

ASSEMBLY, No. 2138

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED FEBRUARY 7, 2022

Sponsored by:

Assemblyman PAUL D. MORIARTY

District 4 (Camden and Gloucester)

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

SYNOPSIS

Establishes professional board to regulate home improvement and home elevation contractors and requires licensure for each type of contractor.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/7/2022)

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2

1 AN ACT concerning the regulation of home improvement and home
2 elevation contractors, revising various parts of the statutory law,
3 and supplementing P.L.2007, c.232 (C.2C:21-35) and Title 45 of
4 the New Jersey Statutes.

5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8

9 1. P.L.2004, c.16 (C.56:8-136 et seq.), P.L.2013, c.144
10 (C.56:8-138.1), and P.L.2014, c.34 (C.56:8-138.2 et al.) are
11 repealed.

12

13 2. (New section) As used in P.L. , c. (C.) (pending
14 before the Legislature as this bill):

15 "Board" means the New Jersey State Board of Home
16 Improvement and Home Elevation Contractors.

17 "Contractor" means an individual engaged in the business of
18 making or selling home improvement or home elevation services, or
19 both types of services, and includes a corporation, partnership,
20 association and any other form of business organization or entity,
21 and its officers, representatives, agents and employees. An
22 individual who makes a home improvement or home elevation
23 without compensation shall not be deemed to be a contractor with
24 respect to that service.

25 "Director" means the Director of the Division of Consumer
26 Affairs in the Department of Law and Public Safety.

27 "Division" means the Division of Consumer Affairs in the
28 Department of Law and Public Safety.

29 "Home elevation" means any home improvement that involves
30 raising an entire residential structure to a higher level above the
31 ground.

32 "Home elevation contract" means a written agreement, or oral
33 agreement if the cost of services is expected to be \$500 or less, for
34 the performance of a home elevation between a home elevation
35 contractor and an owner, tenant or lessee, of a residential property,
36 and includes all agreements under which the contractor is to
37 perform the home elevation, or furnish materials in connection
38 therewith.

39 "Home elevation contractor" means a contractor who engages in
40 the practice of home elevation and is authorized to perform home
41 improvements, as defined in this section.

42 "Home improvement" means the remodeling, altering,
43 renovating, repairing, restoring, modernizing, moving, demolishing,
44 installing in, or otherwise improving or modifying of the whole or
45 any part of any residential property. Home improvement shall also

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 include insulation installation and the conversion of existing
2 commercial structures into residential property.

3 "Home improvement contract" means a written agreement, or
4 oral agreement if the cost of services is expected to be \$500 or less,
5 for the performance of a home improvement between a home
6 improvement or home elevation contractor and an owner, tenant or
7 lessee, of a residential property, and includes all agreements under
8 which the contractor is to perform labor or render services for home
9 improvements, or furnish materials in connection therewith.

10 "Home improvement contractor" means a contractor who
11 engages solely in the practice of home improvement.

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

17 "Responsible managing employee" means an individual who is
18 licensed as a home improvement or home elevation contractor with
19 at least five years of experience and who provides effective
20 supervision over the professional services rendered pursuant to a
21 home improvement or home elevation contract. An individual who
22 qualifies for licensure as a home improvement or home elevation
23 contractor pursuant to section 16 of P.L. , c. (C.) (pending
24 before the Legislature as this bill) shall also qualify as a responsible
25 managing employee.

26

27 3. (New section) There is created within the Division of
28 Consumer Affairs in the Department of Law and Public Safety, the
29 New Jersey State Board of Home Improvement and Home Elevation
30 Contractors. The board shall consist of nine members who shall be
31 residents of the State. Except for the members first appointed: five
32 members shall be licensed home improvement contractors, one
33 member shall be a licensed home elevation contractor, two shall be
34 members of the public, and one shall be appointed pursuant to
35 subsection c. of section 2 of P.L.1971, c.60 (C.45:1-2.2). Of the two
36 members of the public, one shall be appointed by the Governor
37 upon recommendation of the Senate President and the other shall be
38 appointed by the Governor upon recommendation of the Assembly
39 Speaker. Of the members first appointed, the five members who are
40 registered home improvement contractors shall have been so
41 registered for at least ten years immediately preceding appointment
42 to the board and the member who is a registered home elevation
43 contractor shall have been so registered for at least four years
44 immediately preceding appointment to the board.

45 Each member shall be appointed for a term of five years, except
46 that of the members first appointed, the home elevation contractor
47 member and a home improvement contractor member shall serve
48 for a term of three years, two home improvement contractor

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1 members shall serve for a term of two years, and two home
2 improvement contractor members shall serve for a term of one year.
3 Each member shall hold office until a successor has been qualified
4 and appointed. Any vacancy in the membership of the board shall
5 be filled for the unexpired term in the manner provided for in the
6 original appointment. No member of the board shall serve more
7 than two successive terms in addition to any unexpired term to
8 which the member has been appointed.

9
10 4. (New section) Members of the board shall be reimbursed
11 for expenses within the limits of funds appropriated or otherwise
12 made available for this purpose and provided with office and
13 meeting facilities and personnel required for the proper conduct of
14 the business of the board.

15
16 5. (New section) The board shall organize within 30 days
17 after the appointment of its members and shall annually elect from
18 its members a chairperson and a vice-chairperson, and may appoint
19 a secretary, who need not be a member of the board. The board
20 shall meet at least once a month and may hold additional meetings
21 as necessary to discharge its duties. A majority of board
22 membership shall constitute a quorum.

23
24 6. (New section) The board shall have the following powers
25 and duties:

26 a. administer and enforce the provisions of P.L. , c.
27 (C.) (pending before the Legislature as this bill);

28 b. develop or designate an examination or examinations to
29 evaluate the knowledge, ability, and fitness of applicants to perform
30 as home improvement or home elevation contractors, which shall
31 include examination of State law on home improvement for
32 individuals seeking licensure as home improvement contractors, or
33 on home improvement and home elevation for individuals seeking
34 licensure as home elevation contractors;

35 c. review the qualifications of applicants for licensure;

36 d. issue and renew, on a biennial basis, licenses for home
37 improvement and home elevation contractors;

38 e. refuse to admit an applicant for an examination or suspend,
39 revoke, or refuse to renew a license pursuant to the provisions of
40 P.L.1978, c.73 (C.45:1-14 et seq.);

41 f. adopt a code of ethics and standards of conduct for licensed
42 home improvement and home elevation contractors;

43 g. establish and change, if necessary, applicable fees including
44 for initial licensure and licensure renewal, reactivation and
45 reinstatement; and

46 h. promulgate rules and regulations pursuant to the
47 “Administrative Procedures Act,” P.L.1968, c.410 (C.52:14B-1 et
48 seq.).

- 1 7. (New section) To be eligible for licensure as a home
2 improvement contractor or as a home elevation contractor, an
3 applicant shall fulfill the following requirements:
- 4 a. be at least 18 years of age;
 - 5 b. have successfully completed high school or the equivalent;
 - 6 c. demonstrate, through an attestation as prescribed by the
7 board, completion of:
 - 8 (1) an apprenticeship program registered with or approved by
9 the United States Department of Labor, or similar program as
10 provided by a trade school or other facility accredited by a regional
11 or national accrediting agency recognized by the United States
12 Department of Education, that allows for the applicant to prepare
13 for a career in home improvement or home elevation services; or
 - 14 (2) at least two years of experience performing home
15 improvement services under the direct supervision of a home
16 improvement contractor or performing home improvement and
17 home elevation services under the direct supervision of a home
18 elevation contractor. For an applicant seeking licensure under this
19 paragraph, the attestation shall require the signature of the applicant
20 and of the home improvement or home elevation contractor who
21 provided direct supervision of the applicant. The signature of the
22 contractor who provided direct supervision may be an individual
23 licensed pursuant to this section or licensed in accordance with the
24 provisions of section 16 of P.L. , c. (C.) (pending before
25 the Legislature as this bill);
 - 26 d. passage of an examination pursuant to subsection b. of
27 section 6 of P.L. , c. (C.) (pending before the Legislature
28 as this bill);
 - 29 e. proof of financial stability and of compliance with section 8
30 of P.L. , c. (C.) (pending before the Legislature as this bill)
31 regarding general liability insurance for a home improvement
32 contractor, or general liability insurance and cargo or other
33 insurance that covers home elevation services for a home elevation
34 contractor, and financial stability. If an applicant for licensure is an
35 employee and not an owner of a home improvement or home
36 elevation business, the applicant shall submit information
37 demonstrating proof of general liability insurance, cargo or other
38 insurance covering home elevations, if applicable, and financial
39 stability that is maintained by the business owner;
 - 40 f. submission of a disclosure statement, as prescribed by the
41 board, stating whether the applicant has been convicted of any
42 crime, which for the purposes of P.L. , c. (C.) (pending
43 before the Legislature as this bill) shall mean a violation of section
44 9 of P.L. , c. (C.) (pending before the Legislature as this
45 bill); and
 - 46 g. payment of all applicable fees.

1 8. (New section) a. Every licensed contractor who is engaged in
2 home improvement or home elevation services shall secure,
3 maintain and file with the board proof of a certificate of commercial
4 general liability insurance in a minimum amount of \$500,000 per
5 occurrence.

6 b. Every licensed contractor engaged in providing home
7 improvement or home elevation services whose commercial general
8 liability insurance policy is cancelled or nonrenewed shall submit to
9 the board a copy of the certificate of commercial general liability
10 insurance for a new or replacement policy which meets the
11 requirements of subsection a. of this section before the former
12 policy is no longer effective.

13 c. In addition to the insurance required pursuant to subsection
14 a. of this section, every home elevation contractor engaged in
15 performing home elevations shall secure and maintain cargo or
16 other insurance that specifically covers home elevation activities, in
17 a minimum amount of \$1,000,000 per occurrence to cover damages
18 or other losses to the homeowner, lessee, tenant or other party
19 resulting from a home elevation, except as otherwise provided in
20 this subsection. The board, in consultation with the director and the
21 Department of Banking and Insurance, may promulgate rules and
22 regulations to require that home elevation contractors secure and
23 maintain additional insurance of such kind and in such amounts as
24 may be determined.

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

30 e. Every licensed contractor who is engaged in home
31 improvement or home elevation services shall maintain, in effect
32 during the entire period of licensure:

33 (1) a bond issued by one or more sureties authorized to transact
34 business in this State;

35 (2) an irrevocable letter of credit issued by a bank; or

36 (3) with the board securities, moneys or other security
37 acceptable to the board to fulfill the requirements of this section.

38 The principal sum of the bond, letter of credit, or securities,
39 moneys or other security shall be a minimum of \$100,000. The
40 contractor shall, from time to time, to the extent that claims are
41 paid, promptly replenish the amount of bond, letter of credit,
42 securities, moneys or other security maintained with the board to a
43 minimum of \$100,000.

44 f. The bond, letter of credit, or securities, moneys or other
45 security shall be filed or deposited with the board and shall be
46 executed to the State of New Jersey for the use or benefit of any
47 consumer who, after entering into a home improvement or home
48 elevation contract, incurs damages or suffers any loss arising out of

1 a violation of P.L. , c. (C.) (pending before the Legislature
2 as this bill) by the contractor.

3 g. The bond, letter of credit, or securities, moneys, or other
4 security shall cover restitution and penalties.

5 h. Any individual claiming against the bond, letter of credit, or
6 securities, moneys or other security may maintain an action at law
7 against the contractor and the surety, bank, or board, as the case
8 may be.

9 i. The bond, letter of credit, or securities, moneys, or other
10 security shall not be payable for treble damage claims pursuant to
11 the consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.).

12 j. The board may make a claim against the bond, letter of
13 credit, or securities, moneys or other security on behalf of a
14 consumer, with notice to the licensed contractor.

15 k. The aggregate liability of the surety, bank, or the board to all
16 individuals for all breaches of the conditions of the bond, letter of
17 credit or the securities, moneys or other security held by the board
18 shall not exceed the amount of the bond, letter of credit, or the
19 securities, moneys or other security held by the board.

20 l. Every bond, letter of credit, or securities, moneys, or other
21 security required to be filed shall provide that any consumer who
22 may be claiming against the bond, letter of credit, or securities,
23 moneys, or other security shall notify the board and the surety of
24 the amount and nature of the claim prior to the initiation of any
25 action at law against the contractor. The bond, letter of credit, or
26 securities, moneys, or other security shall provide that the surety or
27 bank may not pay any claim against the bond, letter of credit, or
28 securities, moneys, or other security unless and until it shall have
29 received authorization from the board to pay the claim.

30 m. If the board determines that there is a substantial likelihood
31 that the aggregate amount of claims against a bond will exceed the
32 available principal amount of the bond, the board may apportion the
33 proceeds of the bond among the claimants in an equitable manner.

34 n. Every bond, letter of credit, or securities, moneys, or other
35 security required to be filed with the board shall provide that
36 cancellation or nonrenewal of the bond, letter of credit, or
37 securities, moneys, or other security shall not be effective unless
38 and until at least 10 days' notice of intention to cancel or nonrenew
39 the bond, letter of credit, or securities, moneys, or other security has
40 been received in writing by the board from the issuer.

41
42 9. (New section) a. In addition to any other procedure,
43 condition or information required by P.L. , c. (C.) (pending
44 before the Legislature as this bill), every applicant shall file a
45 disclosure statement with the board, pursuant to subsection f. of
46 section 7 of P.L. , c. (C.) (pending before the Legislature
47 as this bill), stating whether the applicant has been convicted of any
48 crime, which for the purposes of P.L. , c. (C.) (pending

1 before the Legislature as this bill) shall mean a violation of certain
2 provisions of the "New Jersey Code of Criminal Justice," Title 2C
3 of the New Jersey Statutes, or the equivalent under the laws of any
4 other jurisdiction; provided, however, that an applicant shall not be
5 disqualified from licensure or have a license suspended or revoked
6 on the basis of any conviction disclosed, except as provided in
7 subsection b. of this section or in sections 1 or 2 of P.L.2021, c.81
8 (C.45:1-21 and 45:1-21.5).

9 b. The board may refuse to issue or may suspend or revoke any
10 license issued thereby upon proof that an applicant or a licensee:

11 (1) Has obtained a license through fraud, deception or
12 misrepresentation;

13 (2) Has engaged in the use or employment of dishonesty, fraud,
14 deception, misrepresentation, false promise or false pretense;

15 (3) Has engaged in gross negligence, gross malpractice or gross
16 incompetence;

17 (4) Has engaged in repeated acts of negligence, malpractice or
18 incompetence;

19 (5) Has engaged in professional or occupational misconduct as
20 may be determined by the board;

21 (6) Has been convicted of any crime or offense that has a direct
22 or substantial relationship to the activity regulated P.L. , c.
23 (C.) (pending before the Legislature as this bill) or is of a
24 nature such that licensure would be inconsistent with the public's
25 health, safety, or welfare, provided that the board shall make this
26 determination in a manner consistent with section 2 of P.L.2021,
27 c.81 (C.45:1-21.5). For the purpose of this subsection, a plea of
28 guilty, non vult, nolo contendere or any other such disposition of
29 alleged criminal activity shall be deemed a conviction;

30 (7) Has had the authority to engage in the activity regulated by
31 the board revoked or suspended by any other state, agency or
32 authority for reasons consistent with this section; or

33 (8) Has violated or failed to comply with the provisions of any
34 State act, regulation or order administered or issued by the board or,
35 other than traffic violations, by any other State agency.

36 c. At least 30 calendar days prior to denying an application for
37 licensure or suspending or revoking a license pursuant to this
38 section, the board shall notify the applicant or licensee of its intent
39 to deny the application or suspend or revoke the license and afford
40 the applicant an opportunity for a hearing in a manner provided for
41 contested cases pursuant to the "Administrative Procedure Act,"
42 P.L.1968, c.410 (C.52:14B-1 et seq.). If, however, the board intends
43 to deny the application or suspend or revoke the license under
44 paragraph (6) of subsection b. of this section, the provisions of
45 P.L.2021, c.81 (C.45:1-21.5) shall apply.

46 d. An applicant shall have the continuing duty to provide any
47 assistance or information requested by the board, and to cooperate
48 in any inquiry, investigation, or hearing conducted by the board.

1 e. If any of the information required to be included in the
2 disclosure statement changes, or if additional information should be
3 added after the filing of the statement, the applicant shall provide
4 that information to the board, in writing, within 20 calendar days of
5 the change or addition.

6
7 10. (New section) a. Every contractor required to be licensed
8 under P.L. , c. (C.) (pending before the Legislature as this
9 bill) shall be issued an identification badge by the board pursuant to
10 subsection b. of this section. The identification badge shall be
11 plainly visible and worn on the upper left corner of the torso when
12 the contractor is performing, or engaging, or attempting to engage,
13 in the business of selling home improvement or home elevation
14 services.

15 b. The identification badge shall include a color photograph of
16 the contractor's face, the contractor's name, the contractor's license
17 number, and the name of the contractor's business displayed in a
18 manner that will be plainly visible and permit recognition when
19 worn by the contractor. The badge shall include a statement,
20 written in such a way as to be plainly visible when worn by the
21 contractor, that the badge is not for an electrical contractor,
22 plumbing contractor or HVACR contractor license. The
23 identification badge shall be made in such a way and of such
24 material that any attempt to alter the badge will result in it being
25 immediately, permanently and obviously ruined. The photograph
26 included on the identification badge shall be taken no more than
27 four weeks before the date upon which the identification badge is
28 issued. A contractor shall apply for and obtain a new identification
29 badge at least once every six years.

30 c. The board may charge the contractor a reasonable fee to
31 cover the costs of the identification badge issued pursuant to this
32 section.

33 d. A contractor who has been issued an identification badge
34 pursuant to subsection b. of this section and whose license has been
35 suspended, revoked, or has not been renewed, shall, within three
36 days of that suspension, revocation or nonrenewal, surrender the
37 identification badge to the board.

38
39 11. (New section) An individual who knowingly exhibits or
40 displays an identification badge issued pursuant to subsection b. of
41 section 10 of P.L. , c. (C.) (pending before the Legislature
42 as this bill) and is not at that time licensed as a contractor pursuant
43 to P.L. , c. (C.) (pending before the Legislature as this
44 bill),
45 including any contractor who has had the license revoked,
46 suspended, or not renewed, is guilty of a crime of the fourth degree.

1 12. (New section) a. No individual shall offer to perform, or
2 engage, or attempt to engage in the business of performing or
3 selling home improvement services or home elevation services
4 unless licensed by the board.

5 b. In addition to any other civil or criminal penalty that may
6 apply, any individual who makes a false statement in connection
7 with the process for licensure as a home improvement or home
8 elevation contractor pursuant to section 7 of P.L. , c. (C.)
9 (pending before the Legislature as this bill) or who submits false
10 information in regards to any submissions and filings required by
11 the board pursuant to section 8 of P.L. , c. (C.) (pending
12 before the Legislature as this bill) shall be liable for a civil penalty
13 of not less than \$10,000 or more than \$25,000. Such penalty may
14 be imposed by the board and shall be collected by summary
15 proceedings instituted in accordance with the "Penalty Enforcement
16 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

17
18 13. (New section) Except for individuals exempted pursuant to
19 section 15 of P.L. , c. (C.) (pending before the Legislature
20 as this bill), any individual who advertises in print or puts out any
21 sign or card or other device which would indicate to the public that
22 the individual is a contractor in New Jersey, or who causes the
23 individual's name or business name to be included in a classified
24 advertisement or directory in New Jersey under a classification for
25 home improvement or home elevation, as defined in section 2 of
26 P.L. , c. (C.) (pending before the Legislature as this bill), is
27 subject to the provisions of P.L. , c. (C.) (pending before
28 the Legislature as this bill). This section shall not be construed to
29 apply to simple residential alphabetical listings in standard
30 telephone directories, including directories or similar lists posted
31 online.

32
33 14. (New section) a. All licensees shall prominently display
34 their license numbers within their places of business, in all
35 advertisements distributed within this State, on business documents,
36 contracts and correspondence with consumers of home
37 improvement and home elevation services in this State, and on all
38 commercial vehicles registered in this State and leased or owned by
39 licensees and used by licensees for the purpose of providing home
40 improvement or home elevation services, except for vehicles leased
41 or rented to customers of licensees by a licensee or any agent or
42 representative thereof.

43 b. Any invoice, contract or correspondence given by a licensee
44 to a consumer shall prominently contain the toll-free telephone
45 number provided pursuant to section 20 of P.L. , c. (C.)
46 (pending before the Legislature as this bill).

47
48 15. (New section) The provisions of sections 7, 8, 9, 12, 13, and

1 14 of P.L. , c. (C.) (pending before the Legislature as this
2 bill) shall not apply to:

3 a. Any individual required to register pursuant to "The New
4 Home Warranty and Builders' Registration Act," P.L.1977, c.467
5 (C.46:3B-1 et seq.), but only in conjunction with the building of a
6 new home as defined in P.L.1977, c.467 (C.46:3B-2);

7 b. Any individual regulated by the State as an architect,
8 professional engineer, landscape architect, land surveyor, electrical
9 contractor, master plumber, or any other individual in any other
10 related profession requiring registration, certification, or licensure
11 by the State, who is acting within the scope of practice of the
12 individual's profession;

13 c. Any individual who is employed by a common interest
14 community, including, but not limited to, a community association
15 or cooperative corporation, or by the owner or manager of any other
16 residential property, while the individual is acting within the scope
17 of that employment;

18 e. Any public utility as defined under R.S.48:2-13;

19 f. Any individual licensed under the provisions of section 16 of
20 P.L.1960, c.41 (C.17:16C-77) but only in conjunction with selling a
21 home repair contract as defined in section 1 of P.L.1960, c.41
22 (C.17:16C-62); and

23 g. Any home improvement or home elevation retailer with a net
24 worth of more than \$50,000,000, or employee of that retailer.

25

26 16. (New section) The provisions of subsections a., b., c., and d.
27 of section 7 of P.L. , c. (C.) (pending before the
28 Legislature as this bill) shall not apply to an individual who has
29 been registered as a home improvement contractor in New Jersey
30 for at least 10 years or to an individual who has at least 10 years of
31 experience in providing home elevation services who has been
32 registered as a home improvement contractor in New Jersey for at
33 least 10 years or registered as a home elevation contractor in New
34 Jersey for at least five years. A license shall be issued to an
35 individual upon expiration of the contractor registration previously
36 issued to the individual upon submission of an application in such
37 form as may be prescribed by the board and payment of a fee
38 established by the board.

39

40 17. (New section) The provisions of P.L. , c. (C.)
41 (pending before the Legislature as this bill) shall apply to any
42 individual engaging in this State in any of the activities regulated by
43 P.L. , c. (C.) (pending before the Legislature as this bill),
44 including individuals whose residence or principal place of business
45 is located outside of this State.

46

47 18. (New section) a. P.L. , c. (C.) (pending before the
48 Legislature as this bill) shall supersede any municipal ordinance or

1 regulation that provides for the licensing or registration of home
2 improvement or home elevation contractors or for the protection of
3 homeowners by bonds or warranties required to be provided by
4 home improvement or home elevation contractors, exclusive of
5 those required by water, sewer, utility, or land use ordinances or
6 regulations.

7 b. A municipality shall not issue a construction permit for any
8 home improvement or home elevation if any part of the home
9 improvement or home elevation is to be performed by any
10 contractor who is neither licensed pursuant to, nor exempt from the
11 requirements of, the provisions of P.L. , c. (C.) (pending
12 before the Legislature as this bill).

13 c. A municipality may issue a construction permit for a home
14 improvement or home elevation only to:

15 (1) a contractor who is performing the home improvement or
16 home elevation and who is licensed pursuant to P.L. , c.
17 (C.) (pending before the Legislature as this bill); or

18 (2) an individual who is performing the home improvement or
19 home elevation and is not required to be licensed pursuant to
20 sections 15 or 16 of P.L. , c. (C.) (pending before the
21 Legislature as this bill).

22 d. A contractor shall be liable for any fines or penalties
23 resulting from a failure to obtain any permit necessary to complete
24 the home improvement.

25

26 19. (New section) a. P.L. , c. (C.) (pending before the
27 Legislature as this bill) shall not deny to any municipality the power
28 to inspect a contractor's work or equipment, the work of a
29 contractor who performs improvements to commercial property, or
30 the power to regulate the standards and manners in which the work
31 of the contractor shall be done.

32 b. A municipality shall have the authority to bring a proceeding
33 in accordance with the "Penalty Enforcement Law of 1999,"
34 P.L.1999, c.274 (C.2A:58-10 et seq.), in the municipal court or in
35 Superior Court to recover fines and penalties for violations
36 of P.L. , c. (C.) (pending before the Legislature as this
37 bill), committed by a contractor in connection with a home
38 improvement or home elevation located within the municipality.
39 Fines and penalties recovered from a contractor in a proceeding
40 may be retained by the municipality.

41

42 20. (New section) a. The division shall establish and undertake
43 a public information campaign to educate and inform contractors
44 and the consumers of this State of the provisions of P.L. , c.
45 (C.) (pending before the Legislature as this bill).

46 b. The board shall provide a toll-free telephone number for
47 consumers making inquiries regarding contractors or shall promote,

1 as part of the public information campaign, any toll-free telephone
2 number already established for inquiries.

3

4 21. (New section) a. Every contract for a purchase price in
5 excess of \$500 for home improvement, home elevation, or both
6 types of services, and all changes in the terms and conditions of the
7 contract, shall be in writing. The contract shall be signed by all
8 parties thereto and shall not contain any blank spaces for
9 information, including, but not limited to, terms and conditions, to
10 be added after the contract is signed by the consumer, and shall
11 clearly and accurately set forth in legible form and in
12 understandable language all terms and conditions of the contract,
13 including but not limited to:

14 (1) the legal name, business address, and license number of the
15 contractors;

16 (2) the legal name and license number of the contractor
17 designated as the responsible managing employee for the services
18 provided;

19 (3) a copy of the certificate of commercial general liability
20 insurance, of cargo or other insurance covering home elevations, if
21 applicable, required pursuant to section 8 of P.L. , c. (C.)
22 (pending before the Legislature as this bill) and the telephone
23 number of the insurance company issuing the certificate; and

24 (4) the total price or other consideration to be paid by the owner,
25 including the finance charges.

26 b. the contract shall include the following notice in 10-point
27 bold type or larger, directly above the space provided for the
28 signature of the consumer:

29 "NOTICE TO CONSUMER

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

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

33 Keep it to protect your legal rights.

34 Do not sign any completion certificate or agreement stating that you
35 are satisfied with the entire project before this project is complete.
36 Contractors are prohibited by law from requesting or accepting a
37 certificate of completion signed by the consumer prior to the actual
38 completion of the work to be performed under the contract."

39 c. Any contract for home improvement, home elevation, or
40 both types of services may be rescinded by the consumer, except as
41 provided in subsection k. of this section if the consumer:

42 (1) Furnishes to the contractor a notice of intent to rescind the
43 contract by certified mail, return receipt requested, postmarked not
44 later than 5 p.m. of the third business day following the day on
45 which the contract is executed; and

46 (2) Gives up possession of any goods, subject to a contract,
47 delivered to the consumer prior to receipt by the contractor of the
48 notice of intent to rescind.

1 d. Within 10 business days after receipt of a notice of intent to
2 rescind a contract for home improvement, home elevation, or both
3 types of services, a contractor shall:

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

7 (2) Refund to the consumer all amounts of money paid by the
8 consumer, less reasonable charges for any damages to any goods
9 which occurred while in the consumer's possession; and

10 (3) Redeliver to the consumer any goods traded-in to the
11 contractor on account of or in contemplation of the contract for
12 home improvement, home elevation, or both types of services, less
13 any reasonable charges actually incurred in making the goods ready
14 for sale.

15 e. Each contractor shall maintain a record of the receipt of any
16 consumer's notice of intent to rescind a contract for at least 18
17 months after the receipt of a notice of intent to rescind.

18 f. At the time of executing every contract for home
19 improvement, home elevation, or both types of services subject to
20 the provisions of P.L. , c. (C.) (pending before the
21 Legislature as this bill), the contractor shall deliver to the consumer
22 two copies of a receipt which clearly and conspicuously sets forth:

23 (1) The contractor's name and place of business;

24 (2) A description of the goods and services sold; and

25 (3) The amount of money paid by the consumer or the cash
26 value of any goods delivered to the contractor at the time the
27 contract for home improvement, home elevation, or both types of
28 services was entered into.

29 g. The receipt required to be delivered to the consumer shall
30 also clearly and conspicuously include, in at least 10-point bold
31 type, the following statement:

32 "NOTICE TO CONSUMER: YOU MAY RESCIND THIS
33 CONTRACT PROVIDED THAT YOU NOTIFY THE HOME
34 IMPROVEMENT OR HOME ELEVATION CONTRACTOR OF
35 YOUR INTENT TO DO SO BY CERTIFIED MAIL, RETURN
36 RECEIPT REQUESTED, POSTMARKED NOT LATER THAN 5
37 P.M. OF THE THIRD BUSINESS DAY FOLLOWING THE
38 SALE. FAILURE TO EXERCISE THIS OPTION, HOWEVER,
39 WILL NOT INTERFERE WITH ANY OTHER REMEDIES
40 AGAINST THE CONTRACTOR YOU MAY POSSESS. IF YOU
41 WISH YOU MAY USE THIS PAGE AS NOTIFICATION BY
42 WRITING "I HEREBY RESCIND" AND ADDING YOUR NAME
43 AND ADDRESS. A DUPLICATE OF THIS RECEIPT IS
44 PROVIDED BY THE CONTRACTOR FOR YOUR RECORDS."

45 h. Except as provided in subsection k. of this section, a receipt
46 required to be delivered by the consumer shall not contain, or be
47 accompanied by, any document which contains provisions by which
48 the consumer waives any rights under P.L. , c. (C.)

1 (pending before the Legislature as this bill).

2 i. A contractor who in the ordinary course of business
3 regularly uses a language other than English in any advertising or
4 other solicitation of consumers, or in any printed forms for use by
5 consumers, or in any face-to-face negotiations with consumers,
6 shall deliver two copies of the receipt to a consumer whose
7 principal language is not English, one in English and one in the
8 other language.

9 j. A contract for home improvement, home elevation, or both
10 types of services for work needed by the consumer to meet a bona
11 fide emergency, where the contact with the contractor was initiated
12 by the consumer, shall not be subject to the cancellation provisions
13 of subsection c. of this section, if the consumer furnishes the
14 contractor with a statement separate from the contract, in a form
15 approved by the board, dated and signed by the consumer,
16 describing the situation requiring immediate remedy and expressly
17 acknowledging and waiving the right to cancel the contract within
18 three business days.

19 k. No contractor shall request or accept a certificate of
20 completion signed by the consumer prior to the actual completion of
21 the work to be performed under a contract for home improvement,
22 home elevation, or both types of services.

23

24 22. (New section) A county or municipal office of consumer
25 affairs established pursuant to P.L.1975, c.376 (C.40:23-6.47 et
26 seq.), that enters into a written agreement with the board in the form
27 specified by the board to accept consumer complaints, directly or on
28 a referral basis, and enforce P.L. , c. (C.) (pending before
29 the Legislature as this bill) against contractors whose principal
30 place of business is in the county or municipality, shall be entitled
31 to a share of fees paid by contractors having their principal place of
32 business in the county or municipality as determined by the board
33 by regulation, which cost shall be reflected in the licensing fees
34 established by the board.

35

36 23. (New section) a. Any individual seeking to convert a home
37 improvement contractor license into a home elevation license may
38 do so by submitting documentation, as prescribed by the board,
39 demonstrating:

40 (1) at least two years of experience working on home elevations
41 under the direct supervision of a home elevation contractor who is
42 licensed pursuant to section 7 of P.L. , c. (C.) (pending
43 before the Legislature as this bill) or qualifies for licensure pursuant
44 to section 16 of P.L. , c. (C.) (pending before the
45 Legislature as this bill);

46 (2) that the individual has not had a home improvement
47 contractor license or registration or a home elevation contractor
48 license or registration revoked or suspended; and

1 (3) that the place of employment of the contractor maintains
2 cargo or other insurance covering home elevation services as
3 required pursuant to section 8 of P.L. , c. (C.) (pending
4 before the Legislature as this bill).

5 b. The board may charge applicable fees to convert a license
6 from home improvement to home elevation.
7

8 24. Section 1 of P.L.1971, c.60 (C.45:1-2.1) is amended to read
9 as follows:

10 1. The provisions of this act shall apply to the following boards
11 and commissions: the New Jersey State Board of Accountancy, the
12 New Jersey State Board of Architects, the New Jersey State Board
13 of Cosmetology and Hairstyling, the Board of Examiners of
14 Electrical Contractors, the New Jersey State Board of Dentistry, the
15 State Board of Mortuary Science of New Jersey, the State Board of
16 Professional Engineers and Land Surveyors, the State Board of
17 Marriage and Family Therapy Examiners, the State Board of
18 Medical Examiners, the New Jersey Board of Nursing, the New
19 Jersey State Board of Optometrists, the State Board of Examiners of
20 Ophthalmic Dispensers and Ophthalmic Technicians, the Board of
21 Pharmacy, the State Board of Professional Planners, the State Board
22 of Psychological Examiners, the State Board of Examiners of
23 Master Plumbers, the New Jersey Real Estate Commission, the
24 State Board of Court Reporting, the State Board of Veterinary
25 Medical Examiners, the Radiologic Technology Board of
26 Examiners, the Acupuncture Examining Board, the State Board of
27 Chiropractic Examiners, the State Board of Respiratory Care, the
28 State Real Estate Appraiser Board, the State Board of Social Work
29 Examiners, the State Board of Examiners of Heating, Ventilating,
30 Air Conditioning and Refrigeration Contractors, the Elevator,
31 Escalator, and Moving Walkway Mechanics Licensing Board, the
32 State Board of Physical Therapy Examiners, the Orthotics and
33 Prosthetics Board of Examiners, the New Jersey Cemetery Board,
34 the State Board of Polysomnography, the New Jersey Board of
35 Massage and Bodywork Therapy, the Genetic Counseling Advisory
36 Committee, the State Board of Dietetics and Nutrition, the New
37 Jersey State Board of Home Improvement and Home Elevation
38 Contractors, and any other entity hereafter created under Title 45 to
39 license or otherwise regulate a profession or occupation.

40 (cf: P.L.2019, c.331, s.16)
41

42 25. Section 2 of P.L.1971, c.60 (C.45:1-2.2) is amended to read
43 as follows:

44 2. a. All members of the several professional boards and
45 commissions shall be appointed by the Governor in the manner
46 prescribed by law; except in appointing members other than those
47 appointed pursuant to subsection b. or subsection c., the Governor
48 shall give due consideration to, but shall not be bound by,

1 recommendations submitted by the appropriate professional
2 organizations of this State.

3 b. In addition to the membership otherwise prescribed by law,
4 the Governor shall appoint in the same manner as presently
5 prescribed by law for the appointment of members, two additional
6 members to represent the interests of the public, to be known as
7 public members, to each of the following boards and commissions:
8 the New Jersey State Board of Accountancy, the New Jersey State
9 Board of Architects, the New Jersey State Board of Cosmetology
10 and Hairstyling, the New Jersey State Board of Dentistry, the State
11 Board of Mortuary Science of New Jersey, the State Board of
12 Professional Engineers and Land Surveyors, the State Board of
13 Medical Examiners, the New Jersey Board of Nursing, the New
14 Jersey State Board of Optometrists, the State Board of Examiners of
15 Ophthalmic Dispensers and Ophthalmic Technicians, the Board of
16 Pharmacy, the State Board of Professional Planners, the State Board
17 of Psychological Examiners, the New Jersey Real Estate
18 Commission, the State Board of Court Reporting, the State Board of
19 Social Work Examiners, the Elevator, Escalator, and Moving
20 Walkway Mechanics Licensing Board, and the State Board of
21 Veterinary Medical Examiners, and one additional public member
22 to each of the following boards: the Board of Examiners of
23 Electrical Contractors, the State Board of Marriage and Family
24 Therapy Examiners, the State Board of Examiners of Master
25 Plumbers, **and** the State Real Estate Appraiser Board, and the
26 New Jersey State Board of Home Improvement and Home Elevation
27 Contractors. Each public member shall be appointed for the term
28 prescribed for the other members of the board or commission and
29 until the appointment of his successor. Vacancies shall be filled for
30 the unexpired term only. The Governor may remove any such
31 public member after hearing, for misconduct, incompetency, neglect
32 of duty or for any other sufficient cause.

33 No public member appointed pursuant to this section shall have
34 any association or relationship with the profession or a member
35 thereof regulated by the board of which he is a member, where such
36 association or relationship would prevent such public member from
37 representing the interest of the public. Such a relationship includes
38 a relationship with members of one's immediate family; and such
39 association includes membership in the profession regulated by the
40 board. To receive services rendered in a customary client
41 relationship will not preclude a prospective public member from
42 appointment. This paragraph shall not apply to individuals who are
43 public members of boards on the effective date of this act.

44 It shall be the responsibility of the Attorney General to insure
45 that no individual with the aforementioned association or
46 relationship or any other questionable or potential conflict of
47 interest shall be appointed to serve as a public member of any board
48 regulated by this section.

1 Where a board is required to examine the academic and
2 professional credentials of an applicant for licensure or to test such
3 applicant orally, no public member appointed pursuant to this
4 section shall participate in such examination process; provided,
5 however, that public members shall be given notice of and may be
6 present at all such examination processes and deliberations
7 concerning the results thereof, and, provided further, that public
8 members may participate in the development and establishment of
9 the procedures and criteria for such examination processes.

10 c. The Governor shall designate a department in the Executive
11 Branch of the State Government which is closely related to the
12 profession or occupation regulated by each of the boards or
13 commissions designated in section 1 of P.L.1971, c.60 (C.45:1-2.1)
14 and shall appoint the head of such department, or the holder of a
15 designated office or position in such department, to serve without
16 compensation at the pleasure of the Governor as a member of such
17 board or commission.

18 d. A majority of the voting members of such boards or
19 commissions shall constitute a quorum thereof and no action of any
20 such board or commission shall be taken except upon the
21 affirmative vote of a majority of the members of the entire board or
22 commission.

23 (cf: P.L.2012, c.71, s.14)

24

25 26. Sections 3 through 6 and sections 24 and 25 shall be
26 effective immediately, but remain inoperative until the Governor
27 appoints board members, by the first day of the tenth month next
28 following enactment, for the purposes of promulgating rules and
29 regulations pursuant to the "Administrative Procedures Act,"
30 P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate the purposes of
31 this act. Sections 1, 2, and 7 through 23 shall be effective on the
32 first day of the twenty-fifth month next following enactment. The
33 director may take such anticipatory administrative action in advance
34 thereof as shall be necessary for implementation of this act.

35

36

37

STATEMENT

38

39 This bill repeals current law on the regulation of home
40 improvement and home elevation contractors and establishes the
41 New Jersey State Board of Home Improvement and Home Elevation
42 Contractors as the regulating body of these contractors. Board
43 membership is to consist of nine people, including five home
44 improvement contractors, one home elevation contractor, two
45 members of the public, and one member representing the Executive
46 Branch. The board is to assemble within 30 days of the members
47 being appointed. The board is to license, on a biennial basis, home
48 improvement and home elevation contractors, establish a code of

1 ethics and standards of conduct for contractors, and promulgate
2 rules and regulations as guidance for contractors.

3 Under the bill, requirements for licensure as either a home
4 improvement or home elevation contractor include demonstrating,
5 through an attestation as prescribed by the board, completion of
6 either 1) an apprenticeship program registered with or approved by
7 the United States Department of Labor, or a similar program as
8 provided by a trade school or other facility that is accredited by a
9 regional or national accrediting agency recognized by the United
10 States Department of Education, that allows an individual to
11 perform services that prepare the individual for a career in home
12 improvement or home elevation or 2) two years, at a minimum, of
13 experience performing home improvement services under the direct
14 supervision of a home improvement contractor for individuals
15 seeking licensure as a home improvement contractor or two years of
16 experience performing home improvement and home elevation
17 services under the direct supervision of a licensed home elevation
18 contractor. An individual applying for licensure is also required to
19 pass an exam to test knowledge of home improvement, and home
20 elevation, if applicable.

21 In this bill, a responsible managing employee is to be assigned to
22 oversee work as a requirement for contracts for services in home
23 improvement, home elevation, or both types of services. As defined
24 in the bill, a responsible managing employee is a licensed home
25 improvement or home elevation contractor with at least five years
26 of experience and who provides effective supervision over the
27 professional services rendered pursuant to a home improvement or
28 home elevation contract. A responsible managing employee may
29 also be a home improvement or home elevation contractor who is
30 eligible for licensure if the individual 1) has been registered as a
31 home improvement contractor in New Jersey for at least 10 years or
32 2) has at least 10 years of experience in providing home elevation
33 services who has been registered as a home improvement contractor
34 in New Jersey for at least 10 years or registered as a home elevation
35 contractor in New Jersey for at least five years. Additionally, a
36 consumer is permitted to waive the three-day waiting period during
37 which the consumer can exercise the right to cancel a contract for a
38 home improvement or home elevation service in the event of a bona
39 fide emergency.

40 Moreover, this bill requires a licensed contractor to post a bond,
41 letter of credit, or security to demonstrate financial stability. The
42 bill also establishes that a contractor is liable for fines or penalties
43 imposed on a consumer as a result of the contractor's failure to
44 obtain construction permits. Penalties for the failure to complete a
45 home improvement or home elevation in accordance with a contract
46 are deemed an unlawful practice under the consumer fraud statute.
47 A contractor who commits an unlawful practice may be fined up to
48 \$10,000 for a first offense and up to \$20,000 for a second offense.

1 Exemptions from licensure in the bill apply to sections on 1)
2 licensure requirements; 2) the nonrenewal of a license or licensure
3 revocation or suspension; 3) liability insurance and proof of
4 financial stability; 4) criminal penalties; 5) advertisements; and 6)
5 licensure display. Language in the bill also exempts from licensure
6 individuals currently registered as a home improvement contractor
7 in New Jersey for at least 10 years and individuals who have at least
8 10 years of experience in providing home elevation services who
9 have been registered as home improvement contractors in New
10 Jersey for at least 10 years or registered as home elevation
11 contractors in New Jersey for at least five years.

12 Language in current law on home improvement and home
13 elevation contractors that addresses 1) the need for out-of-State
14 individuals to be licensed if work is performed in New Jersey; 2)
15 the filing of a disclosure statement on convictions for certain crimes
16 or offenses; 3) the retention of general liability insurance, and cargo
17 or other insurance covering home elevation services, if necessary;
18 4) identification badges; 5) the applicability of the law to
19 municipalities; and 6) the establishment of a public information
20 campaign is included in this bill.