ASSEMBLY REGULATED PROFESSIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2904

STATE OF NEW JERSEY

DATED: MARCH 7, 2019

The Assembly Regulated Professions Committee reports favorably Assembly Bill 2904.

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

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

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

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

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