in writing. The contract shall be signed by all  
22 parties thereto, and shall clearly and accurately set forth in legible form  
23 and in understandable language all terms and conditions of the  
24 contract, including but not limited to:

25 (1) The legal name, business address, and registration number of  
26 the contractor:

27 (2) A copy of the certificate of commercial general liability  
28 insurance required of a contractor pursuant to section 7 of this act and  
29 the telephone number of the insurance company issuing the certificate;  
30 and

31 (3) The total price or other consideration to be paid by the owner,  
32 including the finance charges.

33 b. A home improvement contract may be cancelled by a consumer  
34 for any reason at any time before midnight of the third business day  
35 after the consumer receives a copy of it. In order to cancel a contract  
36 the consumer shall notify the contractor of the cancellation in writing,  
37 by registered or certified mail, return receipt requested, or by personal  
38 delivery, to the address specified in the contract. All moneys paid  
39 pursuant to the cancelled contract shall be fully refunded within  
40 30 days of receipt of the notice of cancellation. If the consumer has  
41 executed any credit or loan agreement through the contractor to pay  
42 all or part of the contract, the agreement or note shall be cancelled  
43 without penalty to the consumer and written notice of that cancellation  
44 shall be mailed to the consumer within 30 days of receipt of the notice  
45 of cancellation. The contract shall contain a conspicuous notice  
46 printed in at least 10-point bold-faced type as follows:

"NOTICE TO CONSUMER

YOU MAY CANCEL THIS CONTRACT AT ANY TIME BEFORE MIDNIGHT OF THE THIRD BUSINESS DAY AFTER RECEIVING A COPY OF THIS CONTRACT. IF YOU WISH TO CANCEL THIS CONTRACT, YOU MUST EITHER:

1. SEND A SIGNED AND DATED WRITTEN NOTICE OF CANCELLATION BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED; OR

2. PERSONALLY DELIVER A SIGNED AND DATED WRITTEN NOTICE OF CANCELLATION TO:

(Name of Contractor)

(Address of Contractor)

(Phone Number of Contractor)

If you cancel this contract within the three-day period, you are entitled to a full refund of your money. Refunds must be made within 30 days of the contractor's receipt of the cancellation notice."

17. The director, pursuant to the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall promulgate rules and regulations to effectuate the purposes of this act.

18. This act shall take effect on the 180th day following enactment.

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Regulates contractors engaging in home improvements.