

# 56:12-2.1

## LEGISLATIVE HISTORY CHECKLIST

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**LAWS OF:** 2005               **CHAPTER:** 291

**NJSA:** 56:12-2.1           (Requires disclosure by contractor of cost of construction permits required for construction or reconstruction of residential premises)

**BILL NO:** A1351

**SPONSOR(S):** Greenwald and others

**DATE INTRODUCED:** Pre-filed

**COMMITTEE:**               **ASSEMBLY:** Housing and Local Government

**SENATE:** Community and Urban Affairs

**AMENDED DURING PASSAGE:** Yes

**DATE OF PASSAGE:**               **ASSEMBLY:** May 16, 2005

**SENATE:** January 9 2006

**DATE OF APPROVAL:**               January 9, 2006

**FOLLOWING ARE ATTACHED IF AVAILABLE:**

[FINAL TEXT OF BILL](#) (1<sup>st</sup> reprint enacted)

**A1351**

[SPONSOR'S STATEMENT:](#) (Begins on page 2 of original bill) [Yes](#)

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

**[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:**

No

IS 1/8/07

P.L. 2005, CHAPTER 291, *approved January 9, 2006*  
Assembly, No. 1351 (*First Reprint*)

1 **AN ACT** concerning the contents of consumer contracts for  
2 construction or reconstruction at a residential premises and  
3 supplementing P.L.1980, c.125 (C.56:12-1 et seq.).  
4

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

8 1. a. <sup>1</sup>[A] The final invoice regarding a<sup>1</sup> consumer contract for  
9 construction or reconstruction at a residential premises shall contain  
10 a disclosure by the contractor of the cost of construction permits  
11 required to complete the construction or reconstruction of the  
12 residential premises, and the amount of any administrative or  
13 processing fees that the contractor will charge to obtain the required  
14 permits <sup>1</sup>which amount shall not exceed the cost to the contractor to  
15 obtain the permit and to record any necessary documents. For the  
16 purpose of this section, "construction or reconstruction" means any  
17 work on a residence which will require a permit to be obtained under  
18 the "State Uniform Construction Code Act," P.L.1975, c.217  
19 (C.52:27D-119 et seq.), or regulations promulgated thereto, but  
20 excluding work on any new home subject to the "New Home Warranty  
21 and Builders' Registration Act," P.L.1977, c.467 (C.46:3B-1 et seq.)  
22 and for which a certificate of occupancy has been issued<sup>1</sup>.

23 b. Upon written complaint filed by a consumer with the Division of  
24 Consumer Affairs in the Department of Law and Public Safety, a  
25 contractor found to be in violation of this provision shall be subject to  
26 a \$500 penalty for each separate violation to be enforced pursuant to  
27 "the penalty enforcement law," N.J.S.2A:58-1 et seq.  
28

29 2. This act shall take effect immediately.  
30  
31

32 \_\_\_\_\_  
33  
34 Requires disclosure by contractor of cost of construction permits  
35 required for construction or reconstruction of residential premises.

**EXPLANATION** - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup> Assembly AHO committee amendments adopted May 13, 2004.

# ASSEMBLY, No. 1351

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## STATE OF NEW JERSEY

### 211th LEGISLATURE

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PRE-FILED FOR INTRODUCTION IN THE 2004 SESSION

**Sponsored by:**

**Assemblyman LOUIS D. GREENWALD**

**District 6 (Camden)**

**Assemblyman ROBERT J. SMITH**

**District 4 (Camden and Gloucester)**

**Assemblyman DAVID R. MAYER**

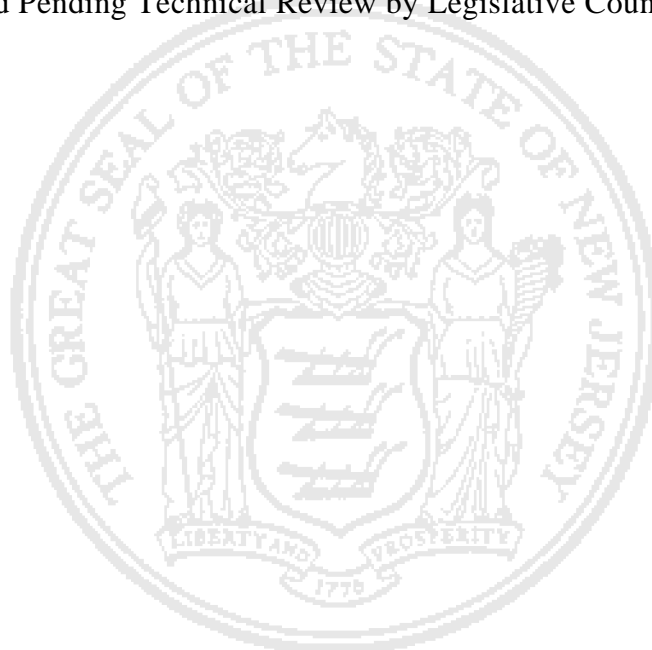
**District 4 (Camden and Gloucester)**

**SYNOPSIS**

Requires disclosure by contractor of cost of construction permits required for construction or reconstruction of residential premises.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



**(Sponsorship Updated As Of: 2/6/2004)**

1 AN ACT concerning the contents of consumer contracts for  
2 construction or reconstruction at a residential premises and  
3 supplementing P.L.1980, c.125 (C.56:12-1 et seq.).  
4

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

8 1. a. A consumer contract for construction or reconstruction at a  
9 residential premises shall contain a disclosure by the contractor of the  
10 cost of construction permits required to complete the construction or  
11 reconstruction of the residential premises, and the amount of any  
12 administrative or processing fees that the contractor will charge to  
13 obtain the required permits.

14 b. Upon written complaint filed by a consumer with the Division of  
15 Consumer Affairs in the Department of Law and Public Safety, a  
16 contractor found to be in violation of this provision shall be subject to  
17 a \$500 penalty for each separate violation to be enforced pursuant to  
18 "the penalty enforcement law," N.J.S.2A:58-1 et seq.  
19

20 2. This act shall take effect immediately.  
21  
22

23 STATEMENT  
24

25 This bill requires that a consumer contract for construction or  
26 reconstruction at a residential premises must contain a disclosure by  
27 the contractor of the cost of construction permits required to complete  
28 the construction or reconstruction of the residential premises, and the  
29 amount of any administrative or processing fees that the contractor  
30 will charge to obtain the required permits. Upon written complaint  
31 filed by a consumer with the Division of Consumer Affairs in the  
32 Department of Law and Public Safety, a contractor found to be in  
33 violation of this provision shall be subject to a \$500 penalty for each  
34 separate violation.

ASSEMBLY HOUSING AND LOCAL GOVERNMENT  
COMMITTEE

STATEMENT TO

**ASSEMBLY, No. 1351**

with committee amendments

**STATE OF NEW JERSEY**

DATED: MAY 13, 2004

The Assembly Housing and Local Government Committee reports favorably Assembly Bill No. 1351 with committee amendments.

This bill, as amended, requires that a final invoice regarding a consumer contract for construction or reconstruction at a residential premises must contain a disclosure by the contractor of the cost of construction permits required to complete the construction or reconstruction of the residential premises, and the amount of any administrative or processing fees that the contractor will charge to obtain the required permits, which is limited to the cost to the contractor to obtain the permit and to record any necessary documents. "Construction or reconstruction" is defined under the bill to mean any work on a residence which will require a permit to be obtained under the "State Uniform Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.), or regulations promulgated thereto, but excludes work on any new home subject to the "New Home Warranty and Builders' Registration Act," P.L.1977, c.467 (C.46:3B-1 et seq.) and for which a certificate of occupancy has been issued. Upon a written complaint filed by a consumer with the Division of Consumer Affairs in the Department of Law and Public Safety, a contractor found to be in violation of this provision shall be subject to a \$500 penalty for each separate violation.

Committee amendments

The committee amended the bill to clarify that the disclosure of the costs of the permits need not be supplied with the initial contract to the consumer, in order to allow time for the contractor to determine those costs. In addition, the amendments clarify that the requirement to disclose permit costs does not apply to newly-constructed homes for which a certificate of occupancy has been issued and which are subject to the "New Home Warranty and Builders' Registration Act," P.L.1977, c.467 (C.46:3B-1 et seq.).

This bill was pre-filed for introduction in the 2004-2005 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

[First Reprint]

**ASSEMBLY, No. 1351**

**STATE OF NEW JERSEY**

DATED: DECEMBER 1, 2005

The Senate Community and Urban Affairs Committee reports favorably Assembly Bill No. 1351 (1R).

This bill would limit the amount that a contractor may charge a consumer for obtaining construction permits for residential premises to the contractor's actual cost to obtain the permits and record necessary documents. The bill would require final invoices for consumer contracts for construction or reconstruction of residential premises to disclose the contractor's cost of obtaining construction permits and the amount of any administrative or processing fees. The bill applies to construction code permits but excludes work on new homes subject to the "New Home Warranty and Builders' Registration Act," P.L.1977, c.467 (C.46:3B-1 et seq.) and for which a certificate of occupancy has been issued. A contractor found to be in violation of this provision would be subject to a \$500 penalty for each separate violation.