

**ASSEMBLY, No. 1551**

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**STATE OF NEW JERSEY**

**220th LEGISLATURE**

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PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

**Sponsored by:**

**Assemblyman PAUL D. MORIARTY**

**District 4 (Camden and Gloucester)**

**Assemblyman ANTHONY S. VERRELLI**

**District 15 (Hunterdon and Mercer)**

**Assemblywoman ANGELICA M. JIMENEZ**

**District 32 (Bergen and Hudson)**

**SYNOPSIS**

Concerning the "Contractor's Registration Act."

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



**(Sponsorship Updated As Of: 2/14/2022)**

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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)

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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~~

1 P.L.2004, c.16 (C.56:8-136 et seq.). For the purpose of this  
2 subsection, a plea of guilty, non vult, nolo contendere or any other  
3 such disposition of alleged criminal activity shall be deemed a  
4 conviction;

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

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

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

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

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

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

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

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

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

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

41 (4) The date of the offense;

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

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

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

46 (8) Any evidence of rehabilitation, including good conduct in  
47 prison or in the community, counseling or psychiatric treatment

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

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

6

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

9 7. a. On or after December 31, 2005, every registered  
10 contractor who is engaged in home improvements shall secure,  
11 maintain and file with the director proof of a certificate of  
12 commercial general liability insurance in a minimum amount of  
13 \$500,000 per occurrence.

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

20 c. Every home elevation contractor engaged in performing  
21 home elevations, in addition to the insurance required pursuant to  
22 subsection a. of this section, shall secure and maintain cargo or  
23 other insurance that specifically covers home elevation activities, in  
24 a minimum amount of \$1,000,000 per occurrence to cover damages  
25 or other losses to the homeowner, lessee, tenant or other party  
26 resulting from a home elevation, except as otherwise provided in  
27 this subsection. The Director of the Division of Consumer Affairs  
28 in consultation with the Department of Banking and Insurance may  
29 promulgate rules and regulations to implement this subsection,  
30 which rules and regulations also may require that home elevation  
31 contractors secure and maintain additional insurance of such kind  
32 and in such amounts as the director may determine in consultation  
33 with the Department of Banking and Insurance. In addition to or as  
34 an alternative to the insurance required by this subsection, the  
35 director may also require the posting of a bond in favor of the  
36 owner, lessee, tenant or other party to the home improvement  
37 contract for home elevation. Every bond and insurance policy  
38 required to be maintained under this subsection shall provide that  
39 the issuer of that bond or policy shall give the director written  
40 notice of cancellation or non-renewal of the bond or policy within  
41 10 days of the cancellation or non-renewal.

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

47 e. As of December 31, 2018, every registered contractor who is  
48 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)

7  
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)

22  
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)

44  
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

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

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

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

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

17 16. a. On or after December 31, 2005, every home improvement  
18 contract for a purchase price in excess of \$500, and all changes in  
19 the terms and conditions of the contract, shall be in writing. The  
20 contract shall be signed by all parties thereto and shall not contain  
21 any blank spaces for information, including but not limited to terms  
22 and conditions, to be added after the contract is signed by the  
23 consumer, and shall clearly and accurately set forth in legible form  
24 and in understandable language all terms and conditions of the  
25 contract, including but not limited to:

26 (1) The legal name, business address, and registration number of  
27 the contractor;

28 (2) A copy of the certificate of commercial general liability  
29 insurance required of a contractor pursuant to section 7 of **[this act]**  
30 P.L.2004, c.16 (C.56:8-142) and the telephone number of the  
31 insurance company issuing the certificate; and

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

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

1 follows:

2 "NOTICE TO CONSUMER

3 YOU MAY CANCEL THIS CONTRACT AT ANY TIME  
4 BEFORE MIDNIGHT OF THE THIRD BUSINESS DAY AFTER  
5 RECEIVING A COPY OF THIS CONTRACT. IF YOU WISH TO  
6 CANCEL THIS CONTRACT, YOU MUST EITHER:

7 1. SEND A SIGNED AND DATED WRITTEN NOTICE OF  
8 CANCELLATION BY REGISTERED OR CERTIFIED MAIL,  
9 RETURN RECEIPT REQUESTED; OR

10 2. PERSONALLY DELIVER A SIGNED AND DATED  
11 WRITTEN NOTICE OF CANCELLATION TO:

12 (Name of Contractor)

13 (Address of Contractor)

14 (Phone Number of Contractor)

15 If you cancel this contract within the three-day period, you are  
16 entitled to a full refund of your money. Refunds must be made  
17 within 30 days of the contractor's receipt of the cancellation  
18 notice." ] (Deleted by amendment, P.L. , c. (pending before the  
19 Legislature as this bill).

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

23 "NOTICE TO CONSUMER

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

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

27 Keep it to protect your legal rights.

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

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

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

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

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

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

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

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

1 other language.  
2 k. A home improvement contract for home improvement work  
3 needed by the consumer to meet a bona fide emergency, where the  
4 contact with the contractor was initiated by the consumer, shall not  
5 be subject to the cancellation provisions of subsection d. of this  
6 section, if the consumer furnishes the contractor with a statement  
7 separate from the contract, in a form approved by the Division of  
8 Consumer Affairs, dated and signed by the consumer, describing  
9 the situation requiring immediate remedy and expressly  
10 acknowledging and waiving the right to cancel the contract within  
11 three business days.  
12 (cf: P.L.2004, c.155, s.4)

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

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

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

34  
35  
36 STATEMENT

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

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

48 The bill would provide a funding source for restitution to

1 consumers who have been damaged by a contractor's violation of  
2 the "Contractor's Registration Act," by requiring registered  
3 contractors to post a bond.

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

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