

ASSEMBLY, No. 5640

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MAY 12, 2021

Sponsored by:

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

Assemblyman ANTHONY S. VERRELLI

District 15 (Hunterdon and Mercer)

SYNOPSIS

Concerning the "Contractor's Registration Act."

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/1/2021)

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2

1 AN ACT concerning home improvement contractors and amending
2 and supplementing P.L.2004, c.16.

3

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

6

7 1. Section 2 of P.L.2004, c.16 (C.56:8-137) is amended to read
8 as follows:

9 2. As used in this act:

10 "Contractor" means a person engaged in the business of making
11 or selling home improvements and includes a corporation,
12 partnership, association and any other form of business organization
13 or entity, and its officers, representatives, agents and employees. A
14 person who makes a home improvement without compensation shall
15 not be deemed to be a contractor with respect to that home
16 improvement.

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

19 "Division" means the Division of Consumer Affairs in the
20 Department of Law and Public Safety.

21 "Home elevation" means any home improvement that involves
22 raising an entire residential or non-commercial structure to a higher
23 level above the ground.

24 "Home elevation contractor" means a contractor who engages in
25 the practice of home elevation.

26 "Home improvement" means the remodeling, altering,
27 renovating, repairing, restoring, modernizing, moving, demolishing,
28 installing in, or otherwise improving or modifying of the whole or
29 any part of any residential **【or non-commercial】** property. Home
30 improvement shall also include insulation installation, home
31 elevation, and the conversion of existing commercial structures into
32 residential **【or non-commercial】** property.

33 "Home improvement contract" means an oral or written
34 agreement for the performance of a home improvement between a
35 contractor and an owner, tenant or lessee, of a residential **【or**
36 **noncommercial】** property, and includes all agreements under which
37 the contractor is to perform labor or render services for home
38 improvements, or furnish materials in connection therewith.

39 "Residential **【or non-commercial】** property" means any single or
40 multi-unit structure used in whole or in part as a place of residence,
41 and all structures appurtenant thereto, and any portion of the lot or
42 site on which the structure is situated which is devoted to the
43 residential use of the structure.

44 (cf: P.L.2014, c.34, s.3)

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

Matter underlined thus is new matter.

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1 2. Section 3 of P.L.2004, c.16 (C.56:8-138) is amended to read
2 as follows:

3 3. a. On or after December 31, 2005, no person shall offer to
4 perform, or engage, or attempt to engage in the business of making
5 or selling home improvements unless registered with the Division
6 of Consumer Affairs in accordance with the provisions of **[this act]**
7 P.L.2004, c.16 (C.56:8-136 et seq.).

8 b. Every contractor shall **[annually]** register with the director
9 every two years. Application for registration shall be on a form
10 provided by the division and shall be accompanied by a reasonable
11 fee, set by the director in an amount sufficient to defray the
12 division's expenses incurred in administering and enforcing this act.

13 c. Every contractor required to register under this act shall file
14 an amended registration within 20 days after any change in the
15 information required to be included thereon. **[No]** A fee shall not
16 be required for the filing of an amendment.

17 (cf: P.L.2004, c.155, s.1)

18

19 3. Section 5 of P.L.2004, c.16 (C.56:8-140) is amended to read
20 as follows:

21 5. The provisions of **[this act]** sections 3, 4, 6, 7, 8, and 9 of
22 P.L.2004, c.16 (C.56:8-138 et al.) regarding registration, insurance,
23 and bonding as a home improvement contractor shall not apply to:

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

27 b. **[Any person performing a home improvement upon a**
28 **residential or non-commercial property he owns, or that is owned**
29 **by a member of his family, a bona fide charity, or other non-profit**
30 **organization]** (Deleted by amendment, P.L. , c. (pending before
31 the Legislature as this bill));

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

37 d. Any person who is employed by a community association or
38 cooperative corporation, or by the owner or manager of any other
39 residential property, while the person is acting within the scope of
40 that employment;

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

42 f. Any person licensed under the provisions of section 16 of
43 P.L.1960, c.41 (C.17:16C-77) who is selling a home repair contract
44 as defined in section 1 of P.L.1960, c.41 (C.17:16C-62); and

45 g. Any home improvement retailer with a net worth of more
46 than \$50,000,000, or employee of that retailer.

47 (cf: P.L.2004, c.16, s.5)

1 4. Section 6 of P.L.2004, c.16 (C.56:8-141) is amended to read
2 as follows:

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

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

11 (1) Any crime of the first degree;

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

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

32 b. The director may refuse to issue or may suspend or revoke
33 any registration issued [by him] thereby upon proof that the
34 applicant or holder of the registration:

35 (1) Has obtained a registration through fraud, deception or
36 misrepresentation;

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

39 (3) Has engaged in gross negligence, gross malpractice or gross
40 incompetence;

41 (4) Has engaged in repeated acts of negligence, malpractice or
42 incompetence;

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

45 (6) Has been convicted of any crime [involving moral
46 turpitude] enumerated in subsection a. of this section or any other
47 crime relating adversely to the activity regulated by [this act]
48 P.L.2004, c.16 (C.56:8-136 et seq.). For the purpose of this

1 subsection, a plea of guilty, non vult, nolo contendere or any other
2 such disposition of alleged criminal activity shall be deemed a
3 conviction;

4 (7) Has had **【his】** the authority to engage in the activity
5 regulated by the director revoked or suspended by any other state,
6 agency or authority for reasons consistent with this section;

7 (8) Has violated or failed to comply with the provisions of any
8 State act **【or】**, regulation or order administered or issued by the
9 director or, other than traffic violations, by any other State agency;

10 (9) **【Is** incapable, for medical or any other good cause, of
11 discharging the functions of a licensee in a manner consistent with
12 the public's health, safety and welfare**】** (Deleted by amendment,
13 P.L. , c. (pending before the Legislature as this bill).

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

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

23 e. If any of the information required to be included in the
24 disclosure statement changes, or if additional information should be
25 added after the filing of the statement, the applicant shall provide
26 that information to the director, in writing, within **【30】** 20 calendar
27 days of the change or addition.

28 f. Notwithstanding the provisions of **【paragraph (6) of】**
29 subsection b. of this section, **【no individual】** an applicant shall not
30 be disqualified from registration **【or】** and shall not have registration
31 revoked on the basis of any conviction disclosed if the individual
32 has affirmatively demonstrated to the director clear and convincing
33 evidence of the individual's rehabilitation. In determining whether
34 an individual has affirmatively demonstrated rehabilitation, the
35 following factors shall be considered:

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

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

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

40 (4) The date of the offense;

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

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

43 (7) Any social conditions which may have contributed to the
44 offense; and

45 (8) Any evidence of rehabilitation, including good conduct in
46 prison or in the community, counseling or psychiatric treatment
47 received, acquisition of additional academic or vocational

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1 schooling, successful participation in correctional work-release
2 programs, or the recommendation of persons who have had the
3 individual under their supervision.

4 (cf: P.L.2004, c.16, s.6)

5

6 5. Section 7 of P.L.2004, c.16 (C.56:8-142) is amended to read
7 as follows:

8 7. a. On or after December 31, 2005, every registered
9 contractor who is engaged in home improvements shall secure,
10 maintain and file with the director proof of a certificate of
11 commercial general liability insurance in a minimum amount of
12 \$500,000 per occurrence.

13 b. Every registered contractor engaged in home improvements
14 whose commercial general liability insurance policy is cancelled or
15 nonrenewed shall submit to the director a copy of the certificate of
16 commercial general liability insurance for a new or replacement
17 policy which meets the requirements of subsection a. of this section
18 before the former policy is no longer effective.

19 c. Every home elevation contractor engaged in performing
20 home elevations, in addition to the insurance required pursuant to
21 subsection a. of this section, shall secure and maintain cargo or
22 other insurance that specifically covers home elevation activities, in
23 a minimum amount of \$1,000,000 per occurrence to cover damages
24 or other losses to the homeowner, lessee, tenant or other party
25 resulting from a home elevation, except as otherwise provided in
26 this subsection. The Director of the Division of Consumer Affairs
27 in consultation with the Department of Banking and Insurance may
28 promulgate rules and regulations to implement this subsection,
29 which rules and regulations also may require that home elevation
30 contractors secure and maintain additional insurance of such kind
31 and in such amounts as the director may determine in consultation
32 with the Department of Banking and Insurance. In addition to or as
33 an alternative to the insurance required by this subsection, the
34 director may also require the posting of a bond in favor of the
35 owner, lessee, tenant or other party to the home improvement
36 contract for home elevation. Every bond and insurance policy
37 required to be maintained under this subsection shall provide that
38 the issuer of that bond or policy shall give the director written
39 notice of cancellation or non-renewal of the bond or policy within
40 10 days of the cancellation or non-renewal.

41 d. A home elevation contractor, prior to entering into an
42 agreement to perform a home elevation, shall provide proof of
43 insurance to the homeowner including the issuing insurer, policy
44 number, type, and amount of insurance coverage maintained by the
45 contractor in accordance with this section.

46 e. As of December 31, 2018, every registered contractor who is
47 engaged in home improvements shall maintain:

1 (1) in effect during the entire period of the registration, a bond,
2 in the form prescribed by the director, issued by one or more
3 sureties authorized to transact business in this State;

4 (2) maintain an irrevocable letter of credit, in a form prescribed
5 by the director, issued by a bank; or

6 (3) maintain with the director securities, moneys or other
7 security acceptable to the director to fulfill the requirements of this
8 section.

9 The principal sum of the bond, letter of credit, or securities,
10 moneys or other security shall be a minimum of \$50,000. The
11 contractor shall, from time to time, to the extent that claims are
12 paid, replenish the amount of bond, letter of credit, securities,
13 moneys or other security maintained with the director to a minimum
14 of \$50,000.

15 f. The bond, letter of credit, or securities, moneys or other
16 security shall be filed or deposited with the director and shall be
17 executed to the State of New Jersey for the use or benefit of any
18 consumer who, after entering into a home improvement contract,
19 incurs damages or suffers any loss arising out of a violation of this
20 act by the contractor.

21 g. The bond shall cover restitution and penalties.

22 (1) Any person claiming against the bond, letter of credit, or
23 securities, moneys or other security may maintain an action at law
24 against the contractor and the surety, bank, or director, as the case
25 may be.

26 (2) The bond shall not be payable for treble damage claims
27 pursuant to the consumer fraud act, P.L.1960, c.39 (C.56:8-1 et
28 seq.).

29 (3) The director may make a claim against the bond, letter of
30 credit, or securities, moneys or other security on behalf of a
31 consumer, with notice to the registered contractor.

32 (4) The aggregate liability of the surety, bank, or the director to
33 all persons for all breaches of the conditions of the bond, letter of
34 credit or the securities, moneys or other security held by the
35 director shall not exceed the amount of the bond, letter of credit, or
36 the securities, moneys or other security held by the director.

37 h. Every bond required to be filed with the director shall
38 provide that any consumer who may be claiming against the bond
39 shall notify the director and the surety of the amount and nature of
40 the claim prior to the initiation of any action at law against the
41 contractor. The bond shall provide that the surety may not pay any
42 claim against the bond unless and until it shall have received
43 authorization from the director to pay the claim.

44 i. If the director determines that there is a substantial
45 likelihood that the aggregate amount of claims against a bond will
46 exceed the available principal amount of the bond, the director may
47 apportion the proceeds of the bond among the claimants in an
48 equitable manner.

1 j. Every bond required to be filed with the director shall
2 provide that cancellation or nonrenewal of the bond shall not be
3 effective unless and until at least 10 days' notice of intention to
4 cancel or nonrenew has been received in writing by the director
5 from the issuer.

6 (cf: P.L.2014, c.34, s.4)

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8 6. Section 11 of P.L.2004, c.16 (C.56:8-146) is amended to
9 read as follows:

10 11. a. It is an unlawful practice and a violation of P.L.1960,
11 c.39 (C.56:8-1 et seq.) **【to】** for a contractor to fail to complete a
12 home improvement in accordance with the home improvement
13 contract or otherwise violate any provision of **【this act】** P.L.2004,
14 c.16 (C.56:8-136 et seq.). A contractor who violates any provision
15 of P.L.2004, c.16 (C.56:8-136 et seq.) shall be liable for restitution
16 to a consumer who is damaged or suffers any loss as a result of the
17 violation.

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

21 (cf: P.L.2004, c.16, s.11)

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23 7. Section 12 of P.L.2004, c.16 (C.56:8-147) is amended to
24 read as follows:

25 12. a. This act shall supersede any municipal ordinance or
26 regulation that provides for the licensing or registration of home
27 improvement contractors or for the protection of homeowners by
28 bonds or warranties required to be provided by home improvement
29 contractors, exclusive of those required by water, sewer, utility, or
30 land use ordinances or regulations.

31 b. **【No】** A municipality shall not issue a construction permit
32 for any home improvement **【to】** if any part of the home
33 improvement is to be performed by any contractor who is required
34 to be but is not registered pursuant to the provisions of **【this act】**
35 P.L.2004, c.16 (C.56:8-136 et seq.).

36 c. A municipality may issue a construction permit for a home
37 improvement only to:

38 (1) a contractor who is performing the home improvement and
39 who is registered under P.L.2004, c.16 (C.56:8-136 et seq.); or

40 (2) a person who is performing the home improvement and is
41 not required to be registered under P.L.2004, c.16 (C.56:8-136 et
42 seq.).

43 (cf: P.L.2004, c.16, s.12)

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45 8. Section 13 of P.L.2004, c.16 (C.56:8-148) is amended to
46 read as follows:

47 13. **【This act】** a. P.L.2004, c.16 (C.56:8-136 et seq.) shall not
48 deny to any municipality the power to inspect a contractor's work or

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

4 b. A municipality shall have the authority to bring a proceeding
5 in accordance with "Penalty Enforcement Law of 1999," P.L.1999,
6 c.274 (C.2A:58-10 et seq.), in the municipal court or in Superior
7 Court to recover fines and penalties for violations of P.L.2004, c.16
8 (C.56:8-136 et seq.), committed by a contractor in connection with
9 home improvements located within the municipality. Fines and
10 penalties recovered from a contractor in a proceeding may be
11 retained by the municipality.

12 (cf: P.L.2004, c.16, s.13)

13

14 9. Section 16 of P.L.2004, c.16 (C.56:8-151) is amended to
15 read as follows:

16 16. a. On or after December 31, 2005, every home improvement
17 contract for a purchase price in excess of \$500, and all changes in
18 the terms and conditions of the contract, shall be in writing. The
19 contract shall be signed by all parties thereto and shall not contain
20 any blank spaces for information, including but not limited to terms
21 and conditions, to be added after the contract is signed by the
22 consumer, 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]**
29 P.L.2004, c.16 (C.56:8-142) and the telephone number of the
30 insurance company issuing the certificate; and

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

33 b. **[On or after December 31, 2005, a home improvement**
34 **contract may be cancelled by a consumer for any reason at any time**
35 **before midnight of the third business day after the consumer**
36 **receives a copy of it. In order to cancel a contract the consumer**
37 **shall notify the contractor of the cancellation in writing, by**
38 **registered or certified mail, return receipt requested, or by personal**
39 **delivery, to the address specified in the contract. All moneys paid**
40 **pursuant to the cancelled contract shall be fully refunded within 30**
41 **days of receipt of the notice of cancellation. If the consumer has**
42 **executed any credit or loan agreement through the contractor to pay**
43 **all or part of the contract, the agreement or note shall be cancelled**
44 **without penalty to the consumer and written notice of that**
45 **cancellation shall be mailed to the consumer within 30 days of**
46 **receipt of the notice of cancellation. The contract shall contain a**
47 **conspicuous notice printed in at least 10-point bold-faced type as**
48 **follows:**

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"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."] (Deleted by amendment, P.L. , c. (pending before the Legislature as this bill).

c. The contract shall include the following notice in 10-point bold type or larger, directly above the space provided for the signature of the consumer:

"NOTICE TO CONSUMER

Do not sign this contract if any of the spaces for information have been left blank.

You are entitled to a copy of the contract at the time you sign.

Keep it to protect your legal rights.

Do not sign any completion certificate or agreement stating that you are satisfied with the entire project before this project is complete.

Home repair contractors are prohibited by law from requesting or accepting a certificate of completion signed by the consumer prior to the actual completion of the work to be performed under the home repair contract."

d. Any home improvement contract may be rescinded by the consumer, except as provided in subsection k. of this section if the consumer:

- (1) Furnishes to the contractor a notice of intent to rescind the home repair contract by certified mail, return receipt requested, postmarked not later than 5 p.m. of the third business day following the day on which the home improvement contract is executed; and

- (2) Gives up possession of any goods, subject to a home repair contract, delivered to the consumer prior to receipt by the contractor of the notice of intent to rescind.

e. Within 10 business days after receipt of a notice of intent to rescind a home improvement contract, a contractor shall:

- (1) Pick up, at the contractor's own expense, any goods subject to the contract, delivered to the consumer prior to receipt by the contractor of the notice;

- (2) Refund to the consumer all amounts of money paid by the

- 1 consumer, less reasonable charges for any damages to any goods
2 which occurred while in the consumer's possession; and
- 3 (3) Redeliver to the consumer any goods traded-in to the
4 contractor on account of or in contemplation of the home
5 improvement contract, less any reasonable charges actually incurred
6 in making the goods ready for sale.
- 7 f. Each home repair contractor shall maintain a record of the
8 receipt of any consumer's notice of intent to rescind a sale under
9 P.L.2004, c.16 (C.56:8-136 et seq.) for at least 18 months after the
10 receipt of a notice of intent to rescind.
- 11 g. At the time of executing every home improvement contract
12 subject to the provisions of P.L.2004, c.16 (C.56:8-136 et seq.), the
13 contractor shall deliver to the consumer two copies of a receipt
14 which clearly and conspicuously sets forth:
- 15 (1) The home repair contractor's name and place of business;
16 (2) A description of the goods and services sold; and
17 (3) The amount of money paid by the consumer or the cash
18 value of any goods delivered to the contractor at the time the home
19 improvement contract was entered into.
- 20 h. The receipt required to be delivered to the consumer shall
21 also clearly and conspicuously include, in at least 10-point bold
22 type, the following statement:
- 23 "NOTICE TO CONSUMER: YOU MAY RESCIND THIS
24 SALE PROVIDED THAT YOU NOTIFY THE HOME
25 IMPROVEMENT CONTRACTOR OF YOUR INTENT TO DO SO
26 BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED,
27 POSTMARKED NOT LATER THAN 5 P.M. OF THE THIRD
28 BUSINESS DAY FOLLOWING THE SALE. FAILURE TO
29 EXERCISE THIS OPTION, HOWEVER, WILL NOT INTERFERE
30 WITH ANY OTHER REMEDIES AGAINST THE HOME
31 IMPROVEMENT CONTRACTOR YOU MAY POSSESS. IF
32 YOU WISH YOU MAY USE THIS PAGE AS NOTIFICATION
33 BY WRITING "I HEREBY RESCIND" AND ADDING YOUR
34 NAME AND ADDRESS. A DUPLICATE OF THIS RECEIPT IS
35 PROVIDED BY THE HOME IMPROVEMENT CONTRACTOR
36 FOR YOUR RECORDS."
- 37 i. Except as provided in subsection k. of this section, a receipt
38 required to be delivered by the consumer shall not contain, or be
39 accompanied by, any document which contains provisions by which
40 the consumer waives any rights under P.L.2004, c.16 (C.56:8-136 et
41 seq.).
- 42 j. A contractor who in the ordinary course of business
43 regularly uses a language other than English in any advertising or
44 other solicitation of consumers, or in any printed forms for use by
45 consumers, or in any face-to-face negotiations with consumers,
46 shall deliver two copies of the receipt to a consumer whose
47 principal language is not English, one in English and one in the
48 other language.

1 k. A home improvement contract for home improvement work
2 needed by the consumer to meet a bona fide emergency, where the
3 contact with the contractor was initiated by the consumer, shall not
4 be subject to the cancellation provisions of subsection d. of this
5 section, if the consumer furnishes the contractor with a statement
6 separate from the contract, in a form approved by the Division of
7 Consumer Affairs, dated and signed by the consumer, describing
8 the situation requiring immediate remedy and expressly
9 acknowledging and waiving the right to cancel the contract within
10 three business days.

11 (cf: P.L.2004, c.155, s.4)

12

13 10. (New section) A county or municipal office of consumer
14 affairs established pursuant to P.L.1975, c.376 (C.40:23-6.47 et
15 seq.), that enters into a written agreement with the director in the
16 form specified by the director to accept consumer complaints,
17 directly or on a referral basis, and enforce P.L.2004, c.16 (C.56:8-
18 136 et seq.) against contractors whose principal place of business is
19 in the county or municipality, shall be entitled to a share of
20 registration fees paid by contractors having their principal place of
21 business in the county or municipality as determined by the director
22 by regulation.

23

24 11. (New section) The Director of Consumer Affairs, pursuant
25 to the provisions of the "Administrative Procedure Act," P.L.1968,
26 c.410 (C.52:14B-1 et seq.), shall promulgate rules and regulations
27 to effectuate the purposes of this act.

28

29 12. This act shall take effect on the first day of the second month
30 next following enactment, but the Director of Consumer Affairs
31 may take any anticipatory action in advance of that date as may be
32 necessary for the timely implementation of this act.

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34

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STATEMENT

36

37 This bill clarifies that the exemption from certain requirements
38 of the "Contractor's Registration Act," afforded to the persons listed
39 in section 5 of P.L.2004, c.16 (C.56:8-140), applies only to the
40 registration, insurance, and bonding requirement for home
41 improvement contractors. All home improvement contractors
42 would continue to be subject to the other requirements of the act.

43 Under the bill, a consumer would be permitted to waive the three
44 day waiting period during which the consumer would otherwise
45 have the right cancel a contract for home improvements in the event
46 that the work is necessary to meet a bona fide emergency.

1 The bill would provide a funding source for restitution to
2 consumers who have been damaged by a contractor's violation of
3 the "Contractor's Registration Act," by requiring registered
4 contractors to post a bond.

5 The bill establishes that a contractor would be liable for fines or
6 penalties imposed on a consumer as a result of a contractor's failure
7 to obtain construction permits. Work performed without a required
8 permit, and thus not inspected by local building code officials, often
9 violates building codes and zoning ordinances designed to protect
10 the health and safety of residents.

11 Finally, the bill makes it an unlawful practice for a contractor to
12 fail to complete a home improvement in accordance with the home
13 improvement contract, and provides a consumer who suffers
14 damage as a result of a violation of the "Contractor's Registration
15 Act" with the remedy of restitution. An unlawful practice under the
16 consumer fraud act is punishable by a monetary penalty of not more
17 than \$10,000 for a first offense and not more than \$20,000 for any
18 subsequent offense. Additionally, violations can result in cease and
19 desist orders issued by the Attorney General, the assessment of
20 punitive damages, and the awarding of treble damages and costs to
21 the injured party.