

SENATE, No. 1890

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED MARCH 3, 2022

Sponsored by:

Senator GORDON M. JOHNSON

District 37 (Bergen)

Senator ROBERT W. SINGER

District 30 (Monmouth and Ocean)

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: 12/19/2022)

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11 repealed.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

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

10

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

16

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

24

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

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

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

36 c. review the qualifications of applicants for licensure;

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

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

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

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

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

4
5 7. (New section) To be eligible for licensure as a home
6 improvement contractor or as a home elevation contractor, an
7 applicant shall fulfill the following requirements:

8 a. be at least 18 years of age;

9 b. have successfully completed high school or the equivalent;

10 c. demonstrate, through an attestation as prescribed by the
11 board, completion of:

12 (1) an apprenticeship program registered with or approved by
13 the United States Department of Labor, or similar program as
14 provided by a trade school or other facility accredited by a regional
15 or national accrediting agency recognized by the United States
16 Department of Education, that allows for the applicant to prepare
17 for a career in home improvement or home elevation services; or

18 (2) at least two years of experience performing home
19 improvement services under the direct supervision of a home
20 improvement contractor or performing home improvement and
21 home elevation services under the direct supervision of a home
22 elevation contractor. For an applicant seeking licensure under this
23 paragraph, the attestation shall require the signature of the applicant
24 and of the home improvement or home elevation contractor who
25 provided direct supervision of the applicant. The signature of the
26 contractor who provided direct supervision may be an individual
27 licensed pursuant to this section or licensed in accordance with the
28 provisions of section 16 of P.L. , c. (C.) (pending before
29 the Legislature as this bill);

30 d. passage of an examination pursuant to subsection b. of
31 section 6 of P.L. , c. (C.) (pending before the Legislature
32 as this bill);

33 e. proof of financial stability and of compliance with section 8
34 of P.L. , c. (C.) (pending before the Legislature as this bill)
35 regarding general liability insurance for a home improvement
36 contractor, or general liability insurance and cargo or other
37 insurance that covers home elevation services for a home elevation
38 contractor, and financial stability. If an applicant for licensure is an
39 employee and not an owner of a home improvement or home
40 elevation business, the applicant shall submit information
41 demonstrating proof of general liability insurance, cargo or other
42 insurance covering home elevations, if applicable, and financial
43 stability that is maintained by the business owner;

44 f. submission of a disclosure statement, as prescribed by the
45 board, stating whether the applicant has been convicted of any
46 crime, which for the purposes of P.L. , c. (C.) (pending
47 before the Legislature as this bill) shall mean a violation of section

1 9 of P.L. , c. (C.) (pending before the Legislature as this
2 bill); and

3 g. payment of all applicable fees.
4

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

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

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

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

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

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

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

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

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

1 f. The bond, letter of credit, or securities, moneys or other
2 security shall be filed or deposited with the board and shall be
3 executed to the State of New Jersey for the use or benefit of any
4 consumer who, after entering into a home improvement or home
5 elevation contract, incurs damages or suffers any loss arising out of
6 a violation of P.L. , c. (C.) (pending before the Legislature
7 as this bill) by the contractor.

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

10 h. Any individual claiming against the bond, letter of credit, or
11 securities, moneys or other security may maintain an action at law
12 against the contractor and the surety, bank, or board, as the case
13 may be.

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

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

20 k. The aggregate liability of the surety, bank, or the board to all
21 individuals for all breaches of the conditions of the bond, letter of
22 credit or the securities, moneys or other security held by the board
23 shall not exceed the amount of the bond, letter of credit, or the
24 securities, moneys or other security held by the board.

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

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

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

46
47 9. (New section) a. In addition to any other procedure,
48 condition or information required by P.L. , c. (C.) (pending

1 before the Legislature as this bill), every applicant shall file a
2 disclosure statement with the board, pursuant to subsection f. of
3 section 7 of P.L. , c. (C.) (pending before the Legislature
4 as this bill), stating whether the applicant has been convicted of any
5 crime, which for the purposes of P.L. , c. (C.) (pending
6 before the Legislature as this bill) shall mean a violation of certain
7 provisions of the "New Jersey Code of Criminal Justice," Title 2C
8 of the New Jersey Statutes, or the equivalent under the laws of any
9 other jurisdiction; provided, however, that an applicant shall not be
10 disqualified from licensure or have a license suspended or revoked
11 on the basis of any conviction disclosed, except as provided in
12 subsection b. of this section or in sections 1 or 2 of P.L.2021, c.81
13 (C.45:1-21 and 45:1-21.5).

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

16 (1) Has obtained a license through fraud, deception or
17 misrepresentation;

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

20 (3) Has engaged in gross negligence, gross malpractice or gross
21 incompetence;

22 (4) Has engaged in repeated acts of negligence, malpractice or
23 incompetence;

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

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

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

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

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

1 paragraph (6) of subsection b. of this section, the provisions of
2 P.L.2021, c.81 (C.45:1-21.5) shall apply.

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

6 e. If any of the information to be included in the disclosure
7 statement, required pursuant to subsection f. of section 7 of P.L. ,
8 c. (C.) (pending before the Legislature as this bill), changes
9 or if additional information should be added after the filing of the
10 statement, the applicant shall provide that information to the board,
11 in writing, within 20 calendar days of the change or addition.

12

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

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

36 c. The board may charge the contractor a reasonable fee to
37 cover the costs of the identification badge issued pursuant to this
38 section.

39 d. A contractor who has been issued an identification badge
40 pursuant to subsection b. of this section and whose license has been
41 suspended, revoked, or has not been renewed, shall, within three
42 days of that suspension, revocation or nonrenewal, surrender the
43 identification badge to the board.

44

45 11. (New section) An individual who knowingly exhibits or
46 displays an identification badge issued pursuant to subsection b. of
47 section 10 of P.L. , c. (C.) (pending before the Legislature

1 as this bill) and is not at that time licensed as a contractor pursuant
2 to P.L. , c. (C.) (pending before the Legislature as this
3 bill),
4 including any contractor who has had the license revoked,
5 suspended, or not renewed, is guilty of a crime of the fourth degree.
6

7 12. (New section) a. No individual shall offer to perform, or
8 engage, or attempt to engage in the business of performing or
9 selling home improvement services or home elevation services
10 unless licensed by the board.

11 b. In addition to any other civil or criminal penalty that may
12 apply, any individual who makes a false statement in connection
13 with the process for licensure as a home improvement or home
14 elevation contractor pursuant to section 7 of P.L. , c. (C.)
15 (pending before the Legislature as this bill) or who submits false
16 information in regards to any submissions and filings required by
17 the board pursuant to section 8 of P.L. , c. (C.) (pending
18 before the Legislature as this bill) shall be liable for a civil penalty
19 of not less than \$10,000 or more than \$25,000. Such penalty may
20 be imposed by the board and shall be collected by summary
21 proceedings instituted in accordance with the "Penalty Enforcement
22 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
23

24 13. (New section) Except for individuals exempted pursuant to
25 section 15 of P.L. , c. (C.) (pending before the Legislature
26 as this bill), any individual who advertises in print or puts out any
27 sign or card or other device which would indicate to the public that
28 the individual is a contractor in New Jersey, or who causes the
29 individual's name or business name to be included in a classified
30 advertisement or directory in New Jersey under a classification for
31 home improvement or home elevation, as defined in section 2 of
32 P.L. , c. (C.) (pending before the Legislature as this bill), is
33 subject to the provisions of P.L. , c. (C.) (pending before
34 the Legislature as this bill). This section shall not be construed to
35 apply to simple residential alphabetical listings in standard
36 telephone directories, including directories or similar lists posted
37 online.
38

39 14. (New section) a. All licensees shall prominently display
40 their license numbers within their places of business, in all
41 advertisements distributed within this State, on business documents,
42 contracts and correspondence with consumers of home
43 improvement and home elevation services in this State, and on all
44 commercial vehicles registered in this State and leased or owned by
45 licensees and used by licensees for the purpose of providing home
46 improvement or home elevation services, except for vehicles leased

1 or rented to customers of licensees by a licensee or any agent or
2 representative thereof.

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

7
8 15. (New section) The provisions of sections 7, 8, 9, 12, 13, and
9 14 of P.L. , c. (C.) (pending before the Legislature as this
10 bill) shall not apply to:

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

15 b. Any individual regulated by the State as an architect,
16 professional engineer, landscape architect, land surveyor, electrical
17 contractor, master plumber, or any other individual in any other
18 related profession requiring registration, certification, or licensure
19 by the State, who is acting within the scope of practice of the
20 individual's profession;

21 c. Any individual who is employed by a common interest
22 community, including, but not limited to, a community association
23 or cooperative corporation, or by the owner or manager of any other
24 residential property, while the individual is acting within the scope
25 of that employment;

26 d. Any public utility as defined under R.S.48:2-13;

27 e. Any individual licensed under the provisions of section 16 of
28 P.L.1960, c.41 (C.17:16C-77) but only in conjunction with selling a
29 home repair contract as defined in section 1 of P.L.1960, c.41
30 (C.17:16C-62); and

31 f. Any home improvement or home elevation retailer with a net
32 worth of more than \$50,000,000, or employee of that retailer.

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

1 17. (New section) The provisions of P.L. , c. (C.)
2 (pending before the Legislature as this bill) shall apply to any
3 individual engaging in this State in any of the activities regulated by
4 P.L. , c. (C.) (pending before the Legislature as this bill),
5 including individuals whose residence or principal place of business
6 is located outside of this State.

7
8 18. (New section) a. P.L. , c. (C.) (pending before the
9 Legislature as this bill) shall supersede any municipal ordinance or
10 regulation that provides for the licensing or registration of home
11 improvement or home elevation contractors or for the protection of
12 homeowners by bonds or warranties required to be provided by
13 home improvement or home elevation contractors, exclusive of
14 those required by water, sewer, utility, or land use ordinances or
15 regulations.

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

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

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

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

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

35
36 19. (New section) a. P.L. , c. (C.) (pending before the
37 Legislature as this bill) shall not deny to any municipality the power
38 to inspect a contractor's work or equipment, the work of a
39 contractor who performs improvements to commercial property, or
40 the power to regulate the standards and manners in which the work
41 of the contractor shall be done.

42 b. A municipality shall have the authority to bring a proceeding
43 in accordance with the "Penalty Enforcement Law of 1999,"
44 P.L.1999, c.274 (C.2A:58-10 et seq.), in the municipal court or in
45 Superior Court to recover fines and penalties for violations of
46 P.L. , c. (C.) (pending before the Legislature as this bill),
47 committed by a contractor in connection with a home improvement

1 or home elevation located within the municipality. Fines and
2 penalties recovered from a contractor in a proceeding may be
3 retained by the municipality.

4

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

9 b. The board shall provide a toll-free telephone number for
10 consumers making inquiries regarding contractors or shall promote,
11 as part of the public information campaign, any toll-free telephone
12 number already established for inquiries.

13

14 21. (New section) a. Every contract for a purchase price in
15 excess of \$500 for home improvement, home elevation, or both
16 types of services, and all changes in the terms and conditions of the
17 contract, shall be in writing. The contract shall be signed by all
18 parties thereto and shall not contain any blank spaces for
19 information, including, but not limited to, terms and conditions, to
20 be added after the contract is signed by the consumer, and shall
21 clearly and accurately set forth in legible form and in
22 understandable language all terms and conditions of the contract,
23 including but not limited to:

24 (1) the legal name, business address, and license number of the
25 contractors;

26 (2) the legal name and license number of the contractor
27 designated as the responsible managing employee for the services
28 provided;

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

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

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

39

"NOTICE TO CONSUMER

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

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

43 Keep it to protect your legal rights.

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

46 Contractors are prohibited by law from requesting or accepting a
47 certificate of completion signed by the consumer prior to the actual

1 completion of the work to be performed under the contract."

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

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

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

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

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

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

21 (3) Redeliver to the consumer any goods traded-in to the
22 contractor on account of or in contemplation of the contract for
23 home improvement, home elevation, or both types of services, less
24 any reasonable charges actually incurred in making the goods ready
25 for sale.

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

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

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

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

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

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

43 "NOTICE TO CONSUMER: YOU MAY RESCIND THIS
44 CONTRACT PROVIDED THAT YOU NOTIFY THE HOME
45 IMPROVEMENT OR HOME ELEVATION CONTRACTOR OF
46 YOUR INTENT TO DO SO BY CERTIFIED MAIL, RETURN
47 RECEIPT REQUESTED, POSTMARKED NOT LATER THAN 5
48 P.M. OF THE THIRD BUSINESS DAY FOLLOWING THE

1 SALE. FAILURE TO EXERCISE THIS OPTION, HOWEVER,
2 WILL NOT INTERFERE WITH ANY OTHER REMEDIES
3 AGAINST THE CONTRACTOR YOU MAY POSSESS. IF YOU
4 WISH YOU MAY USE THIS PAGE AS NOTIFICATION BY
5 WRITING "I HEREBY RESCIND" AND ADDING YOUR NAME
6 AND ADDRESS. A DUPLICATE OF THIS RECEIPT IS
7 PROVIDED BY THE CONTRACTOR FOR YOUR RECORDS."

8 h. Except as provided in subsection k. of this section, a receipt
9 required to be delivered by the consumer shall not contain, or be
10 accompanied by, any document which contains provisions by which
11 the consumer waives any rights under P.L. , c. (C.)
12 (pending before the Legislature as this bill).

13 i. A contractor who in the ordinary course of business
14 regularly uses a language other than English in any advertising or
15 other solicitation of consumers, or in any printed forms for use by
16 consumers, or in any face-to-face negotiations with consumers,
17 shall deliver two copies of the receipt to a consumer whose
18 principal language is not English, one in English and one in the
19 other language.

20 j. A contract for home improvement, home elevation, or both
21 types of services for work needed by the consumer to meet a bona
22 fide emergency, where the contact with the contractor was initiated
23 by the consumer, shall not be subject to the cancellation provisions
24 of subsection c. of this section, if the consumer furnishes the
25 contractor with a statement separate from the contract, in a form
26 approved by the board, dated and signed by the consumer,
27 describing the situation requiring immediate remedy and expressly
28 acknowledging and waiving the right to cancel the contract within
29 three business days.

30 k. No contractor shall request or accept a certificate of
31 completion signed by the consumer prior to the actual completion of
32 the work to be performed under a contract for home improvement,
33 home elevation, or both types of services.
34

35 22. (New section) A county or municipal office of consumer
36 affairs established pursuant to P.L.1975, c.376 (C.40:23-6.47 et
37 seq.), that enters into a written agreement with the board in the form
38 specified by the board to accept consumer complaints, directly or on
39 a referral basis, and enforce P.L. , c. (C.) (pending before
40 the Legislature as this bill) against contractors whose principal
41 place of business is in the county or municipality, shall be entitled
42 to a share of fees paid by contractors having their principal place of
43 business in the county or municipality as determined by the board
44 by regulation, which cost shall be reflected in the licensing fees
45 established by the board.

1 23. (New section)a. Any individual seeking to convert a home
2 improvement contractor license into a home elevation license may
3 do so by submitting documentation, as prescribed by the board,
4 demonstrating:

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

11 (2) that the individual has not had a home improvement
12 contractor license or registration or a home elevation contractor
13 license or registration revoked or suspended; and

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

18 b. The board may charge applicable fees to convert a license
19 from home improvement to home elevation.

20

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

23 1. The provisions of this act shall apply to the following boards
24 and commissions: the New Jersey State Board of Accountancy, the
25 New Jersey State Board of Architects, the New Jersey State Board
26 of Cosmetology and Hairstyling, the Board of Examiners of
27 Electrical Contractors, the New Jersey State Board of Dentistry, the
28 State Board of Mortuary Science of New Jersey, the State Board of
29 Professional Engineers and Land Surveyors, the State Board of
30 Marriage and Family Therapy Examiners, the State Board of
31 Medical Examiners, the New Jersey Board of Nursing, the New
32 Jersey State Board of Optometrists, the State Board of Examiners of
33 Ophthalmic Dispensers and Ophthalmic Technicians, the Board of
34 Pharmacy, the State Board of Professional Planners, the State Board
35 of Psychological Examiners, the State Board of Examiners of
36 Master Plumbers, the New Jersey Real Estate Commission, the
37 State Board of Court Reporting, the State Board of Veterinary
38 Medical Examiners, the Radiologic Technology Board of
39 Examiners, the Acupuncture Examining Board, the State Board of
40 Chiropractic Examiners, the State Board of Respiratory Care, the
41 State Real Estate Appraiser Board, the State Board of Social Work
42 Examiners, the State Board of Examiners of Heating, Ventilating,
43 Air Conditioning and Refrigeration Contractors, the Elevator,
44 Escalator, and Moving Walkway Mechanics Licensing Board, the
45 State Board of Physical Therapy Examiners, the Orthotics and
46 Prosthetics Board of Examiners, the New Jersey Cemetery Board,
47 the State Board of Polysomnography, the New Jersey Board of

1 Massage and Bodywork Therapy, the Genetic Counseling Advisory
2 Committee, the State Board of Dietetics and Nutrition, the New
3 Jersey State Board of Home Improvement and Home Elevation
4 Contractors, and any other entity hereafter created under Title 45 to
5 license or otherwise regulate a profession or occupation.
6 (cf: P.L.2019, c.331, s.16)

7
8 25. Section 2 of P.L.1971, c.60 (C.45:1-2.2) is amended to read
9 as follows:

10 2. a. All members of the several professional boards and
11 commissions shall be appointed by the Governor in the manner
12 prescribed by law; except in appointing members other than those
13 appointed pursuant to subsection b. or subsection c., the Governor
14 shall give due consideration to, but shall not be bound by,
15 recommendations submitted by the appropriate professional
16 organizations of this State.

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

1 No public member appointed pursuant to this section shall have
2 any association or relationship with the profession or a member
3 thereof regulated by the board of which he is a member, where such
4 association or relationship would prevent such public member from
5 representing the interest of the public. Such a relationship includes
6 a relationship with members of one's immediate family; and such
7 association includes membership in the profession regulated by the
8 board. To receive services rendered in a customary client
9 relationship will not preclude a prospective public member from
10 appointment. This paragraph shall not apply to individuals who are
11 public members of boards on the effective date of this act.

12 It shall be the responsibility of the Attorney General to insure
13 that no individual with the aforementioned association or
14 relationship or any other questionable or potential conflict of
15 interest shall be appointed to serve as a public member of any board
16 regulated by this section.

17 Where a board is required to examine the academic and
18 professional credentials of an applicant for licensure or to test such
19 applicant orally, no public member appointed pursuant to this
20 section shall participate in such examination process; provided,
21 however, that public members shall be given notice of and may be
22 present at all such examination processes and deliberations
23 concerning the results thereof, and, provided further, that public
24 members may participate in the development and establishment of
25 the procedures and criteria for such examination processes.

26 c. The Governor shall designate a department in the Executive
27 Branch of the State Government which is closely related to the
28 profession or occupation regulated by each of the boards or
29 commissions designated in section 1 of P.L.1971, c.60 (C.45:1-2.1)
30 and shall appoint the head of such department, or the holder of a
31 designated office or position in such department, to serve without
32 compensation at the pleasure of the Governor as a member of such
33 board or commission.

34 d. A majority of the voting members of such boards or
35 commissions shall constitute a quorum thereof and no action of any
36 such board or commission shall be taken except upon the
37 affirmative vote of a majority of the members of the entire board or
38 commission.

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

40
41 26. Sections 3 through 6 and sections 24 and 25 shall be
42 effective immediately, but remain inoperative until the Governor
43 appoints board members, by the first day of the tenth month next
44 following enactment, for the purposes of promulgating rules and
45 regulations pursuant to the "Administrative Procedures Act,"
46 P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate the purposes of
47 this act. Sections 1, 2, and 7 through 23 shall be effective on the

1 first day of the twenty-fifth month next following enactment. The
2 director may take such anticipatory administrative action in advance
3 thereof as shall be necessary for implementation of this act.

4

5

6

STATEMENT

7

8 This bill repeals current law on the regulation of home
9 improvement and home elevation contractors and establishes the
10 New Jersey State Board of Home Improvement and Home Elevation
11 Contractors as the regulating body of these contractors. Board
12 membership is to consist of nine people, including five home
13 improvement contractors, one home elevation contractor, two
14 members of the public, and one member representing the Executive
15 Branch. The board is to assemble within 30 days of the members
16 being appointed. The board is to license, on a biennial basis, home
17 improvement and home elevation contractors, establish a code of
18 ethics and standards of conduct for contractors, and promulgate
19 rules and regulations as guidance for contractors.

20 Under the bill, requirements for licensure as either a home
21 improvement or home elevation contractor include demonstrating,
22 through an attestation as prescribed by the board, completion of
23 either 1) an apprenticeship program registered with or approved by
24 the United States Department of Labor, or a similar program as
25 provided by a trade school or other facility that is accredited by a
26 regional or national accrediting agency recognized by the United
27 States Department of Education, that allows an individual to
28 prepare for a career in home improvement or home elevation or 2)
29 at least two years of experience performing home improvement
30 services under the direct supervision of a home improvement
31 contractor for individuals seeking licensure as a home improvement
32 contractor or two years of experience performing home
33 improvement and home elevation services under the direct
34 supervision of a licensed home elevation contractor. An individual
35 applying for licensure is also required to pass an exam to test
36 knowledge of home improvement, and home elevation, if
37 applicable.

38 In this bill, a responsible managing employee is to be assigned to
39 oversee work as a requirement for contracts for services in home
40 improvement, home elevation, or both types of services. As defined
41 in the bill, a responsible managing employee is a licensed home
42 improvement or home elevation contractor with at least five years
43 of experience and who provides effective supervision over the
44 professional services rendered pursuant to a home improvement or
45 home elevation contract. A responsible managing employee may
46 also be a home improvement or home elevation contractor who is
47 eligible for licensure if the individual 1) has been registered as a

1 home improvement contractor in New Jersey for at least 10 years or
2 2) has at least 10 years of experience in providing home elevation
3 services who has been registered as a home improvement contractor
4 in New Jersey for at least 10 years or registered as a home elevation
5 contractor in New Jersey for at least five years. Additionally, with
6 contracts, a consumer is permitted to waive the three-day waiting
7 period during which the consumer can exercise the right to cancel a
8 contract for a home improvement or home elevation service in the
9 event of a bona fide emergency.

10 Moreover, this bill requires a licensed contractor to post a bond,
11 letter of credit, or security to demonstrate financial stability. The
12 bill also establishes that a contractor is liable for fines or penalties
13 imposed on a consumer as a result of the contractor's failure to
14 obtain construction permits.

15 Exemptions from licensure in the bill apply to sections on
16 1) licensure requirements; 2) the nonrenewal of a license or
17 licensure revocation or suspension; 3) liability insurance and proof
18 of financial stability; 4) civil and criminal penalties; 5)
19 advertisements; and 6) licensure display. Language in the bill also
20 exempts from licensure individuals currently registered as a home
21 improvement contractor in New Jersey for at least 10 years and
22 individuals who have at least 10 years of experience in providing
23 home elevation services who have been registered as home
24 improvement contractors in New Jersey for at least 10 years or
25 registered as home elevation contractors in New Jersey for at least
26 five years.

27 Language in current law on home improvement and home
28 elevation contractors that addresses 1) the need for out-of-State
29 individuals to be licensed if work is performed in New Jersey; 2)
30 the filing of a disclosure statement on convictions for certain crimes
31 or offenses; 3) the retention of general liability insurance, and cargo
32 or other insurance covering home elevation services, if necessary;
33 4) identification badges; 5) the applicability of the law to
34 municipalities; and 6) the establishment of a public information
35 campaign is included in this bill.