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SENATE, No. 1868



STATE OF NEW JERSEY

218th LEGISLATURE



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Sponsored by:

Senator JOSEPH P. CRYAN

District 20 (Union)

SYNOPSIS

Requires registration of home restoration contractors.

CURRENT VERSION OF TEXT

As reported by the Senate Commerce Committee on December 3, 2018, with amendments.



An Act concerning home restoration contractors, and amending and supplementing P.L.2004, c.16.

Be It Enacted by the Senate and General Assembly of the State of New Jersey:

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

2. As used in this act:

“Board-up services” means covering over the openings of a damaged residential or non-commercial property to secure against weather or unauthorized or unsafe entry.

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

“Director” means the Director of the Division of Consumer Affairs in the Department of Law and Public Safety.

“Division” means the Division of Consumer Affairs in the Department of Law and Public Safety.

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

“Home elevation contractor” means a contractor who engages in the practice of home elevation.

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

“Home improvement contract” means an oral or written agreement for the performance of a home improvement between a contractor and an owner, tenant or lessee, of a residential or noncommercial property, and includes all agreements under which the contractor is to perform labor or render services for home improvements, or furnish materials in connection therewith.

“Home restoration” mean the performance of board-up services, non-routine cleaning, water removal, personal property inventory or other services undertaken because of damage to any residential or non-commercial property, or to the contents of any residential or non-commercial property, that was caused by a man-made or natural disaster. **1[**Home restoration shall also include debris removal that does not require demolition work on residential or non-commercial property.**]1**

“Home restoration contract” means an oral or written agreement for the performance of a home restoration between a home restoration contractor and an owner, tenant or lessee, of a residential or non-commercial property, and includes all agreement under which the home restoration contractor is to perform labor or render services for home restorations, or furnish materials in connection therewith.

“Home restoration contractor” means a person who engages in the practice of home restoration and includes a corporation, partnership, association and any other form of business organization or entity, and its officers, representatives, agents and employees.

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

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

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

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

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

c. (1) Every home elevation contractor engaged in performing home elevations, in addition to the insurance required pursuant to subsection a. of this section, shall secure and maintain cargo or other insurance that specifically covers home elevation activities, in a minimum amount of $1,000,000 per occurrence to cover damages or other losses to the homeowner, lessee, tenant or other party resulting from a home elevation, except as otherwise provided in this **[**subsection**]** paragraph. The Director of the Division of Consumer Affairs in consultation with the Department of Banking and Insurance may promulgate rules and regulations to implement this **[**subsection**]** paragraph, which rules and regulations also may require that home elevation contractors secure and maintain additional insurance of such kind and in such amounts as the director may determine in consultation with the Department of Banking and Insurance. In addition to or as an alternative to the insurance required by this **[**subsection**]** paragraph, the director may also require the posting of a bond in favor of the owner, lessee, tenant or other party to the home improvement contract for home elevation. Every bond and insurance policy required to be maintained under this **[**subsection**]** paragraph shall provide that the issuer of that bond or policy shall give the director written notice of cancellation or non-renewal of the bond or policy within 10 days of the cancellation or non-renewal.

(2) The director may require a home restoration contractor engaged in performing home restorations, in addition to the insurance required pursuant to subsection a. of this section, to post a performance bond in favor of the owner, lessee, tenant, or other party to a home improvement contract for home restoration, in an amount as the director may establish by regulation. Every bond required to be maintained under this paragraph shall provide that the issuer of that bond shall give the director written notice of cancellation or non-renewal of the bond within 10 days of the cancellation or non-renewal.

d. A home elevation contractor, prior to entering into an agreement to perform a home elevation, shall provide proof of insurance to the homeowner including the issuing insurer, policy number, type, and amount of insurance coverage maintained by the contractor in accordance with this section.**1**

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

**1[**2.**]** 3.**1** (New section) a. In addition to complying with all other requirements of the “Contractors’ Registration Act,” P.L.2004, c.16 (C.56:8-136 et seq.), no person shall offer to perform, or engage, or attempt to engage in the business of home restoration unless registered with the division as a home restoration contractor.

b. The division shall adopt rules and regulations pursuant to the provisions of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the provisions of P.L.2014, c.34 (C.56:8-138.2 et al.) with regard to registration of home restoration contractors, and may establish fees for this purpose. Notwithstanding the provisions of the “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the division may adopt immediately upon filing with the Office of Administrative Law rules and regulations for this purpose, which shall be effective for a period not to exceed 270 days following the date of enactment of P.L. , c. (C. ) (pending before the Legislature as this bill), and may thereafter be amended, adopted, or readopted, by the division in accordance with the requirements of the “Administrative Procedure Act.”

c. In addition to any other civil or criminal penalty that may apply, any person who makes a false statement in connection with the process for registration as a home restoration contractor pursuant to this section or in regard to any statement required to be made pursuant to section 7 of P.L.2004, c.16 (C.56:8-142) shall be liable for a civil penalty of not less than $10,000 or more than $25,000. Such penalty may be imposed by the director and shall be collected by summary proceedings instituted in accordance with the “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10 et seq.).

d. In addition to any other action that may be authorized by law, the director may suspend or revoke the home improvement contractor registration, home elevation contractor registration, and home restoration contractor registration of any person who violates any provision of P.L. , c. (C. ) (pending before the Legislature as this bill).

**1[**3.**]** 4.**1** This act shall take effect on the 90th day after the date of enactment, but the Division of Consumer Affairs in the Department of Law and Public Safety may take such anticipatory administrative action in advance thereof as shall be necessary for the implementation of this act.