

FISCAL NOTE TO
SENATE, No. 1741

STATE OF NEW JERSEY

DATED: JUNE 19, 1997

Senate Bill No. 1741 of 1996 would establish a Home Improvement Contractors' Registration and Licensure program in each county in this State. The bill would require contractors who are doing home improvements to register with the clerk of the county in which they propose to work, before they begin work, by completing registration forms provided by the clerk and by paying a fee, not to exceed \$100, established by the county's governing body. It would also require contractors to amend their registration within 20 days of any change. There would not be a fee for an amended registration.

The bill would not limit a contractor's ability to advertise for business in any county in the State, provided that he was registered under this bill in at least one county and that he registered in the county in which he proposed to work before beginning any home improvement in that county.

Further, this bill would supersede any municipal ordinance or regulation providing for the licensing or registering of home improvement contractors, thereby allowing contractors to register once every two years in a county in order to work in any municipality in that county, instead of registering in each municipality.

Under this bill, home improvement is defined to mean the remodeling, constructing, erecting, altering, renovating, repairing, restoring, re-roofing, re-siding, moving, demolishing, or otherwise improving or modifying of the whole or any part of any residential property, regardless of whether a construction permit is required pursuant to the "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.).

Finally, a contractor who fails to register shall have no judgment entered by a court for the contractor, in any action instituted by him for enforcement of a home improvement contract, where he has failed to comply with the provisions of this act, until there has been compliance. The court shall continue such case for up to 90 days and if there has not been compliance within such period, the action shall be dismissed.

The Department of Community Affairs (DCA) has advised the Office of Legislative Services (OLS) that this bill will not affect State revenues. The DCA notes that, given the absence of any meaningful sanctions for failure to register, particularly for those activities that do not require a construction permit, there is no way to predict how much money will be paid to county clerks. The DCA has no data providing information as to how much is now being paid to municipalities that

license and register contractors.

The DCA notes that municipalities that currently license or register contractors will lose the fee revenue currently being collected. The amount of money collected by counties in registration fees pursuant to this bill will depend upon the extent to which contractors deem it necessary to register.

The OLS has no information that would indicate a fiscal impact other than that anticipated by the DCA. The OLS has been advised by the New Jersey State League of Municipalities that at least 34 municipalities currently provide for the licensing and registration of contractors. That organization had no information as to the amount of fee revenue generated through those activities, and notes that it does not keep files on hand of ordinances from all municipalities in the State. Therefore, the number of affected municipalities may actually be higher than 34.

This fiscal note has been prepared pursuant to P.L.1980, c.67.