

# 56:8-138

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2004 **CHAPTER:** 155

**NJSA:** 56:8-138 (Delays implementation of "Contractors' Registration Act")

**BILL NO:** A3258 (Substituted for S1881)

**SPONSOR(S):** Impeveduto and Cohen

**DATE INTRODUCED:** September 23, 2004

**COMMITTEE:** **ASSEMBLY:** Regulated Professions and Independent Authorities  
**SENATE:**

**AMENDED DURING PASSAGE:** No

**DATE OF PASSAGE:** **ASSEMBLY:** October 7, 2004

**SENATE:** October 25, 2004

**DATE OF APPROVAL:** November 8, 2004

### FOLLOWING ARE ATTACHED IF AVAILABLE:

[FINAL TEXT OF BILL](#) Original version of bill enacted

#### A3258

[SPONSOR'S STATEMENT:](#) (Begins on page 4 of original bill) [Yes](#)

**COMMITTEE STATEMENT:** **ASSEMBLY:** [Yes](#)

**SENATE:** No

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

#### S1881

[SPONSOR'S STATEMENT:](#) (Begins on page 4 of original bill) [Yes](#)

**COMMITTEE STATEMENT:** **ASSEMBLY:** No

**SENATE:** [Yes](#)

**FLOOR AMENDMENT STATEMENT:** No

**LEGISLATIVE FISCAL ESTIMATE:** No

**VETO MESSAGE:** No

**GOVERNOR'S PRESS RELEASE ON SIGNING:** No

### FOLLOWING WERE PRINTED:

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**REPORTS:** No

**HEARINGS:** No

**NEWSPAPER ARTICLES:** Yes

"McGreevey approves delay on contractor law," 11-9-2004 The Record, p.L11

P.L. 2004, CHAPTER 155, *approved November 8, 2004*  
Assembly, No. 3258

1 AN ACT concerning contractors engaged in home improvements and  
2 amending P.L.2004, c.16.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6

7 1. Section 3 of P.L.2004, c.16 (C.56:8-138) is amended to read as  
8 follows:

9 3. a. **[No]** On or after December 31, 2005, no person shall offer  
10 to perform, or engage, or attempt to engage in the business of making  
11 or selling home improvements unless registered with the Division of  
12 Consumer Affairs in accordance with the provisions of this act.

13 b. Every contractor shall annually register with the director.  
14 Application for registration shall be on a form provided by the division  
15 and shall be accompanied by a reasonable fee, set by the director in an  
16 amount sufficient to defray the division's expenses incurred in  
17 administering and enforcing this act.

18 c. Every contractor required to register under this act shall file an  
19 amended registration within 20 days after any change in the  
20 information required to be included thereon. No fee shall be required  
21 for the filing of an amendment.

22 (cf: P.L.2004, c.16, s.3)

23

24 2. Section 4 of P.L.2004, c.16 (C.56:8-139) is amended to read as  
25 follows:

26 4. Except for persons exempted pursuant to section 5 of this act,  
27 any person who advertises in print or puts out any sign or card or  
28 other device on or after [the effective date of this act ] December 31,  
29 2005, which would indicate to the public that he is a contractor in  
30 New Jersey, or who causes his name or business name to be included  
31 in a classified advertisement or directory in New Jersey on or after  
32 [the effective date of this act] December 31, 2005, under a  
33 classification for home improvements covered by this act, is subject to  
34 the provisions of this act. This section shall not be construed to apply  
35 to simple residential alphabetical listings in standard telephone  
36 directories.

37 (cf: P.L.2004, c.16, s.4)

38

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

41 7. a. **[Every]** On or after December 31, 2005, every registered

**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 contractor who is engaged in home improvements shall secure,  
2 maintain and file with the director proof of a certificate of commercial  
3 general liability insurance in a minimum amount of \$500,000 per  
4 occurrence.

5 b. [Every proof of a commercial general liability insurance policy  
6 required to be filed with the director shall provide that cancellation or  
7 nonrenewal of the policy shall not be effective unless and until at least  
8 10 days' notice of intention to cancel or nonrenew has been received  
9 in writing by the director.] Every registered contractor engaged in  
10 home improvements whose commercial general liability insurance  
11 policy is cancelled or nonrenewed shall submit to the director a copy  
12 of the certificate of commercial general liability insurance for a new or  
13 replacement policy which meets the requirements of subsection a. of  
14 this section before the former policy is no longer effective.

15 (cf: P.L.2004, c.16, s.7)

16

17 4. Section 16 of P.L.2004, c.16 (C.56:8-151) is amended to read  
18 as follows:

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

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

27 (2) A copy of the certificate of commercial general liability  
28 insurance required of a contractor pursuant to section 7 of this act and  
29 the telephone number of the insurance company issuing the certificate;  
30 and

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

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

1 bold-faced type as follows:

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"NOTICE TO CONSUMER

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

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

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

(Name of Contractor)

(Address of Contractor)

(Phone Number of Contractor)

If you cancel this contract within the three-day period, you are entitled to a full refund of your money. Refunds must be made within 30 days of the contractor's receipt of the cancellation notice." (cf: P.L.2004, c.16, s.16)

5. Section 18 of P.L.2004, c.16 is amended to read as follows:

18. This act shall take effect on [the 180th day following enactment] December 31, 2005.

(cf: P.L.2004, c.16, s.18)

6. This act shall take effect immediately and if enacted after November 9, 2004, shall be retroactive to November 9, 2004.

STATEMENT

This bill delays implementation of certain provisions of the "Contractors' Registration Act" until December 31, 2005. More specifically, the bill delays until that date: the requirement that contractors who are engaged in the making or selling of home improvements annually register with the Division of Consumer Affairs in the Department of Law and Public Safety; mandates concerning information to be contained in certain home improvement contracts; and provisions regarding cancellation of these contracts.

Further, the bill provides that only on or after December 31, 2005, is a registered contractor who is engaged in home improvements required to secure and maintain commercial general liability insurance in a minimum amount of \$500,000 per occurrence. The bill also removes the current provision of law stipulating that every proof of a commercial general liability insurance policy required to be filed with the Director of the Division of Consumer Affairs shall provide that

1 cancellation or nonrenewal of the policy shall not be effective unless  
2 and until at least 10 days' notice of intention to cancel or renew has  
3 been received in writing by the director. Instead, the bill provides that  
4 every registered contractor engaged in home improvements whose  
5 commercial general liability insurance policy is cancelled or  
6 nonrenewed shall submit to the Director of the Division of Consumer  
7 Affairs a copy of the certificate of commercial general liability  
8 insurance for a new or replacement policy as required by the act before  
9 the former policy is no longer effective.

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14 Delays implementation of "Contractors' Registration Act."

# ASSEMBLY, No. 3258

## STATE OF NEW JERSEY 211th LEGISLATURE

INTRODUCED SEPTEMBER 23, 2004

**Sponsored by:**

**Assemblyman ANTHONY IMPREVEDUTO**

**District 32 (Bergen and Hudson)**

**Assemblyman NEIL M. COHEN**

**District 20 (Union)**

**Co-Sponsored by:**

**Assemblymen Diegnan, Scalera, Stack and Senator Sarlo**

**SYNOPSIS**

Delays implementation of "Contractors' Registration Act."

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 10/26/2004)**

1 AN ACT concerning contractors engaged in home improvements and  
2 amending P.L.2004, c.16.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

6

7 1. Section 3 of P.L.2004, c.16 (C.56:8-138) is amended to read as  
8 follows:

9 3. a. **[No]** On or after December 31, 2005, no person shall offer  
10 to perform, or engage, or attempt to engage in the business of making  
11 or selling home improvements unless registered with the Division of  
12 Consumer Affairs in accordance with the provisions of this act.

13 b. Every contractor shall annually register with the director.  
14 Application for registration shall be on a form provided by the division  
15 and shall be accompanied by a reasonable fee, set by the director in an  
16 amount sufficient to defray the division's expenses incurred in  
17 administering and enforcing this act.

18 c. Every contractor required to register under this act shall file an  
19 amended registration within 20 days after any change in the  
20 information required to be included thereon. No fee shall be required  
21 for the filing of an amendment.

22 (cf:P.L.2004, c.16, s.3)

23

24 2. Section 4 of P.L.2004, c.16 (C.56:8-139) is amended to read as  
25 follows:

26 4. Except for persons exempted pursuant to section 5 of this act,  
27 any person who advertises in print or puts out any sign or card or  
28 other device on or after [the effective date of this act ] December 31,  
29 2005, which would indicate to the public that he is a contractor in  
30 New Jersey, or who causes his name or business name to be included  
31 in a classified advertisement or directory in New Jersey on or after  
32 [the effective date of this act] December 31, 2005, under a  
33 classification for home improvements covered by this act, is subject to  
34 the provisions of this act. This section shall not be construed to apply  
35 to simple residential alphabetical listings in standard telephone  
36 directories.

37 (cf: P.L.2004, c.16, s.4)

38

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

41 7. a. **[Every]** On or after December 31, 2005, every registered  
42 contractor who is engaged in home improvements shall secure,  
43 maintain and file with the director proof of a certificate of commercial

**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 general liability insurance in a minimum amount of \$500,000 per  
2 occurrence.

3 b. [Every proof of a commercial general liability insurance policy  
4 required to be filed with the director shall provide that cancellation or  
5 nonrenewal of the policy shall not be effective unless and until at least  
6 10 days' notice of intention to cancel or nonrenew has been received  
7 in writing by the director.] Every registered contractor engaged in  
8 home improvements whose commercial general liability insurance  
9 policy is cancelled or nonrenewed shall submit to the director a copy  
10 of the certificate of commercial general liability insurance for a new or  
11 replacement policy which meets the requirements of subsection a. of  
12 this section before the former policy is no longer effective.  
13 (cf: P.L.2004, c.16, s.7)

14

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

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

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

25 (2) A copy of the certificate of commercial general liability  
26 insurance required of a contractor pursuant to section 7 of this act and  
27 the telephone number of the insurance company issuing the certificate;  
28 and

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

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

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

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

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

11 (Name of Contractor)

12 (Address of Contractor)

13 (Phone Number of Contractor)

14 If you cancel this contract within the three-day period, you are  
15 entitled to a full refund of your money. Refunds must be made  
16 within 30 days of the contractor's receipt of the cancellation notice."  
17 (cf: P.L.2004, c.16, s.16)

18

19 5. Section 18 of P.L.2004, c.16 is amended to read as follows:

20 18. This act shall take effect on [the 180th day following  
21 enactment] December 31, 2005.

22 (cf: P.L.2004, c.16, s.18)

23

24 6. This act shall take effect immediately and if enacted after  
25 November 9, 2004, shall be retroactive to November 9, 2004.

26

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#### STATEMENT

29

30 This bill delays implementation of certain provisions of the  
31 "Contractors' Registration Act" until December 31, 2005. More  
32 specifically, the bill delays until that date: the requirement that  
33 contractors who are engaged in the making or selling of home  
34 improvements annually register with the Division of Consumer Affairs  
35 in the Department of Law and Public Safety; mandates concerning  
36 information to be contained in certain home improvement contracts;  
37 and provisions regarding cancellation of these contracts.

38 Further, the bill provides that only on or after December 31, 2005,  
39 is a registered contractor who is engaged in home improvements  
40 required to secure and maintain commercial general liability insurance  
41 in a minimum amount of \$500,000 per occurrence. The bill also  
42 removes the current provision of law stipulating that every proof of a  
43 commercial general liability insurance policy required to be filed with  
44 the Director of the Division of Consumer Affairs shall provide that  
45 cancellation or nonrenewal of the policy shall not be effective unless  
46 and until at least 10 days' notice of intention to cancel or renew has

1 been received in writing by the director. Instead, the bill provides that  
2 every registered contractor engaged in home improvements whose  
3 commercial general liability insurance policy is cancelled or  
4 nonrenewed shall submit to the Director of the Division of Consumer  
5 Affairs a copy of the certificate of commercial general liability  
6 insurance for a new or replacement policy as required by the act before  
7 the former policy is no longer effective.

ASSEMBLY REGULATED PROFESSIONS AND  
INDEPENDENT AUTHORITIES COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 3258**

**STATE OF NEW JERSEY**

DATED: SEPTEMBER 23, 2004

The Assembly Regulated Professions and Independent Authorities Committee reports favorably Assembly Bill No. 3258.

This bill delays implementation of certain provisions of the "Contractors' Registration Act" until December 31, 2005. More specifically, the bill delays until that date: the requirement that contractors who are engaged in the making or selling of home improvements annually register with the Division of Consumer Affairs in the Department of Law and Public Safety; mandates concerning information to be contained in certain home improvement contracts; and provisions regarding cancellation of these contracts.

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**SENATE, No. 1881**

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**STATE OF NEW JERSEY**  
**211th LEGISLATURE**

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INTRODUCED OCTOBER 4, 2004

**Sponsored by:**

**Senator PAUL SARLO**

**District 36 (Bergen, Essex and Passaic)**

**SYNOPSIS**

Delays implementation of "Contractors' Registration Act."

**CURRENT VERSION OF TEXT**

As introduced.



S1881 SARLO

2

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2 amending P.L.2004, c.16.

3

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12 Consumer Affairs in accordance with the provisions of this act.

13 b. Every contractor shall annually register with the director.  
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15 and shall be accompanied by a reasonable fee, set by the director in an  
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26 4. Except for persons exempted pursuant to section 5 of this act,  
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28 other device on or after [the effective date of this act ] December 31,  
29 2005, which would indicate to the public that he is a contractor in  
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31 in a classified advertisement or directory in New Jersey on or after  
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34 the provisions of this act. This section shall not be construed to apply  
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6 10 days' notice of intention to cancel or nonrenew has been received  
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11 replacement policy which meets the requirements of subsection a. of  
12 this section before the former policy is no longer effective.  
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15 4. Section 16 of P.L.2004, c.16 (C.56:8-151) is amended to read  
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19 changes in the terms and conditions of the contract, shall be in writing.  
20 The contract shall be signed by all parties thereto, and shall clearly  
21 and accurately set forth in legible form and in understandable language  
22 all terms and conditions of the contract, including but not limited to:

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

25 (2) A copy of the certificate of commercial general liability  
26 insurance required of a contractor pursuant to section 7 of this act and  
27 the telephone number of the insurance company issuing the certificate;  
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32 contract may be cancelled by a consumer for any reason at any time  
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38 contract shall be fully refunded within 30 days of receipt of the notice  
39 of cancellation. If the consumer has executed any credit or loan  
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42 and written notice of that cancellation shall be mailed to the consumer  
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44 shall contain a conspicuous notice printed in at least 10-point  
45 bold-faced type as follows:

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

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

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

11 (Name of Contractor)

12 (Address of Contractor)

13 (Phone Number of Contractor)

14 If you cancel this contract within the three-day period, you are  
15 entitled to a full refund of your money. Refunds must be made  
16 within 30 days of the contractor's receipt of the cancellation notice."  
17 (cf: P.L.2004, c.16, s.16)

18

19 5. Section 18 of P.L.2004, c.16 is amended to read as follows:

20 18. This act shall take effect on [the 180th day following  
21 enactment] December 31, 2005.

22 (cf: P.L.2004, c.16, s.18)

23

24 6. This act shall take effect immediately and if enacted after  
25 November 9, 2004, shall be retroactive to November 9, 2004.

26

27

28

#### STATEMENT

29

30 This bill delays implementation of certain provisions of the  
31 "Contractors' Registration Act" until December 31, 2005. More  
32 specifically, the bill delays until that date: the requirement that  
33 contractors who are engaged in the making or selling of home  
34 improvements annually register with the Division of Consumer Affairs  
35 in the Department of Law and Public Safety; mandates concerning  
36 information to be contained in certain home improvement contracts;  
37 and provisions regarding cancellation of these contracts.

38 Further, the bill provides that only on or after December 31, 2005,  
39 is a registered contractor who is engaged in home improvements  
40 required to secure and maintain commercial general liability insurance  
41 in a minimum amount of \$500,000 per occurrence. The bill also  
42 removes the current provision of law stipulating that every proof of a  
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**S1881 SARLO**

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1 been received in writing by the director. Instead, the bill provides that  
2 every registered contractor engaged in home improvements whose  
3 commercial general liability insurance policy is cancelled or  
4 nonrenewed shall submit to the Director of the Division of Consumer  
5 Affairs a copy of the certificate of commercial general liability  
6 insurance for a new or replacement policy as required by the act before  
7 the former policy is no longer effective.

# SENATE COMMERCE COMMITTEE

## STATEMENT TO

### SENATE, No. 1881

# STATE OF NEW JERSEY

DATED: OCTOBER 18, 2004

The Senate Commerce Committee reports favorably Senate Bill No. 1881.

This bill delays implementation of certain provisions of the "Contractors' Registration Act" until December 31, 2005. More specifically, the bill delays until that date: the requirement that contractors who are engaged in the making or selling of home improvements annually register with the Division of Consumer Affairs in the Department of Law and Public Safety; mandates concerning information to be contained in certain home improvement contracts; and provisions regarding cancellation of these contracts. The "Contractors' Registration Act" is scheduled to go into effect on November 9, 2004: it was approved on May 13, 2004 and provided that it should take effect on the 180th day after enactment.

Further, the bill provides that only on or after December 31, 2005, is a registered contractor who is engaged in home improvements required to secure and maintain commercial general liability insurance in a minimum amount of \$500,000 per occurrence. The bill also removes the current provision of the act stipulating that every proof of a commercial general liability insurance policy required to be filed with the Director of the Division of Consumer Affairs shall provide that cancellation or nonrenewal of the policy shall not be effective unless and until at least 10 days' notice of intention to cancel or renew has been received in writing by the director. Instead, the bill provides that every registered contractor engaged in home improvements whose commercial general liability insurance policy is cancelled or nonrenewed shall submit to the Director of the Division of Consumer Affairs a copy of the certificate of commercial general liability insurance for a new or replacement policy as required by the act before the former policy is no longer effective.