

ASSEMBLY, No. 1150

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblywoman JOANN DOWNEY

District 11 (Monmouth)

Assemblyman VINCENT MAZZEO

District 2 (Atlantic)

Co-Sponsored by:

Assemblyman Armato

SYNOPSIS

Requires registration of home restoration contractors.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning home restoration 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 “Board-up services” means covering over the openings of a
11 damaged residential or non-commercial property to secure against
12 weather or unauthorized or unsafe entry.

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

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 or otherwise improving or modifying of the whole or any part of
29 any residential or non-commercial property. Home improvement
30 shall also include insulation installation, home elevation, and the
31 conversion of existing commercial structures into residential or
32 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 “Home restoration” mean the performance of board-up services,
40 non-routine cleaning, water removal, personal property inventory or
41 other services undertaken because of damage to any residential or
42 non-commercial property, or to the contents of any residential or
43 non-commercial property, that was caused by a man-made or
44 natural disaster.

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.

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

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

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

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

18
19 2. Section 7 of P.L.2004, c.16 (C.56:8-142) is amended to read
20 as follows:

21 7. a. On or after December 31, 2005, every registered
22 contractor who is engaged in home improvements shall secure,
23 maintain and file with the director proof of a certificate of
24 commercial general liability insurance in a minimum amount of
25 \$500,000 per occurrence.

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

32 c. (1) Every home elevation contractor engaged in performing
33 home elevations, in addition to the insurance required pursuant to
34 subsection a. of this section, shall secure and maintain cargo or
35 other insurance that specifically covers home elevation activities, in
36 a minimum amount of \$1,000,000 per occurrence to cover damages
37 or other losses to the homeowner, lessee, tenant or other party
38 resulting from a home elevation, except as otherwise provided in
39 this **【subsection】 paragraph**. The Director of the Division of
40 Consumer Affairs in consultation with the Department of Banking
41 and Insurance may promulgate rules and regulations to implement
42 this **【subsection】 paragraph**, which rules and regulations also may
43 require that home elevation contractors secure and maintain
44 additional insurance of such kind and in such amounts as the
45 director may determine in consultation with the Department of
46 Banking and Insurance. In addition to or as an alternative to the
47 insurance required by this **【subsection】 paragraph**, the director may
48 also require the posting of a bond in favor of the owner, lessee,

1 tenant or other party to the home improvement contract for home
2 elevation. Every bond and insurance policy required to be
3 maintained under this **subsection** paragraph shall provide that the
4 issuer of that bond or policy shall give the director written notice of
5 cancellation or non-renewal of the bond or policy within 10 days of
6 the cancellation or non-renewal.

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

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

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

23
24 3. (New section) a. In addition to complying with all other
25 requirements of the “Contractors’ Registration Act,” P.L.2004, c.16
26 (C.56:8-136 et seq.), no person shall offer to perform, or engage, or
27 attempt to engage in the business of home restoration unless
28 registered with the division as a home restoration contractor.

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

43 c. In addition to any other civil or criminal penalty that may
44 apply, any person who makes a false statement in connection with
45 the process for registration as a home restoration contractor
46 pursuant to this section or in regard to any statement required to be
47 made pursuant to section 7 of P.L.2004, c.16 (C.56:8-142) shall be
48 liable for a civil penalty of not less than \$10,000 or more than

1 \$25,000. Such penalty may be imposed by the director and shall be
2 collected by summary proceedings instituted in accordance with the
3 “Penalty Enforcement Law of 1999,” P.L.1999, c.274 (C.2A:58-10
4 et seq.).

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

11

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

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STATEMENT

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21 This bill requires any contractor working on home restorations to
22 register with the Division of Consumer Affairs in the Department of
23 Law and Public Safety. In addition to registration, a home restoration
24 contractor must meet all of the requirements of the "Contractors'
25 Registration Act," P.L.2004, c.16 (C.56:8-136 et seq.). The bill
26 permits the division to impose fees upon individuals registering as
27 home restoration contractors, and requires the division to enforce the
28 bill's provisions.

29 By including the requirement for registration of home restoration
30 contractors under the “Contractors’ Registration Act,” those
31 contractors who register as home restoration contractors must comply
32 with the following requirements:

33 (1) annually register with the division and pay the applicable
34 registration fee;

35 (2) wear an identification badge whenever the contractor is
36 performing, or engaging, or attempting to engage, in the business of
37 home restorations;

38 (3) file a disclosure statement with the Director of the Division of
39 Consumer Affairs stating whether the applicant has been convicted of
40 certain crimes;

41 (4) secure, maintain and file with the director proof of a certificate
42 of commercial general liability insurance in a minimum amount of
43 \$500,000 per occurrence;

44 (5) prominently display the contractor's registration number within
45 the contractor's places of business, in all advertisements distributed
46 with this State, on business documents, contracts and correspondence
47 with consumers, and on all commercial vehicles registered in this State

1 and leased or owned by the contractor and used by the contractor for
2 the purpose of providing home restorations; and

3 (6) reduce to writing all terms and conditions of a contract for
4 home restorations for a purchase price in excess of \$500, which must
5 be signed by all parties thereto.

6 The bill provides that the director may require home restoration
7 contractors engaged in performing home restorations to post a
8 performance bond in favor of the owner, lessee, tenant, or other party
9 to a home improvement contract for home restoration, in an amount as
10 the director may establish by regulation. Every bond is required to
11 provide that the issuer of that bond is to give the director written notice
12 of cancellation or non-renewal of the bond within 10 days of the
13 cancellation or non-renewal.

14 The bill defines “home restoration” as the performance of board-
15 up services, non-routine cleaning, water removal, personal property
16 inventory or other services undertaken because of damage to any
17 residential or non-commercial property, or to the contents of any
18 residential or non-commercial property, that was caused by a man-
19 made or natural disaster.