

45:5AAA-1 to 45:5AAA-11, 45:5AAA-12 to 45:5AAA-22

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2023 **CHAPTER:** 237

NJSA: 45:5AAA-1 to 45:5AAA-11, 45:5AAA-12 to 45:5AAA-22 Establishes professional board to regulate home improvement and home elevation contractors and requires licensure for each type of contractor.

BILL NO: A2138 (Substituted for S1890 (SCS))

SPONSOR(S) Moriarty, Paul D. and others

DATE INTRODUCED: 2/7/2022

COMMITTEE: **ASSEMBLY:** Consumer Affairs
Commerce & Economic Development

SENATE: Budget & Appropriations

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: ASSEMBLY: 12/21/2023

SENATE: 12/21/2023

DATE OF APPROVAL: 1/8/2024

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (A2138 AcaAcaAcaSca (4R) enacted) Yes

A2138

INTRODUCED BILL: (Includes sponsor(s) statement) Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes Consumer Affairs 06/02/2022
Consumer Affairs 09/15/2022
Commerce & Economic Development

SENATE: Yes Budget & Appropriations

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

LEGISLATIVE FISCAL ESTIMATE: Yes 03/01/2023
12/13/2023

S1890 (SCS)

INTRODUCED BILL: (Includes sponsor(s) statement) Yes

COMMITTEE STATEMENT: ASSEMBLY: No

SENATE: Yes Commerce
Budget & Appropriations

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, **may possibly** be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT: No

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REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

Matthew Fazelpoor, 'Trenton's lame duck session closes with flurry of activity', *NJBIZ* (online), 9 Jan 2024

CL/MM

Title 45.
 Subtitle 1
 Chapter 5AAA.
 (New)
 Home
 Improvement
 and
 Home Elevation
 Contractors
 §§1-10,13
 C.45:5AAA-1 to
 45:5AAA-11
 §§11,12,14-17
 20-24
 C.45:5AAA-12 to
 45:5AAA-22
 §§28,35
 Repealer
 §40
 Note to
 §§5,7-20

P.L. 2023, CHAPTER 237, *approved January 8, 2024*
 Assembly, No. 2138 (*Fourth Reprint*)

1 **AN ACT** concerning the regulation of home improvement and home
 2 elevation contractors, revising various parts of the statutory law,
 3 and supplementing ⁴**[P.L.2007, c.232 (C.2C:21-35) and]**⁴ Title
 4 45 of the ⁴**[New Jersey]** Revised⁴ Statutes.

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

8
 9 ⁴**[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.]**⁴

12
 13 ⁴**[1. (New section) Sections 1 through 24 of**
 14 **P.L. , c. (C.) (pending before the Legislature as this bill)**
 15 **shall be known and may be cited as the “Home Improvement and**
 16 **Home Elevation Contractor Licensing Act.”**⁴

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ACO committee amendments adopted June 2, 2022.

²Assembly ACO committee amendments adopted September 15, 2022.

³Assembly ACE committee amendments adopted February 13, 2023.

⁴Senate SBA committee amendments adopted November 30, 2023.

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

3 "Board" means the New Jersey State Board of Home
4 Improvement and Home Elevation Contractors.

5 "Contractor" means an individual ¹[engaged in the business of
6 making or selling] providing¹ home improvement or home
7 elevation services, or both types of services, ¹[and includes] for¹ a
8 corporation, partnership, association¹, sole proprietorship,¹ and any
9 other form of business organization or entity ²that enters into
10 ⁴contracts for⁴ home improvement, home elevation, or both types of
11 ⁴[contracts] services⁴ with consumers ⁴[. ²]⁴ ¹[, and its officers,
12 representatives, agents and employees]¹. ¹This shall not include:
13 (1) an individual who owns or manages a home improvement or
14 home elevation business but does not perform home improvement
15 or home elevations services; or (2) employees of or individuals
16 contracted by a sole proprietorship, corporation, partnership,
17 association, or other form of a business entity hired or contracted to
18 sell home improvement or home elevation services, or both types of
19 services.¹ An individual who makes a home improvement or home
20 elevation without compensation shall not be deemed to be a
21 contractor with respect to that service.

22 "Director" means the Director of the Division of Consumer
23 Affairs in the Department of Law and Public Safety.

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

26 "Home elevation" means any home improvement that involves
27 raising an entire residential structure to a higher level above the
28 ground.

29 ⁴[“Home elevation contract” means a written agreement, or oral
30 agreement if the cost of services is expected to be \$500 or less, for
31 the performance of a home elevation between a home elevation
32 contractor and an owner, tenant or lessee, of a residential property,
33 and includes all agreements under which the contractor is to
34 perform the home elevation, or furnish materials in connection
35 therewith.]⁴

36 "Home elevation contractor" means a contractor who engages in
37 the practice of home elevation and is authorized to perform home
38 ⁴[improvements, as defined in this section] improvement services⁴.

39 "Home improvement" means the remodeling, altering,
40 renovating, repairing, restoring, modernizing, moving, demolishing,
41 installing in, or otherwise improving or modifying of the whole or
42 any part of any residential property. Home improvement shall also
43 include insulation ^{2,2} installation and the conversion of existing
44 commercial structures into residential property. ¹Home
45 improvement shall not include the construction of a new residential
46 property.¹

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

8 "Home improvement contractor" means a contractor who
9 engages solely in the practice of home improvement.

10 ⁴"Limited specialty services license" means a license issued by
11 the board that authorizes an individual only to perform services in a
12 specialty of home improvement, the scope of which shall be
13 determined by the board.

14 "Limited specialty services licensee" means an individual
15 licensed by the board to provide limited specialty home
16 improvement services.⁴

17 ¹"Principal home improvement contractor" or "principal home
18 elevation contractor" means a licensed home improvement or home
19 elevation contractor who oversees the performance of services for
20 contracts (1) valued at a minimum of \$120,000 and (2) that require
21 the submittal of plans with more than one subcode.¹ ²A principal
22 home improvement or principal home elevation contractor may also
23 provide services as a home improvement contractor or home
24 elevation contractor if a contract is valued at less than \$120,000 or
25 does not require submittal of plans with more than one subcode.²

26 "Residential property" means any single or multi-unit structure
27 used in whole or in part as a place of residence, and all structures
28 appurtenant thereto, and any portion of the lot or site on which the
29 structure is situated which is devoted to the residential use of the
30 structure.

31 ¹["Responsible managing employee" means an individual who is
32 licensed as a home improvement or home elevation contractor with
33 at least five years of experience and who provides effective
34 supervision over the professional services rendered pursuant to a
35 home improvement or home elevation contract. An individual who
36 qualifies for licensure as a home improvement or home elevation
37 contractor pursuant to section 16 of P.L. , c. (C.) (pending
38 before the Legislature as this bill) shall also qualify as a responsible
39 managing employee.]¹

40
41 3. (New section) There is created within the Division of
42 Consumer Affairs in the Department of Law and Public Safety, the
43 New Jersey State Board of Home Improvement and Home Elevation
44 Contractors. The board shall consist of nine members who shall be
45 residents of the State. Except for the members first appointed: five
46 members shall be licensed home improvement contractors, ¹["one
47 member shall be a licensed home elevation contractor"] of whom

1 two shall represent ⁴~~["a"]~~⁴ trade ⁴~~["association"]~~⁴ associations⁴ focused
 2 on the home improvement industry, one member shall be a licensed
 3 construction code official¹, two ¹members¹ shall ¹~~["be members of"]~~
 4 ⁴~~["represent"]~~¹ be members of⁴ the public, and one ¹member¹ shall
 5 be appointed pursuant to subsection c. of section 2 of P.L.1971,
 6 c.60 (C.45:1-2.2). Of the two members of the public, one shall be
 7 appointed by the Governor upon recommendation of the Senate
 8 President and the other shall be appointed by the Governor upon
 9 recommendation of the Assembly Speaker. Of the members first
 10 appointed, the five members who are registered home improvement
 11 contractors shall have been so registered for at least ten years
 12 immediately preceding appointment to the board ¹~~["and the member~~
 13 ~~who is a registered home elevation contractor shall have been so~~
 14 ~~registered for at least four years immediately preceding~~
 15 ~~appointment to the board"]~~¹. ³The members first appointed shall be
 16 appointed no later than the first day of the ⁴~~["third"]~~⁴ sixth⁴ month
 17 following enactment of P.L. , c. (C.) (pending before the
 18 Legislature as this bill).³

19 Each member shall be appointed for a term of five years, except
 20 that of the members first appointed, ¹~~["the home elevation contractor~~
 21 ~~member and a]~~ two¹ home improvement contractor ¹~~["member"]~~
 22 members¹ shall serve for a term of three years, two home
 23 improvement contractor members shall serve for a term of two
 24 years, and ¹~~["two"]~~ one¹ home improvement contractor ²~~["members"]~~
 25 member² shall serve for a term of one year. Each member shall
 26 hold office until a successor has been qualified and appointed. Any
 27 vacancy in the membership of the board shall be filled for the
 28 unexpired term in the manner provided for in the original
 29 appointment. No member of the board shall serve more than two
 30 successive terms in addition to any unexpired term to which the
 31 member has been appointed.

32
 33 4. (New section) ²a. The board shall be entitled to retain all
 34 funds collected as a result of fees paid for initial licensure ⁴~~["and~~
 35 ~~registration,"]~~⁴ and for licensure ⁴~~["and registration"]~~⁴ renewal,
 36 reactivation, and reinstatement to administer and enforce the
 37 provisions of P.L. , c. (C.) (pending before the Legislature
 38 as this bill).

39 b.² Members of the board ²~~["shall"]~~ may² be reimbursed for
 40 expenses within the limits of funds appropriated or otherwise made
 41 available for this purpose and provided with office and meeting
 42 facilities and personnel required for the proper conduct of the
 43 business of the board.

44
 45 5. (New section) ³a.³ The board shall organize within ⁴~~["30"]~~
 46 60⁴ days after the appointment of its members and shall annually
 47 elect from its members a chairperson and a vice-chairperson, and

1 may appoint a secretary, who need not be a member of the board.
 2 The board shall meet at least once a month and may hold additional
 3 meetings as necessary to discharge its duties. A majority of board
 4 membership shall constitute a quorum.

5 ³b. The board shall promulgate rules and regulations pursuant to
 6 the “Administrative ⁴【Procedures】 Procedure⁴ Act,” P.L.1968,
 7 c.410 (C.52:14B-1 et seq.) to effectuate the purposes of ⁴【this act,
 8 no later than the first day of the 10th month next following
 9 enactment of】⁴ P.L. _____, c. _____ (C. _____) (pending before the
 10 Legislature as this bill). The provisions of sections ⁴【3, 4, and 6】 9
 11 through 13 of P.L. _____, c. _____ (C. _____) (pending before the Legislature
 12 as this bill)⁴ shall remain inoperative until ⁴【such time as the board
 13 promulgates】 the first day of the sixth month next following the
 14 promulgation by the board of⁴ the rules and regulations.³

15

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

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

20 b. ¹develop education requirements and¹ develop or designate
 21 an examination or examinations to evaluate the knowledge, ability,
 22 and fitness of applicants ⁴for licensure⁴ to perform as home
 23 improvement or home elevation contractors, which shall include
 24 examination of State law on home improvement for individuals
 25 seeking licensure as home improvement contractors, or on home
 26 improvement and home elevation for individuals seeking licensure
 27 as home elevation contractors ¹. The requirements shall include:

28 (1) establishing education requirements for home improvement
 29 contractors, including principal home improvement contractors, and
 30 home elevation contractors, including principal home elevation
 31 contractors; and

32 (2) developing ²【a mandatory】 ⁴【an² examination preparation
 33 course¹ ²that】 the curriculum for or identifying courses in which⁴
 34 an applicant may enroll in² ⁴to prepare for licensing examinations
 35 developed or designated pursuant to paragraph (1) of this
 36 subsection⁴ ;

37 c. review the qualifications of applicants for licensure;

38 d. issue and renew, on a biennial basis ¹【,】 ⁴【:

39 (1)¹】⁴ licenses for home improvement and home elevation
 40 contractors; ⁴【¹and

41 (2) registrations for home improvement and home elevation
 42 businesses;¹】⁴

43 e. refuse to admit an applicant for an examination or suspend,
 44 revoke, or refuse to renew a license pursuant to the provisions of
 45 P.L.1978, c.73 (C.45:1-14 et seq.) ⁴and, in the case of a suspension,
 46 revocation, or refusal to renew, notify the contractor business

- 1 registered pursuant to P.L.2004, c.16 (C.56:8-136 et seq.) that
 2 employs the licensed individual of the decision and notify the
 3 division that the individual is not authorized to perform home
 4 improvements, home elevations, or services pursuant to a limited
 5 specialty services license on behalf of the registered contractor
 6 business that employs the individual until such time as the license is
 7 restored⁴;
- 8 f. adopt a code of ethics and standards of conduct for licensed
 9 home improvement and home elevation contractors;
- 10 g. establish and change, if necessary, applicable fees including
 11 for initial licensure and licensure renewal, reactivation and
 12 reinstatement; ¹[and]¹
- 13 h. ¹establish standards for continuing education requirements;
 14 ³[and]³
- 15 i. ¹ ⁴³oversee registration of individuals registered pursuant to
 16 subsection d. of section 16 of P.L. , c. (C.) (pending before
 17 the Legislature as this bill); and
- 18 j. ³⁴ promulgate rules and regulations pursuant to the
 19 “Administrative ⁴[Procedures] Procedure⁴ Act,” P.L.1968, c.410
 20 (C.52:14B-1 et seq.) ⁴;
- 21 j. issue, from time to time and as determined by the board,
 22 limited specialty services licenses in home improvement contracting
 23 specialties, including, but not limited to, drywall installation;
 24 painting and plastering; roofing; and carpeting and flooring;
- 25 (1) The board shall establish requirements for licensure in a
 26 limited specialty service, which may include the passage of an
 27 examination specific to the specialty.
- 28 (2) An individual may hold more than one limited specialty
 29 services license.
- 30 (3) An individual who is not licensed as a home improvement or
 31 home elevation contractor but has a limited specialty services
 32 license issued by the board may provide any services within the
 33 scope of practice, to be determined by the board, of the specialty
 34 services license; and
- 35 k. establish standards for:
- 36 (1) the scope of practice for principal home improvement and
 37 principal home elevation contractors; home improvement and home
 38 elevation contractors; and limited specialty services licensees; and
- 39 (2) the supervision of employees of home improvement, home
 40 elevation, and specialty service businesses.⁴
- 41
- 42 7. (New section) To be eligible for licensure as a home
 43 improvement contractor or as a home elevation contractor, an
 44 applicant shall fulfill the following requirements:
- 45 a. be at least 18 years of age;
- 46 b. ³[have successfully completed high school or the equivalent;

1 c.]³ demonstrate ³[, through an attestation as prescribed by the
2 board,]³ completion of:

3 (1) ³through submission of an attestation as prescribed by the
4 board,³ an apprenticeship program registered with or approved by
5 the United States Department of Labor, or similar program as
6 provided by a trade school or other facility accredited by a regional
7 or national accrediting agency recognized by the United States
8 Department of Education, that allows for the applicant to prepare
9 for a career in home improvement or home elevation services; or

10 (2) at least two years of experience performing home
11 improvement services ¹[under the direct supervision of] ⁴[for¹]
12 subject to the direct oversight of⁴ a home improvement contractor
13 ²or a home elevation contractor,² or performing home improvement
14 and home elevation services ¹[under the direct supervision of]
15 ⁴[for¹] subject to the direct oversight of⁴ a home elevation
16 contractor. ⁴“Direct oversight” shall not require the supervising
17 individual to remain on-site.⁴ ¹[For an applicant seeking licensure
18 under this paragraph, the attestation] An application for licensure¹
19 shall require the signature of the applicant ⁴[and] ,⁴ ¹[of the home
20 improvement or home elevation contractor who provided direct
21 supervision of] the name and address of the home improvement or
22 home elevation business for whom¹ the applicant ¹worked¹ ⁴, and
23 an attestation, in a form as determined by the board, that the
24 applicant, when providing contracting services, adhered to industry
25 best practices and followed standard procedures in a safe and
26 healthy manner⁴. ¹[The signature of the contractor who provided
27 direct supervision may be an individual licensed pursuant to this
28 section or licensed in accordance with the provisions of section 16
29 of P.L. , c. (C.) (pending before the Legislature as this
30 bill)]¹ ²The two years of experience required in this section may be
31 obtained by an applicant who can demonstrate to the board, in a
32 manner and form as determined by the board, the performance of
33 services in home improvement or home elevation:

34 (a) under a home improvement or home elevation contractor in
35 another state or jurisdiction of the United States with, as determined
36 by the board, substantially equivalent requirements to the
37 requirements in this State; or

38 (b) through work obtained by the applicant as a home
39 improvement or home elevation contractor in another state or
40 jurisdiction of the United States with, as determined by the board,
41 substantially equivalent requirements to the requirements in this
42 State²;

43 ³[d.] c.³ ¹completion of educational requirements established
44 pursuant to paragraph (1) of subsection b. of section 6 of P.L. ,
45 c. (C.) (pending before the Legislature as this bill) and¹
46 passage of an examination pursuant to ⁴paragraph (2) of⁴ subsection

1 b. of section 6 of P.L. , c. (C.) (pending before the
2 Legislature as this bill);

3 ³[e.] ³d. ¹[proof of financial stability and of compliance with
4 section 8 of P.L. , c. (C.) (pending before the Legislature
5 as this bill) regarding general liability insurance for a home
6 improvement contractor, or general liability insurance and cargo or
7 other insurance that covers home elevation services for a home
8 elevation contractor, and financial stability. If an applicant for
9 licensure is an employee and not an owner of a home improvement
10 or home elevation business, the applicant shall submit information
11 demonstrating proof of general liability insurance, cargo or other
12 insurance covering home elevations, if applicable, and financial
13 stability that is maintained by the business owner;

14 f. ¹[submission of a disclosure statement, as prescribed by the
15 board, stating whether the applicant has been convicted of any
16 crime, which for the purposes of P.L. , c. (C.) (pending
17 before the Legislature as this bill) shall mean a violation of section
18 ⁴[9] ⁴§ of P.L. , c. (C.) (pending before the Legislature as
19 this bill); and

20 ¹[g.] ³[f. ¹] e. ³ payment of all applicable fees.

21 ⁴[³[¹g.] f. ³ To register as a home improvement or home
22 elevation business, a business shall submit, as part of the
23 application to the board and in a form as determined by the board,
24 proof of:

25 (1) general liability insurance ²[and] ² workers' compensation
26 insurance ², and a compliance bond, letter of credit, or securities,
27 moneys, or other securities² pursuant to section 8 of P.L. ,
28 c. (C.) (pending before the Legislature as this bill);

29 (2) employment by the business of at least one licensed home
30 improvement or home elevation contractor; and

31 (3) compliance with all applicable tax, business, and other laws
32 in the State. ¹]⁴

33

34 ⁴[8. (New section) a. ¹[Every licensed contractor who is
35 engaged in home improvement or home elevation services] A home
36 improvement or home elevation business¹ shall secure, maintain
37 and file with the board proof of a certificate of ¹[.] :

38 (1)¹ commercial general liability insurance in a minimum
39 amount of \$500,000 per occurrence ¹; and

40 (2) workers' compensation insurance.¹

41 b. ¹[Every licensed contractor engaged in providing home
42 improvement or home elevation services] A registered business¹
43 whose commercial general liability insurance ¹or workers'
44 compensation¹ policy is cancelled or nonrenewed shall submit to
45 the board¹, before the former policy is no longer available,¹ a copy
46 of the certificate of ¹;

1 (1)¹ commercial general liability insurance for a new or
2 replacement policy which meets the requirements of ¹paragraph (1)
3 of¹ subsection a. of this section ¹**【before the former policy is no**
4 **longer effective】**; or

5 (2) a copy of the certificate of workers' compensation insurance
6 for a new or replacement policy¹.

7 c. In addition to the insurance required pursuant to subsection
8 a. of this section, every ¹**【home elevation contractor】** registered
9 business¹ engaged in performing home elevations shall secure and
10 maintain cargo or other insurance that specifically covers home
11 elevation activities, in a minimum amount of \$1,000,000 per
12 occurrence to cover damages or other losses to the homeowner,
13 lessee, tenant or other party resulting from a home elevation, except
14 as otherwise provided in this subsection. The board, in consultation
15 with the director and the Department of Banking and Insurance,
16 may promulgate rules and regulations to require that home elevation
17 ¹**【contractors】** businesses¹ secure and maintain additional insurance
18 of such kind and in such amounts as may be determined.

19 d. A home elevation ¹**【contractor】** business¹, prior to entering
20 into an agreement to perform a home elevation, shall provide proof
21 of insurance to the homeowner including the issuing insurer, policy
22 number, type, and amount of insurance coverage maintained by the
23 ¹**【contractor】** business¹ in accordance with this section.

24 e. Every ¹**【licensed contractor who】** registered business that¹ is
25 engaged in home improvement or home elevation services shall
26 maintain, in effect during the entire period of ²**【licensure】**
27 registration² :

28 (1) a ¹compliance¹ bond issued by one or more sureties
29 authorized to transact business in this State;

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

31 (3) ²**【with the board】**² securities, moneys or other security
32 acceptable to the board to fulfill the requirements of this section.

33 ¹f.¹ The principal sum of the ¹compliance¹ bond, letter of credit,
34 or securities, moneys or other security shall be a minimum of
35 ¹**【\$100,000.】** :

36 (1) ²**【for Class A registered home improvement or home**
37 **elevation contractors,】**² \$50,000 for the performance of services
38 pursuant to a contract valued at more than \$120,000 or for the
39 performance of services, in the previous 12 months, for contracts
40 valued at a minimum of \$750,000;

41 (2) ²**【for Class B licensed home improvement or home elevation**
42 **contractors,】**² \$25,000 for the performance of services pursuant to a
43 contract valued between \$10,000 and \$120,000 or for the
44 performance of services, in the previous 12 months, for contracts
45 valued between \$150,000 and \$750,000; and

46 (3) ²**【for Class C licensed home improvement or home elevation**

1 contractors,]² \$10,000 for the performance of services pursuant to a
 2 contract valued at less than \$10,000 or for the performance of
 3 services, in the previous 12 months, for contracts valued less than
 4 \$150,000.

5 g.¹ The ¹[contractor] business¹ shall, from time to time, to the
 6 extent that claims are paid, promptly replenish the amount of ²the
 7 compliance² bond, letter of credit, securities, moneys or other
 8 security maintained ²[with the board]² ¹[to a minimum of
 9 \$100,000]¹ pursuant ¹to paragraphs (1) through (3) of subsection f.
 10 of this section¹.

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

18 g.] h.¹ The ²compliance² bond, letter of credit, or securities,
 19 moneys, or other security shall cover ¹[restitution and]¹ penalties
 20 ¹assessed by the board for violations of P.L. , c. (C.)
 21 (pending before the Legislature as this bill)¹.

22 ¹[h.] i.¹ ²[Any individual ¹[claiming] seeking to claim¹ against
 23 the bond, letter of credit, or securities, moneys or other security
 24 may maintain an action ¹[at law against the contractor and the
 25 surety, bank, or] with¹ the board ¹[, as the case may be]¹.

26 ¹[i.] j.¹ ²The ²compliance² bond, letter of credit, or securities,
 27 moneys, or other security shall not be payable for treble damage
 28 claims pursuant to the consumer fraud act, P.L.1960, c.39 (C.56:8-1
 29 et seq.).

30 ¹[j.] ²[k.¹ The board may make a claim against the bond, letter
 31 of credit, or securities, moneys or other security on behalf of a
 32 consumer, with notice to the licensed contractor.]²

33 ¹[k.] ²[l.¹] ²j.² The aggregate liability of the surety, bank, or
 34 ²[the board] issuer of securities, moneys or other security² to all
 35 individuals for all breaches of the conditions of the ²compliance²
 36 bond, letter of credit or the securities, moneys or other security
 37 ²[held by the board]² shall not exceed the amount of the bond,
 38 letter of credit, or the securities, moneys or other security ²[held by
 39 the board]².

40 ¹[l.] ²[m.¹ Every bond, letter of credit, or securities, moneys, or
 41 other security required to be filed shall provide that any consumer
 42 who may be claiming against the bond, letter of credit, or securities,
 43 moneys, or other security shall notify the board and the surety of
 44 the amount and nature of the claim prior to the initiation of any
 45 action at law against the ¹[contractor] business¹. The bond, letter of
 46 credit, or securities, moneys, or other security shall provide that the

1 surety or bank may not pay any claim against the bond, letter of
2 credit, or securities, moneys, or other security unless and until it
3 shall have received authorization from the board to pay the claim.

4 ¹**[m.] n.**¹ If the board determines that there is a substantial
5 likelihood that the aggregate amount of claims against a bond will
6 exceed the available principal amount of the bond, the board may
7 apportion the proceeds of the bond among the claimants in an
8 equitable manner.

9 ¹**[n.] o.**¹ **k.**² Every bond, letter of credit, or securities, moneys,
10 or other security ²**[required to be filed with the board]**² shall
11 provide that cancellation or nonrenewal of the bond, letter of credit,
12 or securities, moneys, or other security shall not be effective unless
13 and until at least 10 days' notice of intention to cancel or nonrenew
14 the bond, letter of credit, or securities, moneys, or other security has
15 been received in writing by the ²**[board]** registered business² from
16 the ²surety, bank, or other² issuer.

17 ²**[p. (1)] l. (1)**² A business may reduce, by half, the amount of
18 the ²compliance² bond, letter of credit, or securities, moneys or
19 other securities required pursuant to paragraphs (1) through (3) of
20 subsection f. of this section upon demonstration ²by a member of
21 senior management of the business² of completion of, prior to the
22 next registration renewal period, a course in financial responsibility
23 and stability developed or designated by the board.

24 (2) The board shall have discretion to require a business ²that has
25 a member of senior management who completed a course in
26 financial responsibility and stability by the next registration renewal
27 period² to maintain the full amount of the bond, letter of credit, or
28 securities, moneys or other securities required pursuant to
29 paragraphs (1) through (3) of subsection f. of this section if a
30 business ²[or licensed contractor employed by the business has
31 multiple complaints made against them by consumers]
32 demonstrates on the application for registration renewal that a
33 claim² or multiple claims ², in a dollar amount as determined by the
34 board, were² made against the bond ^{2,2} letter of credit, or
35 securities, moneys or other securities held by the ²[licensee]
36 business² .¹]⁴

37
38 ⁴**[9.] 8.**⁴ (New section) a. In addition to any other procedure,
39 condition or information required by P.L. , c. (C.) (pending
40 before the Legislature as this bill), every applicant ¹for licensure¹
41 shall file a disclosure statement with the board, pursuant to
42 subsection ³**[e.] d.**³ of section 7 of P.L. , c. (C.) (pending
43 before the Legislature as this bill), stating whether the applicant has
44 been convicted of any crime, which for the purposes of P.L. ,
45 c. (C.) (pending before the Legislature as this bill) shall
46 mean a violation of certain provisions of the "New Jersey Code of
47 Criminal Justice," Title 2C of the New Jersey Statutes, or the

1 equivalent under the laws of any other jurisdiction; provided,
2 however, that an applicant shall not be disqualified from licensure
3 or have a license suspended or revoked on the basis of any
4 conviction disclosed, except as provided in subsection b. of this
5 section or in sections 1 or 2 of P.L.2021, c.81 (C.45:1-21 and 45:1-
6 21.5).

7 b. The board may refuse to issue or may suspend or revoke any
8 license issued thereby ⁴or impose any of the additional, alternative
9 remedies set forth in section 9 of P.L.1978, c.73 (C.45:1-22) or
10 section 12 of P.L.1978, c.73 (C.45:1-25)⁴ upon proof that an
11 applicant or a licensee:

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

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

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

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

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

22 (6) Has been convicted of any crime or offense that has a direct
23 or substantial relationship to the activity regulated ⁴by⁴ P.L. ,
24 c. (C.) (pending before the Legislature as this bill) or is of a
25 nature such that licensure would be inconsistent with the public's
26 health, safety, or welfare, provided that the board shall make this
27 determination in a manner consistent with section 2 of P.L.2021,
28 c.81 (C.45:1-21.5). For the purpose of this subsection, a plea of
29 guilty, non vult, nolo contendere or any other such disposition of
30 alleged criminal activity shall be deemed a conviction;

31 (7) Has had the authority to engage in the activity regulated by
32 the board revoked or suspended by any other state, agency or
33 authority for reasons consistent with this section; ⁴[or]⁴

34 (8) Has violated or failed to comply with the provisions of any
35 State act, regulation or order administered or issued by the board or,
36 other than traffic violations, by any other State agency ⁴; or

37 (9) Has engaged in any other conduct enumerated in section 8 of
38 P.L.1978, c.73 (C.45:1-21)⁴.

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

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

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

9 ⁴1f. If a licensed home improvement or licensed home elevation
10 contractor employed by a business registered pursuant to subsection
11 ³g. ³f. of section 7 of P.L. , c. (C.) (pending before the
12 Legislature as this bill) is the only contractor licensed pursuant to
13 section 7 of P.L. , c. (C.) (pending before the Legislature
14 as this bill) employed by the registered business and the individual
15 leaves their employment, the registered business shall have 60 days
16 within which to hire a licensed home improvement or home
17 elevation contractor and notify the board of the change. If no new
18 hire is made within 60 days, the board shall revoke the registration
19 of the business. Upon the hiring of a new contractor licensed
20 pursuant to section 7 of P.L. , c. (C.) (pending before the
21 Legislature as this bill), the registered business shall apply for
22 reinstatement of registration. ¹⁴

23
24 ⁴10. (New section) a. Every contractor required to be licensed
25 under P.L. , c. (C.) (pending before the Legislature as this
26 bill) shall be issued an identification badge by the board pursuant to
27 subsection b. of this section. The identification badge shall be
28 plainly visible and worn on the upper left corner of the torso when
29 the contractor is performing ¹1, or engaging, or attempting to
30 engage, in the business of selling ¹1 home improvement or home
31 elevation services ²1include a recent and clear photograph².

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

1 c. The board may charge the contractor a reasonable fee to
2 cover the costs of the identification badge issued pursuant to this
3 section.

4 d. A contractor who has been issued an identification badge
5 pursuant to subsection b. of this section and whose license has been
6 suspended, revoked, or has not been renewed, shall, within three
7 days of that suspension, revocation or nonrenewal, surrender the
8 identification badge to the board.

9 ¹e. Notwithstanding the definition of “contractor” pursuant to
10 section 2 of P.L. , c. (C.) (pending before the Legislature
11 as this bill), if an employee of or individual contracted by a sole
12 proprietorship, corporation, partnership, association, or other form
13 of a business entity hired or contracted ²[sells] to sell² home
14 improvement or home elevation services, or both types of services,
15 in-person to consumers, an identification badge required pursuant to
16 this section shall be required for the employee or contracted
17 individual.

18 f. A temporary badge, in paper, ²[may] shall² be issued to a
19 contractor ²and shall accompany the license of the contractor² in the
20 event of a delay in the processing of the identification badge
21 required pursuant to this section. ¹]⁴

22

23 ⁴[11. (New section) An individual who knowingly exhibits or
24 displays an identification badge issued pursuant to subsection b. of
25 section 10 of P.L. , c. (C.) (pending before the Legislature
26 as this bill) and is not at that time licensed as a contractor pursuant
27 to P.L. , c. (C.) (pending before the Legislature as this
28 bill), including any contractor who has had the license revoked,
29 suspended, or not renewed, is guilty of a crime of the fourth
30 degree.]⁴

31

32 ⁴[12.] ⁹.⁴ (New section) ⁴[a.]⁴ ³[No] Except for individuals
33 exempted pursuant to section ⁴[15] ¹¹ of P.L. , c. (C.)
34 (pending before the Legislature as this bill), no³ individual shall
35 ¹[offer to]¹ perform ¹[, or engage, or attempt to engage in the
36 business of performing or selling]¹ home improvement services or
37 home elevation services unless licensed by the board.

38 ⁴[b. In addition to any other civil or criminal penalty that may
39 apply, any individual who makes a false statement in connection
40 with the process for licensure as a home improvement or home
41 elevation contractor pursuant to section 7 of P.L. , c. (C.)
42 (pending before the Legislature as this bill) or who submits false
43 information in regards to any submissions and filings required by
44 the board pursuant to section 8 of P.L. , c. (C.) (pending
45 before the Legislature as this bill) shall be liable for a civil penalty
46 of not less than \$10,000 or more than \$25,000. Such penalty may
47 be imposed by the board and shall be collected by summary

1 proceedings instituted in accordance with the "Penalty Enforcement
2 Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).⁴

3
4 ⁴[13.] 10.⁴ (New section) ⁴a.⁴ Except for individuals exempted
5 pursuant to section ⁴[15] 11⁴ of P.L. , c. (C.) (pending
6 before the Legislature as this bill), any individual ⁴[licensed or
7 business registered pursuant to P.L. , c. (C.) (pending
8 before the Legislature as this bill)]⁴ who ⁴or business that⁴
9 advertises in print or ⁴electronic media or who⁴ puts out any sign or
10 card or other device which would indicate to the public that the
11 individual is a contractor in New Jersey ⁴[the business is a
12 registered home improvement or home elevation contracting
13 business in New Jersey,]⁴ or who causes the individual's name or
14 business name to be included in a classified advertisement or
15 directory in New Jersey under a classification for home
16 improvement or home elevation, as defined in section 2 of P.L. ,
17 c. (C.) (pending before the Legislature as this bill), is subject
18 to the provisions of P.L. , c. (C.) (pending before the
19 Legislature as this bill). This section shall not be construed to apply
20 to simple residential alphabetical listings in standard telephone
21 directories, including directories or similar lists posted online.

22 ⁴b. No individual holding a limited specialty services license
23 shall advertise in print or electronic media or put out any sign or
24 card or other device which would indicate to the public that the
25 individual is licensed as a home improvement or home elevation
26 contractor or is authorized to perform services outside of the scope
27 of the limited specialty services license.⁴

28
29 ⁴[14. (New section) a. All ¹[licensees] registered businesses¹
30 shall prominently display their ¹[license] registration¹ numbers
31 within their places of business, in all advertisements distributed
32 within this State, on business documents, contracts and
33 correspondence with consumers of home improvement and home
34 elevation services in this State, and on all commercial vehicles
35 registered in this State and leased or owned by licensees and used
36 by licensees for the purpose of providing home improvement or
37 home elevation services, except for vehicles leased or rented to
38 customers of licensees by a licensee or any agent or representative
39 thereof.

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

44
45 ⁴[15.] 11.⁴ (New section) The provisions of sections 7, 8, 9,⁴[
46 ²10,² 12]⁴, ²[13 10, and]² ⁴[14 ², 16, 17, 21, 22, 23, 26, 27, 28,
47 and 29²] 12, 13, 17, and 20 through 23⁴ of P.L. , c. (C.)

1 (pending before the Legislature as this bill) shall not apply to:

2 a. Any individual required to register pursuant to "The New
3 Home Warranty and Builders' Registration Act," P.L.1977, c.467
4 (C.46:3B-1 et seq.), but only in conjunction with the building of a
5 new home as defined in ⁴section 2 of⁴ P.L.1977, c.467 (C.46:3B-2);

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

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

17 ³[e.] d.³ Any public utility as defined under R.S.48:2-13;

18 ³[f.] e.³ Any individual licensed under the provisions of section
19 16 of P.L.1960, c.41 (C.17:16C-77) but only in conjunction with
20 selling a home repair contract as defined in section 1 of P.L.1960,
21 c.41 (C.17:16C-62) ²and as also applicable to P.L.1968, c.224
22 (C.17:16C-95 et seq.) ⁴[, except requirements under section 10 of
23 P.L. , c. (C.) (pending before the Legislature as this bill)
24 regarding identification badges shall apply to individuals making
25 in-person sales to consumers pursuant to P.L.1968, c.224
26 (C.17:16C-95 et seq.)²]⁴; ⁴[and]⁴

27 ³[g.] f.³ Any home improvement or home elevation retailer with
28 ⁴[a net worth] sales⁴ of more than \$50,000,000, or employee of that
29 retailer ⁴while acting on behalf of that retailer; and

30 g. Any individual who is seeking a license in home
31 improvement pursuant to paragraph (2) of subsection b. in section 7
32 of P.L. , c. (C.) (pending before the Legislature as this
33 bill)⁴.

34
35 ⁴[16.] 12.⁴ (New section) ²a.² The provisions of subsections a.,
36 b., ³and³ c. ³[, and d.]³ of section 7 of P.L. , c. (C.)
37 (pending before the Legislature as this bill) shall not apply to an
38 individual who ⁴, as of the effective date of P.L. , c. (C.)
39 (pending before the Legislature as this bill),⁴ has been registered as
40 a home improvement ⁴or home elevation⁴ contractor in New Jersey
41 for at least ¹[10] five¹ years ⁴[or to an individual who has at least
42 ¹[10] five¹ years of experience in providing home elevation
43 services who has been registered as a home improvement contractor
44 in New Jersey for at least ¹[10] five¹ years or registered as a home
45 elevation contractor in New Jersey for at least five years]⁴. ⁴[A
46 license shall be issued ¹[to an individual]¹ upon] The board shall
47 issue a license to an individual who meets the requirements of this

1 subsection which shall take effect at the time of⁴ expiration of the
2 contractor registration previously issued ¹【to the individual】¹ upon
3 submission ⁴by an individual⁴ of an application in such form as may
4 be prescribed by the board and payment of a fee established by the
5 board.

6 ²b. An individual who qualifies for licensure as a home
7 improvement or home elevation contractor under subsection a. of
8 this section and who can demonstrate experience overseeing the
9 performance of services for contracts (1) valued at a minimum of
10 \$120,000 and (2) that require the submittal of plans with more than
11 one subcode shall qualify as a principal home improvement or
12 principal home elevation contractor.²

13 ³c. The provisions of subsections a., b., and c. of section 7 and
14 the provisions of sections ⁴【26 through 30】 20 through 23⁴ of
15 P.L. , c. (C.) (pending before the Legislature as this bill)
16 shall not apply to an individual who provides services included in
17 the definition of “home improvement” but earns a maximum of
18 \$1,500 per contract and \$25,000 on an annual basis.

19 d. ⁴【An individual registered pursuant to subsection c. of this
20 section shall:

21 (1) annually register with the board, in a form as prescribed by
22 the board and for a fee as determined by the board. The form shall
23 require an individual to demonstrate proof of earnings in order to
24 qualify for registration under this subsection;

25 (2) comply with:

26 (a) paragraph (1) of subsection a. of section 8 of P.L. ,
27 c. (C.) (pending before the Legislature as this bill) regarding
28 commercial general liability insurance; and

29 (b) section 10 regarding the issuance of an identification badge;
30 and

31 (3) be required to perform services agreed to in a contract
32 pursuant to section 21 of P.L. , c. (C.) (pending before the
33 Legislature as this bill) but shall only be required to include in the
34 contract the following:

35 (a) the legal name, business address and registration number of
36 the contractor;

37 (b) a copy of the certificate of commercial general liability
38 insurance required pursuant to paragraph (1) of subsection a. of
39 section 8 of P.L. , c. (C.) (pending before the Legislature
40 as this bill);

41 (c) a “Notice to Consumer” pursuant to subsection b. of section
42 21 of P.L. , c. (C.) (pending before the Legislature as this
43 bill); and

44 (d) the provisions of subsections e. through k. of section 21 of
45 P.L. , c. (C.) (pending before the Legislature as this bill)】

46 An individual covered under subsection c. of this section shall

1 continue to be subject to the requirement to maintain annual
2 registration pursuant to P.L.2004, c.16 (C.56:8-136 et seq.)⁴ .

3 e. An individual registered pursuant to subsection d. of this
4 section shall be liable for penalties pursuant to subsection b. of
5 section ⁴[12] 8⁴ of P.L. , c. (C.) (pending before the
6 Legislature as this bill) for making false statements, including
7 falsification of records demonstrating earnings, in connection with
8 the process to register.

9 f. Upon annual registration renewal, if an individual registered
10 pursuant to subsection d. of this section has earnings that have
11 increased above \$1,500 per contract for services provided during
12 the previous calendar year, or has earned more than \$25,000
13 performing home improvements during the previous calendar year,
14 the individual shall apply for a biennial license, the fee and
15 additional requirements of which shall be determined by the board.³
16

17 ⁴[17.] 13.⁴ (New section) The provisions of
18 P.L. , c. (C.) (pending before the Legislature as this bill)
19 shall apply to any individual ⁴[engaging in this State] who engages
20 or seeks to engage⁴ in any of the activities ⁴in this State which are⁴
21 regulated by ⁴the board pursuant to⁴ P.L. , c. (C.) (pending
22 before the Legislature as this bill), including individuals whose
23 residence or principal place of business is located outside of this
24 State.

25
26 ⁴[18.] 14.⁴ (New section) a. P.L. , c. (C.) (pending
27 before the Legislature as this bill) shall supersede any municipal
28 ordinance or regulation that provides for the licensing ⁴[or
29 registration]⁴ of home improvement or home elevation contractors
30 or for the protection of homeowners by bonds or warranties
31 required to be provided by ⁴[home improvement or home elevation
32 contractors] contractor registration businesses pursuant to section 7
33 of P.L.2004, c.16 (C.56:8-142)⁴, exclusive of those required by
34 water, sewer, utility, or land use ordinances or regulations.

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

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

43 (1) a contractor who is performing the home improvement or
44 home elevation and who is licensed pursuant to P.L. ,
45 c. (C.) (pending before the Legislature as this bill) ²or who
46 will obtain a license upon expiration of a registration pursuant to

1 section ⁴[16] 12⁴ of P.L. , c. (C.) (pending before the
 2 Legislature as this bill)²; ¹[or]¹

3 (2) an individual who is performing the home improvement or
 4 home elevation and is not required to be licensed pursuant to
 5 ²[sections] section² ⁴[15] 11⁴ ²[or 16]² of P.L. , c. (C.)
 6 (pending before the Legislature as this bill) ¹; or

7 (3) a single-family homeowner who performs plumbing,
 8 electrical, or heating, ventilation, and air conditioning work in the
 9 homeowner's own dwelling.¹

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

13

14 ⁴[19.] 15.⁴ (New section) a. P.L. , c. (C.) (pending
 15 before the Legislature as this bill) shall not deny to any
 16 municipality the power ¹, pursuant to the "State Uniform
 17 Construction Code Act," P.L.1975, c.217 (C.52:27D-119 et seq.),¹
 18 to inspect a contractor's work or equipment, the work of a
 19 contractor who performs improvements to commercial property, or
 20 the power to regulate the standards and manners in which the work
 21 of the contractor shall be done.

22 b. A municipality shall have the authority to bring a proceeding
 23 in accordance with the "Penalty Enforcement Law of 1999,"
 24 P.L.1999, c.274 (C.2A:58-10 et seq.), in the municipal court or in
 25 Superior Court to recover fines and penalties for violations
 26 of P.L. , c. (C.) (pending before the Legislature as this
 27 bill), committed by a contractor in connection with a home
 28 improvement or home elevation located within the municipality.
 29 Fines and penalties recovered from a contractor in a proceeding
 30 may be retained by the municipality.

31

32 ⁴[20.] 16.⁴ (New section) a. The division shall establish and
 33 undertake a public information campaign to educate and inform
 34 contractors ¹, applicable businesses,¹ and the consumers of this
 35 State of the provisions of P.L. , c. (C.) (pending before the
 36 Legislature as this bill).

37 b. The board shall provide a toll-free telephone number for
 38 consumers making inquiries regarding ⁴[contractors] any
 39 individual engaging in or offering to engage in home improvement,
 40 home elevation, or limited specialty services⁴ or shall promote, as
 41 part of the public information campaign, any toll-free telephone
 42 number already established for inquiries.

43

44 ⁴[21. (New section) a. Every contract for a purchase price in
 45 excess of \$500 for home improvement, home elevation, or both
 46 types of services, and all changes in the terms and conditions of the
 47 contract, shall be in writing. The contract shall be signed by all

1 parties thereto and shall not contain any blank spaces for
2 information, including, but not limited to, terms and conditions, to
3 be added after the contract is signed by the consumer, and shall
4 clearly and accurately set forth in legible form and in
5 understandable language all terms and conditions of the contract,
6 including but not limited to:

7 (1) the legal name, business address, ¹registration number of the
8 business,¹ and license number of the contractors ¹performing the
9 ²[work]² services pursuant to the contract¹;

10 (2) the legal name and license number of the contractor
11 designated as the ¹[responsible managing employee] principal
12 home improvement contractor or home elevation contractor, if
13 applicable,¹ for the services provided;

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

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

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

24 "NOTICE TO CONSUMER

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

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

28 Keep it to protect your legal rights.

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

34 c. Any contract for home improvement, home elevation, or
35 both types of services may be rescinded by the consumer, except as
36 provided in subsection j. of this section, if the consumer:

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

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

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

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

1 contractor of the notice;

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

5 (3) Redeliver to the consumer any goods traded-in to the
6 contractor on account of or in contemplation of the contract for
7 home improvement, home elevation, or both types of services, less
8 any reasonable charges actually incurred in making the goods ready
9 for sale.

10 e. Each ¹**【contractor】** registered business¹ shall maintain a
11 record of the receipt of any consumer's notice of intent to rescind a
12 contract for at least 18 months after the receipt of a notice of intent
13 to rescind.

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

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

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

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

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

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

41 h. Except as provided in subsection j. of this section, a receipt
42 required to be delivered by the consumer shall not contain, or be
43 accompanied by, any document which contains provisions by which
44 the consumer waives any rights under P.L. , c. (C.)
45 (pending before the Legislature as this bill).

46 i. A ¹**【contractor who】** business that¹ in the ordinary course of
47 business regularly uses a language other than English in any
48 advertising or other solicitation of consumers, or in any printed

1 forms for use by consumers, or in any face-to-face negotiations with
2 consumers, shall deliver two copies of the receipt to a consumer
3 whose principal language is not English, one in English and one in
4 the other language.

5 j. A contract for home improvement, home elevation, or both
6 types of services for work needed by the consumer to meet a bona
7 fide emergency, where the contact with the ¹**【contractor】** registered
8 business¹ was initiated by the consumer, shall not be subject to the
9 cancellation provisions of subsection c. of this section, if the
10 consumer furnishes the ¹**【contractor】** registered business¹ with a
11 statement separate from the contract, in a form approved by the
12 board, dated and signed by the consumer, describing the situation
13 requiring immediate remedy and expressly acknowledging and
14 waiving the right to cancel the contract within three business days.

15 k. No ¹**【contractor】** registered business¹ shall request or accept
16 a certificate of completion signed by the consumer prior to the
17 actual completion of the work to be performed under a contract for
18 home improvement, home elevation, or both types of services.

19 ¹l. Any contract for home improvement or home elevation
20 services ²valued at a minimum of \$120,000 and requiring the
21 submittal of plans with more than one subcode² shall include, in a
22 clear and conspicuous manner, ²**【that pursuant to section 2 of**
23 **P.L. , c. (C.) (pending before the Legislature as this bill),**
24 **a】** the name of the² principal home improvement contractor or
25 principal home elevation contractor ²**【shall oversee the performance**
26 **of home improvement or home elevation services if the services to**
27 **be performed are valued at a minimum of \$120,000 and require the**
28 **submittal of plans with more than one subcode**¹**】** assigned to
29 oversee the performance of services.²⁴

30
31 ⁴**【22. (New section) A county or municipal office of consumer**
32 **affairs established pursuant to P.L.1975, c.376 (C.40:23-6.47 et**
33 **seq.), that enters into a written agreement with the board in the form**
34 **specified by the board to accept consumer complaints, directly or on**
35 **a referral basis, and enforce P.L. , c. (C.) (pending before**
36 **the Legislature as this bill) against contractors** ¹**or registered**
37 **businesses**¹ **whose principal place of business is in the county or**
38 **municipality, shall be entitled to a share of fees paid by contractors**
39 **or registered businesses**¹ **having their principal place of business in**
40 **the county or municipality as determined by the board by**
41 **regulation, which cost shall be reflected in the licensing** ¹**and**
42 **registration**¹ **fees established by the board.】**⁴

43 ⁴**【23.】** ⁴17.⁴ (New section) a. Any individual seeking to convert
44 a home improvement contractor license into a home elevation
45 license may do so by submitting documentation, as prescribed by
46 the board, demonstrating:

1 (1) at least two years of experience working on home elevations
2 under ¹["the direct supervision of"]¹ a home elevation contractor who
3 is licensed pursuant to section 7 of P.L. , c. (C.) (pending
4 before the Legislature as this bill) or qualifies for licensure pursuant
5 to section ⁴["16"] ¹²⁴ of P.L. , c. (C.) (pending before the
6 Legislature as this bill);

7 (2) that the individual has not had a home improvement
8 contractor license or registration or a home elevation contractor
9 license or registration revoked or suspended; and

10 (3) that the ¹["place of employment"] ⁴["registered business"]¹ of]
11 contractor business registered pursuant to P.L.2004, c.16 (C.56:8-
12 136 et seq.) that employs⁴ the contractor maintains cargo or other
13 insurance covering home elevation services as required pursuant to
14 section ⁴["8 of P.L. , c. (C.) (pending before the Legislature
15 as this bill)"] 7 of P.L.2004, c.16 (C.56:8-142)⁴.

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

18 ⁴c. The board shall establish the standards and requirements
19 necessary for a limited specialty services licensee to obtain a home
20 improvement or home elevation license.⁴

21
22 ⁴["24."] 18.⁴ Section 1 of P.L.1971, c.60 (C.45:1-2.1) is amended
23 to read as follows:

24 1. The provisions of this act shall apply to the following boards
25 and commissions: the New Jersey State Board of Accountancy, the
26 New Jersey State Board of Architects, the New Jersey State Board
27 of Cosmetology and Hairstyling, the Board of Examiners of
28 Electrical Contractors, the New Jersey State Board of Dentistry, the
29 State Board of Mortuary Science of New Jersey, the State Board of
30 Professional Engineers and Land Surveyors, the State Board of
31 Marriage and Family Therapy Examiners, the State Board of
32 Medical Examiners, the New Jersey Board of Nursing, the New
33 Jersey State Board of Optometrists, the State Board of Examiners of
34 Ophthalmic Dispensers and Ophthalmic Technicians, the Board of
35 Pharmacy, the State Board of Professional Planners, the State Board
36 of Psychological Examiners, the State Board of Examiners of
37 Master Plumbers, the New Jersey Real Estate Commission, the
38 State Board of Court Reporting, the State Board of Veterinary
39 Medical Examiners, the Radiologic Technology Board of
40 Examiners, the Acupuncture Examining Board, the State Board of
41 Chiropractic Examiners, the State Board of Respiratory Care, the
42 State Real Estate Appraiser Board, the State Board of Social Work
43 Examiners, the State Board of Examiners of Heating, Ventilating,
44 Air Conditioning and Refrigeration Contractors, the Elevator,
45 Escalator, and Moving Walkway Mechanics Licensing Board, the
46 State Board of Physical Therapy Examiners, the Orthotics and
47 Prosthetics Board of Examiners, the New Jersey Cemetery Board,
48 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 ⁴**[25.] 19.**⁴ Section 2 of P.L.1971, c.60 (C.45:1-2.2) is amended
9 to read 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.

47 No public member appointed pursuant to this section shall have
48 any association or relationship with the profession or a member

1 thereof regulated by the board of which he is a member, where such
2 association or relationship would prevent such public member from
3 representing the interest of the public. Such a relationship includes
4 a relationship with members of one's immediate family; and such
5 association includes membership in the profession regulated by the
6 board. To receive services rendered in a customary client
7 relationship will not preclude a prospective public member from
8 appointment. This paragraph shall not apply to individuals who are
9 public members of boards on the effective date of this act.

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

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

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

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

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

38

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

- 1 ⁴[¹26.] 20.⁴ (New section) a. Each licensee shall complete not
2 less than six hours of continuing education requirements as a
3 condition of licensure renewal pursuant to P.L. , c. (C.)
4 (pending before the Legislature as this bill).
- 5 b. The board shall:
- 6 (1) approve continuing education courses, course providers, and
7 instructors. Entities approved by the board as home improvement or
8 home elevation contractor instructors, pursuant to ⁴[sections 26
9 through 30] section 20⁴ of P.L. , c. (C.) (pending before
10 the Legislature as this bill), shall be deemed approved providers of
11 continuing education courses. Building, construction, contracting
12 and related professional trade associations that qualify under the
13 standards to be established by the board as approved providers may
14 offer approved continuing education courses;
- 15 (2) confer continuing education credits for courses completed in
16 other states ²or jurisdictions of the United States² on topics
17 approved by the board as appropriate for elective courses, provided
18 that the courses have been approved as continuing education
19 courses by the agency exercising regulatory authority over home
20 improvement or home elevation contractors in the other state ²or
21 jurisdiction of the United States² and that satisfactory evidence of
22 the licensees' attendance at and completion of the courses is
23 provided to the board by the course provider;
- 24 (3) confer continuing education credits for courses offered in
25 this State on topics deemed of a timely nature but which have not
26 been granted prior approval by the board, provided that the courses
27 are advertised prior to the time of offering as not having been
28 approved, the course provider eventually submits and receives
29 approval of the course offering, and satisfactory evidence of the
30 licensee's attendance at and completion of the course is provided to
31 the board by the course provider;
- 32 (4) set parameters for the auditing and monitoring of course
33 providers;
- 34 (5) establish, by regulation, the amount of the application fee
35 payable for continuing education course providers approved by the
36 board and providers seeking approval and individuals seeking
37 approval as instructors of a continuing education course. These fees
38 shall be non-refundable and shall be in amounts which do not
39 exceed the costs incurred by the board to review these applications;
- 40 (6) waive or grant an extension to comply with continuing
41 education requirements, in whole or in part, on the grounds of
42 illness, emergency, hardship or active duty military service; and
- 43 (7) confer continuing education credits upon a licensee who is
44 approved by the board as an instructor of an approved continuing
45 education course offered by an approved provider. ²Licensees
46 approved by the board to instruct an approved continuing education
47 course shall receive twice the credit conferred upon those licensees
48 attending the course.² Regardless of the number of times during a

1 biennial licensure term that the same approved course is taught by
2 that licensee, that licensee shall receive ²double the² continuing
3 education credit ²[towards] for that course only² once ²to satisfy
4 part of² the continuing education requirement for the renewal of
5 their license.¹
6

7 ⁴[¹27.] 21.⁴ (New section) ²a.² Continuing education courses
8 may be delivered in a classroom setting or ², to the extent
9 practicable,² offered via the Internet or video modalities, subject to
10 the approval by the board of the providers and the content of the
11 courses and of the measures utilized to ensure the security and
12 integrity of the course delivery process. The board may approve
13 continuing education courses which include periodic progress
14 assessments and the achievement of a satisfactory level of
15 performance by the licensee on progress assessments as a condition
16 to continuing to a succeeding segment of the course. The board
17 shall not require, as a condition of the receipt of credit for
18 attendance at any continuing education course, that a licensee pass a
19 comprehensive examination testing the licensee's knowledge of the
20 entire course content.¹

21 ²b. A licensee may fulfill all continuing education requirements
22 in-person, via the Internet or video modalities, or through a
23 combination of these options.²
24

25 ⁴[¹28.] 22.⁴ (New section) Continuing education requirements,
26 as set forth by the board, shall be completed on or before the date
27 the biennial license expires. Any licensee required to complete
28 continuing education requirements who fails to do so prior to the
29 date of expiration of a biennial license term shall be subject to a
30 reasonable processing fee, as determined by the board, of not more
31 than \$200, unless a waiver was granted by the board pursuant to
32 paragraph (6) of subsection b. of section ⁴[26] 20⁴ of P.L. ,
33 c. (C.) (pending before the Legislature as this bill).¹
34

35 ⁴[¹29.] 23.⁴ (New section) a. Not less than 50 percent of the
36 continuing education courses of study that licensees are required to
37 complete as a condition for licensure renewal shall demonstrate
38 significant intellectual or practical content and deal with matters
39 directly related to home improvement or home elevation
40 contracting, workforce safety, or the business of running a company
41 in the home improvement or home elevation industry or trade. In no
42 event shall the board require that courses in these core topics
43 comprise more than 60 percent of the total continuing education
44 hours required for the renewal of any license.

45 b. In the case of continuing education courses and programs,
46 each hour of instruction shall be equivalent to one credit.¹

1 ⁴**[¹30.] 24.**⁴ (New section) Course providers shall maintain
2 records of the successful completion of continuing education
3 courses by licensees and shall transmit this data to the board in a
4 manner as directed by the board.¹

5
6 ³**[¹31.** Sections 3 through 6 and sections 24 and 25 of this act
7 shall be effective immediately, but remain inoperative until the
8 Governor appoints board members, by the first day of the tenth
9 month next following enactment, for the purposes of promulgating
10 rules and regulations pursuant to the “Administrative Procedures
11 Act,” P.L.1968, c.410 (C.52:14B-1 et seq.) to effectuate the
12 purposes of this act. Sections 1, 2, 7 through 23, and 26 through 30
13 of this act shall be effective on the first day of the 25th month next
14 following the appointment of ²a majority of² the board. The director
15 may take such anticipatory administrative action in advance thereof
16 as shall be necessary for implementation of this act.¹³

17
18 ⁴**[³31.** Sections 3 through 6 and sections 24 and 25 of this act
19 shall be effective immediately, but sections 3, 4 and 6 shall remain
20 inoperative until such time as provided in section 5. Sections 1, 2,
21 7 through 23, and 26 through 30 shall be effective on the first day
22 of the 25th month next following enactment. The director and the
23 board may take such anticipatory administrative action in advance
24 thereof as shall be necessary for implementation of this act.³⁴

25
26 ⁴25. Section 1 of P.L.2004, c.16 (C.56:8-136) is amended to
27 read as follows:

28 1. **[This act]** P.L.2004, c.16 (C.56:8-136 et seq.) shall be
29 known and may be cited as the "Contractors' Business Registration
30 Act."⁴
31 (cf: P.L.2004, c.16, s.1)

32
33 ⁴26. Section 2 of P.L.2004, c.16 (C.56:8-137) is amended to
34 read as follows:

35 2. As used in **[this act]** P.L.2004, c.16 (C.56:8-136 et seq.):
36 “Board” means the New Jersey State Board of Home
37 Improvement and Home Elevation Contractors.

38 "Contractor" means **[a person engaged in the business of making**
39 **or selling home improvements and includes a corporation,**
40 **partnership, association and any other form of business organization**
41 **or entity, and its officers, representatives, agents and employees]** an
42 individual providing home improvement or home elevation
43 services, or both types of services, for a corporation, partnership,
44 association, sole proprietorship, and any other form of business
45 organization or entity that enters into contracts for home
46 improvement, home elevation, or both types of services.

1 “Contractor business” means a business that is a corporation,
2 partnership, association, sole proprietorship or any other form of
3 business organization or entity that provides home improvement,
4 home elevation, or both types of services with at least one employee
5 who is a licensed contractor, as defined pursuant to this section. An
6 individual who provides services included in the definition of
7 “home improvement” and who earns a maximum of \$1,500 per
8 contract and \$25,000 on an annual basis for those services shall be
9 required to maintain registration and comply with registration
10 requirements pursuant to section 3 of P.L.2004, c.16 (C.56:8-138),
11 but shall not be required to have at least one employee who is a
12 licensed contractor.

13 "Director" means the Director of the Division of Consumer
14 Affairs in the Department of Law and Public Safety.

15 "Division" means the Division of Consumer Affairs in the
16 Department of Law and Public Safety.

17 "Home elevation" means any home improvement that involves
18 raising an entire residential **【or non-commercial】** structure to a
19 higher level above the ground.

20 "Home elevation contractor" means a contractor who engages in
21 the practice of home elevation and is authorized to perform home
22 improvement services.

23 "Home improvement" means the remodeling, altering,
24 renovating, repairing, restoring, modernizing, moving, demolishing,
25 or otherwise improving or modifying of the whole or any part of
26 any residential **【or non-commercial】** property. Home improvement
27 shall also include insulation, installation, **【home elevation,】** and the
28 conversion of existing commercial structures into residential **【or**
29 **non-commercial】** property. Home improvement shall not include
30 the construction of a new residential property.

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

40 “Limited specialty services license” means a license issued by
41 the board that authorizes an individual only to perform services in a
42 specialty of home improvement the scope of which shall be
43 determined by the board.

44 “Limited specialty services licensee” means an individual
45 licensed by the board to provide limited specialty home
46 improvement services.

47 “Principal home improvement contractor” or “principal home
48 elevation contractor” means a licensed home improvement or home

1 elevation contractor who oversees the performance of services for
2 contracts (1) valued at a minimum of \$120,000 and (2) that require
3 the submittal of plans with more than one subcode. A principal
4 home improvement or principal home elevation contractor may also
5 provide services as a home improvement contractor or home
6 elevation contractor if a contract is valued at less than \$120,000 or
7 does not require submittal of plans with more than one subcode.

8 "Residential **【or non-commercial】** property" means any single or
9 multi-unit structure used in whole or in part as a place of residence,
10 and all structures appurtenant thereto, and any portion of the lot or
11 site on which the structure is situated which is devoted to the
12 residential use of the structure.⁴

13 (cf: P.L.2014, c.34, s.3)

14
15 ⁴27. Section 3 of P.L.2004, c.16 (C.56:8-138) is amended to
16 read as follows:

17 3. a. **【On or after December 31, 2005, no person】** No
18 contractor business shall offer to perform, or engage, or attempt to
19 engage in the business of making or selling home improvements
20 unless registered with the Division of Consumer Affairs in
21 accordance with the provisions of **【this act】** P.L.2004, c.16 (C.56:8-
22 136 et seq.).

23 b. Every contractor business shall annually register with the
24 director. Application for registration shall be on a form provided by
25 the division and shall be accompanied by a reasonable fee, set by
26 the director in an amount sufficient to defray the division's expenses
27 incurred in administering and enforcing **【this act】** P.L.2004, c.16
28 (C.56:8-136 et seq.).

29 c. Every contractor business required to register under **【this**
30 **act】** P.L.2004, c.16 (C.56:8-136 et seq.) shall file an amended
31 registration within 20 days after any change in the information
32 required to be included thereon. No fee shall be required for the
33 filing of an amendment.

34 d. A contractor business that performs home improvement or
35 home elevation services pursuant to a contract (1) valued at
36 minimum of \$120,000 and (2) that require the submittal of plans
37 with more than one subcode shall be required to employ at least one
38 licensed principal home improvement contractor or licensed
39 principal home elevation contractor, as applicable.

40 e. A contractor business that performs home improvement or
41 home elevation services pursuant to contracts valued at less than
42 \$120,000 shall be required to employ at least one licensed home
43 improvement or licensed home elevation contractor, as applicable,
44 unless the registered contractor business performs only limited
45 specialty services.

46 f. A contractor business that performs services pursuant to
47 contracts valued at less than \$120,000 and offers only specialty
48 services shall employ at least one individual who holds a limited

1 specialty services license that corresponds to the services that the
2 contractor business offers. A contractor business that does not
3 employ a principal home improvement or principal home elevation
4 contractor or a licensed home improvement or licensed home
5 elevation contractor shall offer services only in the specialties for
6 which the business employs limited specialty services licensees.

7 g. A contractor business that is required to employ a principal
8 home improvement or principal home elevation contractor pursuant
9 to subsection d. of this section, a licensed home improvement or
10 licensed home elevation contractor pursuant to subsection e. of this
11 section, or a limited specialty services licensee pursuant to
12 subsection f. of this section shall, in its application for initial
13 registration and for registration renewal, disclose the identity of the
14 applicable contractor and update the division within 10 days if the
15 identity of the applicable contractor changes.

16 h. The provisions of subsections d. through g. of this section
17 shall remain inoperative until the first day of the sixth month next
18 following the promulgation of rules and regulations by the New
19 Jersey State Board of Home Improvement and Home Elevation
20 Contractors.⁴

21 (cf: P.L.2004, c.155, s.1)

22

23 ⁴28. Section 1 of P.L.2013, c.144 (C.56:8-138.1) is repealed.⁴

24

25 ⁴29. Section 1 of P.L.2014, c.34 (C.56:8-138.2) is amended to
26 read as follows:

27 1. a. In addition to complying with the other requirements
28 of the "Contractors' Business Registration Act," P.L.2004, c.16
29 (C.56:8-136 et seq.), no **[person]** business shall offer to perform, or
30 engage, or attempt to engage in the business of home elevation
31 unless registered with the division as a home elevation contractor
32 business.

33 b. The division shall adopt rules and regulations pursuant to
34 the provisions of the "Administrative Procedure Act," P.L.1968,
35 c.410 (C.52:14B-1 et seq.), to effectuate the provisions of P.L.2014,
36 c.34 (C.56:8-138.2 et al.) with regard to registration of home
37 elevation **[contractors]** contractor business, and may establish fees
38 for this purpose. Notwithstanding the provisions of the
39 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
40 seq.) to the contrary, the Division of Consumer Affairs may adopt
41 immediately upon filing with the Office of Administrative Law
42 rules and regulations for this purpose, which shall be effective for a
43 period not to exceed 270 days following the date of enactment of
44 P.L.2014, c.34 (C.56:8-138.2 et al.), and may thereafter be
45 amended, adopted, or readopted, by the division in accordance with
46 the requirements of the "Administrative Procedure Act".

47 c. In addition to any other civil or criminal penalty that may
48 apply, any person who makes a false statement in connection with

1 the process for registration as a home elevation contractor business
2 pursuant to this section or in regard to any statement required to be
3 made pursuant to section 7 of P.L.2004, c.16 (C.56:8-142) shall be
4 liable for a civil penalty of not less than \$10,000 or more than
5 \$25,000. Such penalty may be imposed by the director and shall be
6 collected by summary proceedings instituted in accordance with the
7 "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10
8 et seq.).

9 d. In addition to any other action that may be authorized by
10 law, the director may suspend or revoke the home improvement
11 contractor business registration and home elevation contractor
12 business registration of any **【person who】** business that violates any
13 provision of P.L.2014, c.34 (C.56:8-138.2 et al.). In the case of a
14 suspension or revocation of a registration of a contractor business,
15 the division shall notify the board.⁴

16 (cf: P.L.2014, c.34, s.1)

17
18 ⁴30. Section 4 of P.L.2004, c.16 (C.56:8-139) is amended to
19 read as follows:

20 4. Except for **【persons】** businesses exempted pursuant to
21 section 5 of **【this act】** P.L.2004, c.16 (C.56:8-140), any **【person**
22 **who】** business that advertises in print or electronic media or puts
23 out any sign or card or other device on or after December 31, 2005,
24 which would indicate to the public that **【he】** it is a contractor in
25 New Jersey, or **【who】** that causes **【his】** its name or business name
26 to be included in a classified advertisement or directory in New
27 Jersey on or after December 31, 2005, under a classification for
28 home improvements covered by **【this act】** P.L.2004, c.16 (C.56:8-
29 136 et seq.), is subject to the provisions of **【this act】** P.L.2004, c.16
30 (C.56:8-136 et seq.). This section shall not be construed to apply to
31 simple residential alphabetical listings in standard telephone
32 directories.⁴

33 (cf: P.L.2004, c.155, s.2)

34
35 ⁴31. Section 6 of P.L.2004, c.16 (C.56:8-141) is amended to
36 read as follows:

37 6. In addition to any other procedure, condition or information
38 required by **【this act】** P.L.2004, c.16 (C.56:8-136 et seq.):

39 a. Every applicant shall file a disclosure statement with the
40 director stating whether the applicant has been convicted of any
41 crime, which for the purposes of **【this act】** P.L.2004, c.16 (C.56:8-
42 136 et seq.) shall mean a violation of any of the following
43 provisions of the "New Jersey Code of Criminal Justice," Title 2C
44 of the New Jersey Statutes, or the equivalent under the laws of any
45 other jurisdiction:

46 (1) Any crime of the first degree;

- 1 (2) Any crime which is a second or third degree crime and is a
2 violation of chapter 20 or 21 of Title 2C of the New Jersey Statutes;
3 or
- 4 (3) Any other crime which is a violation of N.J.S.2C:5-1, 2C:5-
5 2, 2C:11-2 through 2C:11-4, 2C:12-1, 2C:12-3, 2C:13-1, 2C:14-2,
6 2C:15-1, subsection a. or b. of 2C:17-1, subsection a. or b. of
7 2C:17-2, 2C:18-2, 2C:20-4, 2C:20-5, 2C:20-7, 2C:20-9, 2C:21-2
8 through 2C:21-4, 2C:21-6, 2C:21-7, 2C:21-12, 2C:21-14, 2C:21-15,
9 or 2C:21-19, chapter 27 or 28 of Title 2C of the New Jersey
10 Statutes, N.J.S.2C:30-2, 2C:30-3, 2C:35-5, 2C:35-10, 2C:37-1
11 through 2C:37-4.
- 12 b. The director may refuse to issue or may suspend or revoke
13 any registration issued by him upon proof that the applicant or
14 holder of the registration:
- 15 (1) Has obtained a registration through fraud, deception or
16 misrepresentation;
- 17 (2) Has engaged in the use or employment of dishonesty, fraud,
18 deception, misrepresentation, false promise or false pretense;
- 19 (3) Has engaged in gross negligence, gross malpractice or gross
20 incompetence;
- 21 (4) Has engaged in repeated acts of negligence, malpractice or
22 incompetence;
- 23 (5) Has engaged in professional or occupational misconduct as
24 may be determined by the director;
- 25 (6) Has been convicted of any crime **【involving moral turpitude**
26 **or any crime relating adversely】** that has a direct and substantial
27 relationship to the activity regulated by **【this act】** P.L.2004, c.16
28 (C.56:8-136 et seq.) or is of a nature such that registration of the
29 individual would be inconsistent with the public's health, safety, or
30 welfare. For the purpose of this subsection a plea of guilty, non
31 vult, nolo contendere or any other such disposition of alleged
32 criminal activity shall be deemed a conviction;
- 33 (7) Has had his authority to engage in the activity regulated by
34 the director revoked or suspended by any other state, agency or
35 authority for reasons consistent with this section;
- 36 (8) Has violated or failed to comply with the provisions of any
37 act or regulation administered by the director;
- 38 (9) Is incapable, for medical or any other good cause, of
39 discharging the functions of a **【licensee】** registrant in a manner
40 consistent with the public's health, safety and welfare.
- 41 c. An applicant whose registration is denied, suspended, or
42 revoked pursuant to this section shall, upon a written request
43 transmitted to the director within 30 calendar days of that action, be
44 afforded an opportunity for a hearing in a manner provided for
45 contested cases pursuant to the "Administrative Procedure Act,"
46 P.L.1968, c.410 (C.52:14B-1 et seq.).

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

4 e. If any of the information required to be included in the
5 disclosure statement changes, or if additional information should be
6 added after the filing of the statement, the applicant shall provide
7 that information to the director, in writing, within 30 calendar days
8 of the change or addition.

9 f. Notwithstanding the provisions of paragraph (6) of
10 subsection b. of this section, no individual shall be disqualified
11 from registration or shall have registration revoked [on the basis of
12 any conviction disclosed if the individual has affirmatively
13 demonstrated to the director clear and convincing evidence of the
14 individual's rehabilitation. In determining whether an individual
15 has affirmatively demonstrated rehabilitation, the following factors
16 shall be considered:

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

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

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

21 (4) The date of the offense;

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

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

24 (7) Any social conditions which may have contributed to the
25 offense; and

26 (8) Any evidence of rehabilitation, including good conduct in
27 prison or in the community, counseling or psychiatric treatment
28 received, acquisition of additional academic or vocational
29 schooling, successful participation in correctional work-release
30 programs, or the recommendation of persons who have had the
31 individual under their supervision] solely because the person has
32 been convicted of or engaged in acts constituting any crime or
33 offense, unless the crime or offense has a direct or substantial
34 relationship to the activity regulated by P.L.2004, c.16 (C.56:8-136
35 et seq.) or is of a nature such that registration of the person would
36 be inconsistent with the public's health, safety, or welfare. For the
37 purposes of this section, a judgment of conviction or a plea of
38 guilty, non vult, nolo contendere or any other such disposition of
39 alleged criminal activity shall be deemed a conviction. In making
40 this determination, an entity shall consider the following:

41 (a) the nature and seriousness of the crime or offense and the
42 passage of time since its commission;

43 (b) the relationship of the crime or offense to the purposes of
44 regulating the profession or occupation regulated by the entity;

45 (c) any evidence of rehabilitation of the person in the period of
46 time following the prior conviction that may be made available to
47 the entity; and

1 (d) the relationship of the crime or offense to the ability,
2 capacity, and fitness required to perform the duties and discharge
3 the responsibilities of the profession or occupation regulated by the
4 entity.⁴

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

6
7 ⁴32. Section 7 of P.L.2004, c.16 (C.56:8-142) is amended to read
8 as follows:

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

15 b. Every registered contractor business engaged in home
16 improvements whose commercial general liability insurance policy
17 or workers' compensation insurance policy is cancelled or
18 nonrenewed shall submit to the director a copy of the certificate of
19 commercial general liability insurance or workers' compensation
20 insurance for a new or replacement policy which meets the
21 requirements of subsection a. of this section **【before the former**
22 **policy is no longer effective】** as soon as is practicable following the
23 cancellation or nonrenewal of the former policy, but in no case
24 more than 10 days following the cancellation or nonrenewal of the
25 former policy.

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

- 1 d. A home elevation contractor business, prior to entering into
2 an agreement to perform a home elevation, shall provide proof of
3 insurance to the homeowner including the issuing insurer, policy
4 number, type, and amount of insurance coverage maintained by the
5 contractor business in accordance with this section.
- 6 e. Every contractor business that is engaged in home
7 improvement or home elevation services shall maintain, in effect
8 during the entire period of registration:
- 9 (1) a compliance bond issued by one or more sureties authorized
10 to transact business in this State;
- 11 (2) an irrevocable letter of credit issued by a bank; or
- 12 (3) securities, moneys or other security acceptable to the
13 division to fulfill the requirements of this section.
- 14 f. The principal sum of the compliance bond, letter of credit, or
15 securities, moneys or other security shall be a minimum of:
- 16 (1) \$50,000 for the performance of services pursuant to a
17 contract valued at more than \$120,000 or for the performance of
18 services, in the previous 12 months, for contracts valued at a
19 minimum of \$750,000;
- 20 (2) \$25,000 for the performance of services pursuant to a
21 contract valued between \$10,000 and \$120,000 or for the
22 performance of services, in the previous 12 months, for contracts
23 valued between \$150,000 and \$750,000; and
- 24 (3) \$10,000 for the performance of services pursuant to a
25 contract valued at less than \$10,000 or for the performance of
26 services, in the previous 12 months, for contracts valued less than
27 \$150,000.
- 28 g. The contractor business shall, from time to time, to the
29 extent that claims are paid, promptly replenish the amount of the
30 compliance bond, letter of credit, securities, moneys or other
31 security maintained pursuant to paragraphs (1) through (3) of
32 subsection f. of this section.
- 33 h. The compliance bond, letter of credit, or securities, moneys,
34 or other security shall cover penalties assessed by the division for
35 violations of P.L.2004, c.16 (C.56:8-136 et seq.).
- 36 i. The compliance bond, letter of credit, or securities, moneys,
37 or other security shall not be payable for treble damage claims
38 pursuant to P.L.1960, c.39 (C.56:8-1 et seq.).
- 39 j. The aggregate liability of the surety, bank, or issuer of
40 securities, moneys or other security to all individuals for all
41 breaches of the conditions of the compliance bond, letter of credit
42 or the securities, moneys or other security shall not exceed the
43 amount of the bond, letter of credit, or the securities, moneys or
44 other security.
- 45 k. Every bond, letter of credit, or securities, moneys, or other
46 security shall provide that cancellation or nonrenewal of the bond,
47 letter of credit, or securities, moneys, or other security shall not be
48 effective unless and until at least 10 days' notice of intention to
49 cancel or nonrenew the bond, letter of credit, or securities, moneys,

1 or other security has been received in writing by the contractor
2 business from the surety, bank, or other issuer.

3 1. Dollar amounts required pursuant to this section for general
4 liability insurance and for a compliance bond, letter of credit, or
5 securities, moneys, or other securities may be adjusted by the
6 division if a contractor business registered pursuant to section 3 of
7 P.L.2004, c.16 (C.56:8-138) provides only limited specialty
8 services.⁴

9 (cf: P.L.2014, c.34, s.4)

10

11 ⁴33. Section 11 of P.L.2004, c.16 (C.56:8-146) is amended to
12 read as follows:

13 11. a. It is an unlawful practice and a violation of P.L.1960,
14 c.39 (C.56:8-1 et seq.) to violate any provision of **[this act]**
15 P.L.2004, c.16 (C.56:8-136 et seq.).

16 b. In addition to any other penalty provided by law, a person
17 who knowingly violates any of the provisions of **[this act]**
18 P.L.2004, c.16 (C.56:8-136 et seq.) is guilty of a crime of the fourth
19 degree.⁴

20 (cf: P.L.2004, c.16, s.11)

21

22 ⁴34. Section 2 of P.L.2021, c.482 (C.56:8-146.1) is amended to
23 read as follows:

24 2. In addition to any other penalty provided by law, a **[person**
25 **who]** a person who or contractor business that knowingly violates
26 section 10 of P.L.2004, c.16 (C.56:8-145) or who otherwise
27 transfers a registration obtained pursuant to section 3 of P.L.2004,
28 c.16 (C.56:8-138) shall be liable to a civil penalty of not more than
29 \$15,000 for the first violation and not more than \$25,000 for the
30 second and each subsequent violation.⁴

31 (cf: P.L.2021, c.482, s.2)

32

33 ⁴35. Section 12 of P.L.2004, c.16 (C.56:8-147) is repealed.⁴

34

35 ⁴36. Section 13 of P.L.2004, c.16 (C.56:8-148) is amended to
36 read as follows:

37 13. **[This act]** P.L.2004, c.16 (C.56:8-136 et seq.) shall not deny
38 to any municipality the power to inspect a **[contractor's]** contractor
39 business' work or equipment, the work of a contractor business
40 **[who]** that performs improvements to commercial property, or the
41 power to regulate the standards and manners in which the
42 **[contractor's]** contractor business' work shall be done.⁴

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

44

45 ⁴37. Section 14 of P.L.2004, c.16 (C.56:8-149) is amended to
46 read as follows:

1 14. a. The director shall establish and undertake a public
2 information campaign to educate and inform contractors and
3 contractor businesses and the consumers of this State of the
4 provisions of **【this act】** P.L.2004, c.16 (C.56:8-136 et seq.). The
5 public information campaign shall include, but not be limited to, the
6 preparation, printing and distribution of booklets, pamphlets or
7 other written pertinent information.

8 b. The director shall provide a toll-free telephone number for
9 consumers making inquiries regarding contractors and contractor
10 businesses.⁴

11 (cf: P.L.2004, c.16, s.14)

12
13 ⁴38. Section 15 of P.L.2004, c.16 (C.56:8-150) is amended to
14 read as follows:

15 15. Nothing in **【this act】** P.L.2004, c.16 (C.56:8-136 et seq.)
16 shall limit the application of P.L.1960, c.39 (C.56:8-1 et seq.), or
17 any regulations promulgated thereunder, in regard to the
18 registration or regulation of contractors and contractor businesses.⁴

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

20
21 ⁴39. Section 16 of P.L.2004, c.16 (C.56:8-151) is amended to
22 read as follows:

23 16. a. **【On or after December 31, 2005, every】** Every home
24 improvement contract for a purchase price in excess of \$500, and
25 all changes in the terms and conditions of the contract, shall be in
26 writing. The contract shall be signed by all parties thereto,
27 including the home improvement contractor licensed pursuant to
28 P.L. , c. (C.) (pending before the Legislature as this bill)
29 and shall clearly and accurately set forth in legible form and in
30 understandable language all terms and conditions of the contract,
31 including but not limited to:

32 (1) The legal name, business address, and registration number of
33 the contractor business, any contractor who will provide home
34 improvement services, and the license number of the contractor
35 licensed pursuant to P.L. , c. (C.) (pending before the
36 Legislature as this bill);

37 (2) A copy of the certificate of commercial general liability
38 insurance required of a contractor business pursuant to section 7 of
39 **【this act】** P.L.2004, c.16 (C.56:8-142) and the telephone number of
40 the insurance company issuing the certificate; and

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

43 b. On or after December 31, 2005, a home improvement
44 contract may be cancelled by a consumer for any reason at any time
45 before midnight of the third business day after the consumer
46 receives a copy of it. In order to cancel a contract the consumer
47 shall notify the contractor business of the cancellation in writing, by
48 registered or certified mail, return receipt requested, or by personal

1 delivery, to the address specified in the contract. All moneys paid
 2 pursuant to the cancelled contract shall be fully refunded within 30
 3 days of receipt of the notice of cancellation. If the consumer has
 4 executed any credit or loan agreement through the contractor
 5 business to pay all or part of the contract, the agreement or note
 6 shall be cancelled without penalty to the consumer and written
 7 notice of that cancellation shall be mailed to the consumer within
 8 30 days of receipt of the notice of cancellation. The contract shall
 9 contain a conspicuous notice printed in at least 10-point bold-faced
 10 type as follows:

11

12 "NOTICE TO CONSUMER

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

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

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

22 (Name of Contractor Business)23 (Address of Contractor Business)24 (Phone Number of Contractor Business)

25 If you cancel this contract within the three-day period, you are
 26 entitled to a full refund of your money. Refunds must be made
 27 within 30 days of the **【contractor's】** contractor business's receipt of
 28 the cancellation notice."⁴

29 (cf: P.L.2004, c.155, s.4)

30

31 ⁴40. (New section) This act shall be effective immediately, but
 32 section 9 through 13 shall remain inoperative until such time as
 33 provided in section 5 and sections 7, 8, and 14 through 20 shall be
 34 effective on the first day of the 25th month next following
 35 enactment. The director and the board may take such anticipatory
 36 administrative action in advance thereof as shall be necessary for
 37 implementation of this act.⁴

38

39

40

41

42 Updates regulation of home improvement and home elevation
 43 contractors and contractors' businesses.

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)

A2138 MORIARTY, MUKHERJI

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

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.

ASSEMBLY CONSUMER AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2138

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 2, 2022

The Assembly Consumer Affairs Committee adopts amendments to Assembly Bill No. 2138.

As amended by the committee, this bill repeals current law on the regulation of home improvement and home elevation contractors and establishes the New Jersey State Board of Home Improvement and Home Elevation Contractors as the regulating body of these contractors. Board membership is to consist of nine people, including five home improvement contractors, one home elevation contractor, two members of the public, and one member representing the Executive Branch. The board is to assemble within 30 days of the members being appointed. The board is to license, on a biennial basis, home improvement and home elevation contractors, establish a code of ethics and standards of conduct for contractors, and promulgate rules and regulations as guidance for contractors.

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

In this bill, a responsible managing employee is to be assigned to oversee work as a requirement for contracts for services in home improvement, home elevation, or both types of services. As defined

in the bill, a responsible managing employee is a licensed home improvement or home elevation contractor with at least five years of experience and who provides effective supervision over the professional services rendered pursuant to a home improvement or home elevation contract. A responsible managing employee may also be a home improvement or home elevation contractor who is eligible for licensure if the individual 1) has been registered as a home improvement contractor in New Jersey for at least 10 years or 2) has at least 10 years of experience in providing home elevation services who has been registered as a home improvement contractor in New Jersey for at least 10 years or registered as a home elevation contractor in New Jersey for at least five years. Additionally, a consumer is permitted to waive the three-day waiting period during which the consumer can exercise the right to cancel a contract for a home improvement or home elevation service in the event of a bona fide emergency.

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

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

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

COMMITTEE AMENDMENTS:

The committee approved the following amendments to the bill:

(1) update to the definition of contractor to exclude: owners or managers of home improvement or home elevation businesses who do not perform the improvement or elevation services and individuals who strictly sell the services;

(2) exclusion of new residential properties from the definition of “home improvement;”

(3) adding a definition and establishment of the role of a “principal home improvement contractor” and “principal home elevation contractor;”

(4) removal of references to “responsible managing employee;”

(5) adjustments to the membership of the board to remove a home elevation contractor and home improvement contractor; add a licensed construction code official; and stipulate that two home improvement contractors are to represent a trade association on the home improvement industry;

(6) clarification to the board’s role in the development of educational requirements and exam preparation for home improvement and home elevation contractors and require the board to establish continuing education standards;

(7) creation and incorporation throughout the bill of a registration requirement for home improvement and home elevation businesses;

(8) update to requirements for licensure for contractors;

(9) addition of workers’ compensation as a requirement for a registered business and establishment of a tiered system for compliance bonds, letters of credit, or securities, moneys or other security that is to be maintained;

(10) reduction of the amount of a compliance bond, letter of credit, or security, money or other security that is to be maintained if the registered business demonstrates completion of a financial responsibility and stability course;

(11) stipulation that any reduced bond, letter of credit or security, money or other security will be increased if multiple complaints are made by consumers against a business or multiple claims are made against the bond, letter of credit or security, money or other security;

(12) exclusion of individuals who sell home improvement or home elevation services from the requirement for an identification badge unless the sales are made in-person;

(13) the issuance of a temporary badge on paper in the event there is a delay in processing of the identification badge required under the bill;

(14) clarification that registered businesses are to follow advertisement provisions in the bill;

(15) reduction of the number of years from 10 to five under which an individual may be grandfathered under the bill;

(16) addition of homeowners to the provision on the parties a municipality can issue a construction permit to;

(17) establishment of continuing education requirements; and

(18) lengthening of the effective date of the bill.

ASSEMBLY CONSUMER AFFAIRS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2138

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 15, 2022

The Assembly Consumer Affairs Committee reports favorably and with committee amendments Assembly Bill No. 2138 (1R).

As amended by the committee, this bill repeals current law on the regulation of home improvement and home elevation contractors and establishes the New Jersey State Board of Home Improvement and Home Elevation Contractors as the regulating body of these contractors. The bill defines “contractor” to mean an individual providing home improvement or home elevation services, or both types of services, for a corporation, partnership, association, sole proprietorship, and any other form of business organization or entity that enters into a contract with consumers. The definition excludes individuals who own or manage a home improvement or home elevation business but do not perform the contracting services and employees of or individuals contracted by a business entity hired or contracted to sell the contracting services. The bill also clarifies that “home improvement,” as defined, does not include the construction of new residential property.

Additionally, under the bill, the definition of “responsible managing employee” is deleted and “principal home improvement contractor” and “principal home elevation contractor” are established as the licensed contractors who are to oversee the performance of services of a contract if the value of the contract is at least \$120,000 and requires the submittal of more than one subcode. A principal contractor may also practice as a non-principal contractor if a contract for services is agreed to in which the value of services is less than \$120,000 or does not require the submittal of plans with more than one subcode.

The board created in the bill is to have a membership of nine people, including five home improvement contractors, of whom two are to represent a trade association focused on the home improvement industry, one member is to be a licensed construction code official, two members are to represent the public, and one member is to represent the Executive Branch. The home elevation contractor is removed as a member of the board. It is the

entitlement of the board under the bill to retain all funds collected as a result of fees paid for initial licensure and business registration, as well as for the renewal, reactivation, or reinstatement of licenses and registrations. The board may use those funds to reimburse members for expenses incurred. The board is to assemble within 30 days of the members being appointed. The responsibilities of the board are, in part, to license, on a biennial basis, home improvement and home elevation contractors and register, also on a biennial basis, home improvement and home elevation businesses; develop education requirements for contractors, including principal contractors, and a voluntary examination preparatory course; establish a code of ethics and standards of conduct for contractors; develop standards for continuing education; and promulgate rules and regulations as guidance for contractors.

Under the bill, requirements for licensure as either a home improvement or home elevation contractor include demonstrating, through an attestation as prescribed by the board, completion of either 1) an apprenticeship program registered with or approved by the United States Department of Labor, or a similar program as provided by a trade school or other facility that is accredited by a regional or national accrediting agency recognized by the United States Department of Education, that allows an individual to perform services that prepare the individual for a career in home improvement or home elevation or 2) at least two years of experience performing home improvement services for a home improvement or home elevation contractor for individuals seeking licensure as a home improvement contractor, or two years of experience performing home improvement and home elevation services for a home elevation contractor. An individual may qualify for licensure under the experience option if they can demonstrate at least two years of experience while working as a home improvement or home elevation contractor out-of-State or while working under a home improvement or home elevation contractor in another state. The attestation required in the bill is to include the name of the home improvement or home elevations business for whom the applicant worked if the individual is applying for licensure using the experience option. An individual applying for licensure is also required to pass an exam to test knowledge of home improvement, and home elevation, if applicable.

Home improvement and home elevation businesses are required to register under the bill and are to show proof of general liability insurance, workers' compensation insurance, and financial stability. A business is to also demonstrate the employment of at least one licensed home improvement or home elevation contractor and compliance with applicable tax, business, and other laws in New Jersey.

In the bill, clarifications are made to provisions requiring general liability insurance and workers' compensation insurance to ensure that businesses are aware of needing to meet these requirements and it is not the individual licensed contractors that need to obtain this insurance. A business is to submit to the board a copy of the certificate of a new or replacement general liability or workers' compensation insurance policy in the event the business has a previous policy canceled or changes the previous policy.

The bill requires a business have a bond, letter of credit, or other type of security. If a business has a bond, the bill provides that it must be a compliance bond. The bill delineates the dollar amount of the bond, letter of credit, or other type of security needed by a business depending on the value of the contract in place for a business to provide services. The board can collect penalties from a bond, letter of credit, or security if penalties are assessed against a business.

The bill allows a business to reduce, by half, the dollar amount of a bond, letter of credit, or other security if the business can demonstrate that a senior manager of the business completed a course in financial responsibility and security. The board is granted discretion to require the full dollar amount of the bond, letter of credit, or other security even if a senior manager has completed an aforementioned course, if a business, as demonstrated on an application for registration for renewal, has a claim, or multiple claims, of a certain dollar amount, as determined by the board, made against the bond, letter of credit or other security held by the business. Penalties for the failure to complete a home improvement or home elevation in accordance with a contract are deemed an unlawful practice under the consumer fraud statute. A contractor who commits an unlawful practice may be fined up to \$10,000 for a first offense and up to \$20,000 for a second offense.

Under the bill, if a registered business has only one licensed contractor under its employment who then leaves their employment, the registered business has 60 days to hire a new contractor. Additionally, licensed contractors are to be issued by the board identification badges currently required under New Jersey law. A temporary identification badge in paper is to be issued to a contractor at the same as a license if the processing of the formal badge is not complete when the license is ready for issuance. The bill clarifies that a home improvement or home elevation contractor cannot practice in New Jersey without a license. Additionally, the bill states that any licensed contractor or registered business who advertises or indicates publicly that the individual or business can perform home improvement or home elevation services is subject to the provisions of the bill. The bill also stipulates that businesses are to prominently display in the place of business and in advertisements the registration number of the business.

Exemptions from licensure in the bill apply to various sections, including 1) licensure requirements; 2) the nonrenewal of a license or licensure revocation or suspension; 3) liability insurance and proof of financial stability; 4) criminal penalties; 5) identification badges; 6) licensure display; 7) the grandfathering clause; 8) the application of the law to individuals with places of business outside the State; 9) provisions on the cancellation of a contract; 10) written agreements between county or municipal offices and the board regarding consumer complaints; 11) conversion of licenses from home elevation to home improvement or home improvement to home elevation; and 12) continuing education provisions. Additionally, the bill clarifies that individuals required to be licensed for selling home repair contracts under current law are also exempt if sales are made door-to-door. However, door-to-door sales individuals are to still comply with identification badge requirements, which are required of individuals that make in-person sales to consumers.

Language in the bill also “grandfathers in” certain previously-registered contractors by exempting from licensure individuals currently registered as a home improvement contractor in New Jersey for at least five years and individuals who have at least five years of experience in providing home elevation services who have been registered as home improvement contractors in New Jersey for at least five years or registered as home elevation contractors in New Jersey for at least five years. An individual who is qualified for licensure under the grandfathering clause and can demonstrate previous experience overseeing the performance of services for contracts valued at a minimum of \$120,000 and requiring the submission of multiple subcodes will qualify for licensure as a principal home improvement or principal home elevation contractor.

Language in the bill clarifies that individuals captured in the grandfathering clause of the bill are to be licensed once current registration expires and these individuals can be issued construction permits by a municipality. Further clarification is made to allow municipalities to issue construction permits to single-family homeowners performing plumbing, electrical, or heating, ventilation, and air-conditioning work in the homeowner’s own dwelling. Moreover, the bill states that it does not deny the right of a municipality to inspect a contractor’s work or equipment as is allowed under current law. Language also in current law on the establishment of a public information campaign is included in this bill and states the need to publicize the provisions of the bill to applicable businesses.

The bill requires a written contract to include the name of the principal home improvement or principal home elevation contractor if one is required for the services to be performed. Continuing

education requirements are established in the bill, in which a licensed contractor is to complete no less than six hours of continuing education each biennial renewal period. Among the stipulations is the permission that a continuing education course may be attended in-person or online and that a course in another state or U.S. jurisdiction may qualify for credit if it teaches on a topic approved by the board. Additionally, a licensee who teaches a course may receive double the credit offered to attendees of the course but may only receive that double credit once a biennial renewal period.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

1) define “contractor” to mean individuals who, along with providing home improvement or home elevation services, or both types, enter into contracts for these services with consumers;

2) allow principal home improvement or principal home elevation contractors to provide home improvement or home elevation services even if it is under a contract valued less than \$120,000 or that does not require the submission of multiple subcodes;

3) allow the board to retain all funds it receives from licensed individuals or registered businesses and to use some of the funds to reimburse board members who incur expenses;

4) provide that the examination preparatory course to be developed by the board is optional;

5) clarify that individuals seeking licensure as a home improvement contractor under two years of experience may gain that experience by working under a home elevation contractor and individuals seeking either licensure as a home improvement or home elevation contractor may obtain the experience as a contractor in another state or U.S. jurisdiction or by working underneath a contractor in another state or U.S. jurisdiction;

6) require a business seeking to register in the State under the bill to include proof of financial stability by demonstrating the business has a compliance bond, letter of credit, or other security prior to registering;

7) remove references to Class A, Class B, and Class C contractors;

8) remove language connecting the board to the process by which a consumer makes a claim against the bond, letter of credit, or other security of a business;

9) add a stipulation that a person in senior management may complete a course in financial responsibility and stability to qualify for a reduced amount of the compliance bond, letter of credit or other security but, even with that completion, a business may still be required to maintain the full dollar amount of the bond, letter of credit, or other security if it is demonstrated on the application for business

registration renewal that a business received a claim, or multiple claims, in a dollar amount as determined by the board, made against its compliance bond, letter of credit, or other security;

10) provide that a temporary badge is to be issued at the same time as a license is issued;

11) add certain additional exemptions to the bill, except the exemption for an identification badge does not apply to individuals who make door-to-door home repair sales pursuant to current law;

12) provide that individuals who qualify for licensure as a home improvement or home elevation contractor based on previous experience will qualify as a principal contractor if the individual demonstrates experience overseeing work valued at a minimum of \$120,000 and requiring the submittal of plans with multiple subcodes;

13) clarify who qualifies for licensure in the provision in the bill allowing municipalities to issue construction permits;

14) provide that continuing education credits may be obtained under certain circumstances in another state or U.S. jurisdiction, in-person or online, and a licensed contractor under the bill may receive double in continuing education credits, once a biennial renewal period, from what attendees of a course receive if the contractor teaches the course;

15) require the board to begin meeting once a majority of members are appointed by the Governor; and

16) make clarifications for grammar and consistency in the bill.

ASSEMBLY COMMERCE AND ECONOMIC DEVELOPMENT
COMMITTEE

STATEMENT TO

[Second Reprint]
ASSEMBLY, No. 2138

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 13, 2023

The Assembly Commerce and Economic Development Committee reports favorably Assembly Bill No. 2138 (2R) with committee amendments.

As amended, this bill repeals current law on the regulation of home improvement and home elevation contractors and establishes the New Jersey State Board of Home Improvement and Home Elevation Contractors as the regulating body of these contractors. The bill defines “contractor” to mean an individual providing home improvement or home elevation services, or both types of services, for a corporation, partnership, association, sole proprietorship, and any other form of business organization or entity that enters into a contract with consumers. The definition excludes individuals who own or manage a home improvement or home elevation business but do not perform the contracting services and employees of or individuals contracted by a business entity hired or contracted to sell the contracting services. The bill also clarifies that “home improvement,” as defined, does not include the construction of new residential property.

Additionally, under the bill, “principal home improvement contractor” and “principal home elevation contractor” are established as the licensed contractors who are to oversee the performance of services of a contract if the value of the contract is at least \$120,000 and requires the submittal of more than one subcode. A principal contractor may also practice as a non-principal contractor if a contract for services is agreed to in which the value of services is less than \$120,000 or does not require the submittal of plans with more than one subcode.

The board created in the bill is to have a membership of nine people, including five home improvement contractors, of whom two are to represent a trade association focused on the home improvement industry, one member is to be a licensed construction code official, two members are to represent the public, and one member is to represent the Executive Branch. The home elevation

contractor is removed as a member of the board. It is the entitlement of the board under the bill to retain all funds collected as a result of fees paid for initial licensure and business registration, as well as for the renewal, reactivation, or reinstatement of licenses and registrations. The board may use those funds to reimburse members for expenses incurred. The board is to assemble within 30 days of the members being appointed. Additionally, the first members of the board are to promulgate rules and regulations for specific provisions of the bill prior to it being fully operative.

The responsibilities of the board are, in part, to license, on a biennial basis, home improvement and home elevation contractors and register, also on a biennial basis, home improvement and home elevation businesses; develop education requirements for contractors, including principal contractors, and a voluntary examination preparatory course; establish a code of ethics and standards of conduct for contractors; develop standards for continuing education; and promulgate rules and regulations as guidance for contractors. The board also has oversight of individuals who earn a maximum of \$1,500 per contract and \$25,000 annually.

Under the bill, requirements for licensure as either a home improvement or home elevation contractor include demonstrating 1) through an attestation as prescribed by the board, completion of an apprenticeship program registered with or approved by the United States Department of Labor, or a similar program as provided by a trade school or other facility that is accredited by a regional or national accrediting agency recognized by the United States Department of Education, that allows an individual to perform services that prepare the individual for a career in home improvement or home elevation or 2) at least two years of experience performing home improvement services for a home improvement or home elevation contractor for individuals seeking licensure as a home improvement contractor, or two years of experience performing home improvement and home elevation services for a home elevation contractor. An individual may qualify for licensure under the experience option if they can demonstrate at least two years of experience while working as a home improvement or home elevation contractor out-of-State or while working under a home improvement or home elevation contractor in another state. The application required in the bill is to include the name of the home improvement or home elevations business for whom the applicant worked if the individual is applying for licensure using the experience option. An individual applying for licensure is also required to pass an exam to test knowledge of home improvement, and home elevation, if applicable.

Home improvement and home elevation businesses are required to register under the bill and are to show proof of general liability

insurance, workers' compensation insurance, and financial stability. A business is to also demonstrate the employment of at least one licensed home improvement or home elevation contractor and compliance with applicable tax, business, and other laws in New Jersey.

In the bill, clarifications are made to provisions requiring general liability insurance and workers' compensation insurance to ensure that businesses are aware of needing to meet these requirements and it is not the individual licensed contractors that need to obtain this insurance. A business is to submit to the board a copy of the certificate of a new or replacement general liability or workers' compensation insurance policy in the event the business has a previous policy canceled or changes the previous policy.

The bill requires a business have a bond, letter of credit, or other type of security. If a business has a bond, the bill provides that it must be a compliance bond. The bill delineates the dollar amount of the bond, letter of credit, or other type of security needed by a business depending on the value of the contract in place for a business to provide services. The board can collect penalties from a bond, letter of credit, or security if penalties are assessed against a business.

The bill allows a business to reduce, by half, the dollar amount of a bond, letter of credit, or other security if the business can demonstrate that a senior manager of the business completed a course in financial responsibility and security. The board is granted discretion to require the full dollar amount of the bond, letter of credit, or other security even if a senior manager has completed an aforementioned course, if a business, as demonstrated on an application for registration for renewal, has a claim, or multiple claims, of a certain dollar amount, as determined by the board, made against the bond, letter of credit or other security held by the business. Penalties for the failure to complete a home improvement or home elevation in accordance with a contract are deemed an unlawful practice under the consumer fraud statute. A contractor who commits an unlawful practice may be fined up to \$10,000 for a first offense and up to \$20,000 for a second offense.

Under the bill, if a registered business has only one licensed contractor under its employment who then leaves their employment, the registered business has 60 days to hire a new contractor. Additionally, licensed contractors are to be issued by the board identification badges currently required under New Jersey law. A temporary identification badge in paper is to be issued to a contractor at the same as a license if the processing of the formal badge is not complete when the license is ready for issuance. The bill clarifies that a home improvement or home elevation contractor cannot practice in New Jersey without a license. Additionally, the bill states that any licensed contractor or registered business who advertises or indicates publicly that the individual or business can

perform home improvement or home elevation services is subject to the provisions of the bill. The bill also stipulates that businesses are to prominently display in the place of business and in advertisements the registration number of the business.

Exemptions from licensure in the bill apply to various sections, including 1) licensure requirements; 2) the nonrenewal of a license or licensure revocation or suspension; 3) liability insurance and proof of financial stability; 4) criminal penalties; 5) identification badges; 6) licensure display; 7) the grandfathering clause; 8) the application of the law to individuals with places of business outside the State; 9) provisions on the cancellation of a contract; 10) written agreements between county or municipal offices and the board regarding consumer complaints; 11) conversion of licenses from home elevation to home improvement or home improvement to home elevation; and 12) continuing education provisions. Additionally, the bill clarifies that individuals required to be licensed for selling home repair contracts under current law are also exempt if sales are made door-to-door. However, door-to-door sales individuals are to still comply with identification badge requirements, which are required of individuals that make in-person sales to consumers. Individuals who earn a maximum of \$1,500 per contract or \$25,000 annually are also exempted from licensure. The bill establishes the regulation process the individuals with these earnings are to follow in order for the board to properly regulate the work provided by the individuals.

Language in the bill also “grandfathers in” certain previously-registered contractors by exempting from licensure individuals currently registered as a home improvement contractor in New Jersey for at least five years and individuals who have at least five years of experience in providing home elevation services who have been registered as home improvement contractors in New Jersey for at least five years or registered as home elevation contractors in New Jersey for at least five years. An individual who is qualified for licensure under the grandfathering clause and can demonstrate previous experience overseeing the performance of services for contracts valued at a minimum of \$120,000 and requiring the submission of multiple subcodes will qualify for licensure as a principal home improvement or principal home elevation contractor.

Language in the bill clarifies that individuals captured in the grandfathering clause of the bill are to be licensed once current registration expires and these individuals can be issued construction permits by a municipality. Further clarification is made to allow municipalities to issue construction permits to single-family homeowners performing plumbing, electrical, or heating, ventilation, and air-conditioning work in the homeowner’s own dwelling. Moreover, the bill states that it does not deny the right of

a municipality to inspect a contractor's work or equipment as is allowed under current law. Language also in current law on the establishment of a public information campaign is included in this bill and states the need to publicize the provisions of the bill to applicable businesses.

The bill requires a written contract to include the name of the principal home improvement or principal home elevation contractor if one is required for the services to be performed. Continuing education requirements are established in the bill, in which a licensed contractor is to complete no less than six hours of continuing education each biennial renewal period. Among the stipulations is the permission that a continuing education course may be attended in-person or online and that a course in another state or U.S. jurisdiction may qualify for credit if it teaches on a topic approved by the board. Additionally, a licensee who teaches a course may receive double the credit offered to attendees of the course but may only receive that double credit once a biennial renewal period.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- 1) stipulate that the members first appointed to the board will be appointed by the first day of the third month following enactment of the bill and are to promulgate rules and regulations for specific provisions of the bill prior to it being fully operative;
- 2) tie the bill being fully operative to the promulgation of rules and regulations issued by the first members of the board;
- 3) add oversight of individuals with certain limited earnings to the responsibilities of the board;
- 4) remove the requirement to demonstrate completion of high school or the equivalent;
- 5) apply the requirement for an attestation solely for individuals who complete an apprenticeship;
- 6) ensure individuals exempted under the bill are not impacted by a provision requiring licensure;
- 7) exempt from licensure individuals who earn a maximum of \$1,500 per contract and \$25,000 annually and establish a level of oversight by the board of these individuals; and
- 8) make changes to the effective date provisions and additional technical updates.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[Third Reprint]

ASSEMBLY, No. 2138

with committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 30, 2023

The Senate Budget and Appropriations Committee reports favorably and with amendments Assembly Bill No. 2138 (3R).

As amended, this bill establishes a board to govern licensed contractors in the home improvement and home elevation industries. The bill also updates current law to oversee the registration of home improvement and home elevation contractors' businesses.

Additionally, under the bill, a new level of licensure is created to allow an individual to provide services in a limited specialty of home improvement or home elevation. The board is to establish specific requirements, which may include passage of an exam, for the specialty services licensees. Moreover, with board membership, the Governor has until the first day of the sixth month after enactment of the bill to appoint members. The board is to meet within 60 days after the appointment of the members. Rules and regulations are to be promulgated for specific provisions of the bill prior to the bill being fully operative but a set time in which to promulgate the rules and regulations is updated to align with the effective date of the bill, which is to be fully operative on the first day of the twenty-fifth month after the date of enactment.

Added as part of the board's responsibilities is the requirement that if a license of a contractor at any level – principal, limited, or regular home improvement or home elevation – is not renewed or is suspended or revoked, the board is to notify the Division of Consumer Affairs so that the division is aware and ensures that the individual with the encumbered license does not impact the registration of the business that employs the individual. Moreover, the board is to establish standards for the scopes of practice for each type of licensee it oversees and for the supervision of licensees, except for those at the principal level.

Under the bill, licensure as either a home improvement or home elevation contractor can be achieved through completion of an apprenticeship or through experience. If applying through the experience option, an individual is to perform services subject to

the direct oversight of a contractor, include the name of the home improvement or home elevations business for whom the individual worked on the application and is to attest, as part of the application, that, when providing contracting services, standard procedures were followed in a safe and healthy manner.

The bill stipulates that individuals, including limited specialty services licensees, are subject to fines if it is determined that an individual made false statements in connection with the process to obtain licensure. It is also prohibited in the bill to falsely advertise, including through electronic media, regarding qualifications of an individual to provide contracting services. Additionally, the bill specifies individuals exempt from licensure. The exemption includes individuals who provide home improvement services but earn a maximum of \$1,500 per contract and \$25,000 annually. An individual exempted under these maximum amounts is to still be subject to the requirement to maintain annual registration, to be handled by the Division of Consumer Affairs rather than the board. However, a party exempted pursuant to these maximum dollar amounts will be required to obtain licensure by the board if, at the time of annual registration renewal, the earnings of the individual demonstrate that the dollar amounts increased in the previous calendar year. The bill also requires the board to establish the process by which a limited specialty services licensee can obtain full licensure as a home improvement or home elevation contractor.

The bill preserves and updates most provisions in current law that govern the registration requirements and process for contractors' businesses. It also stipulates that a contractor business is to employ at least one licensed contractor.

The bill also updates language on the oversight of home improvement and home elevation businesses by the Division of Consumer Affairs. Language is added throughout the current law to ensure that its provisions apply to the contractors' businesses. This includes incorporating the provisions requiring general liability insurance, workers' compensation insurance, and either a bond, letter of credit, or other type of security. Language is also added to require certain contracts for home improvement services to include the name and license number of the contractor providing the services and the registration number of the business for which the contractor provides services. Additionally, the division is to notify the board when a contractor business has its registration suspended, revoked or not renewed.

As amended and reported by the committee, Assembly Bill No. 2138 (3R) is identical to Senate Bill No. 1890 (1R), which was amended and reported by the committee on this same date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

1) remove all language and provisions on the oversight of contractor businesses, including the requirements for registration as a contractor business, from the board. Contractor businesses are instead required to maintain contractor business registration with the Division of Consumer Affairs;

2) add definitions of “limited specialty services license” and “limited specialty services licensee” to the bill and remove definitions related to contracts for home improvement or home elevation services;

3) clarify membership to the board by trade associations and grant the Governor up to the first day of the sixth month after the bill is enacted to appoint board members;

4) require the board to meet within 60 days of first members’ appointments;

5) remove the requirement that rules and regulations be promulgated by the first day of the tenth month after the bill is enacted and align the promulgation with the date in which the bill will be fully operative;

6) require the board to notify the Division of Consumer Affairs when a license it otherwise issued is suspended, revoked, or rejected for renewal;

7) move responsibility to maintain registration of certain parties exempted from licensure from the board to the Division of Consumer Affairs and require licensure by the board of these parties if financial earnings demonstrate the need for licensure;

8) authorize the board to develop curriculum for identifying courses in which an applicant may enroll to prepare for examinations; to issue limited specialty services licenses, establish requirements to obtain these licenses, and to make certain requirements for licensees already in the bill applicable to this level of licensee;

9) stipulate the board is to establish standards on the scope of practice for the types of licenses it issues and on the supervision of employees of varying levels of licensure and when the board is to notify the Division of Consumer Affairs of an encumbered license of a contractor;

10) require an applicant applying for licensure as a home improvement or home elevation contractor through experience to attest that services they provided were performed subject to the direct oversight of a contractor and adhered to industry best practices while following standard procedures in a safe and healthy manner;

11) added penalties applicable to individuals determined to be in violation, as determined by the board, of the bill;

12) remove the requirement that a business notify when its sole licensed contractor leaves employment and the requirement that a new licensee be employed within 60 days;

13) prohibit the distribution of false advertising of a person's qualifications to provide contracting services, including a limited specialty services licensee, through electronic media;

14) exempts individuals seeking licensure through two years of experience from certain provisions of the bill;

15) clarify that the bill supersedes municipal ordinances and regulations regarding the protection of homeowners by bonds or warranties required to be provided by contractors' businesses;

16) stipulate at least one employee of a contractor business is to employ a licensed contractor;

17) establish ranges of the values of contracts for the provision of home improvement or home elevation services so as to indicate the level of licensee a contractor business is to employ;

18) require the Division of Consumer Affairs to notify the board when a contractor business loses its registration;

19) add that use of electronic media to advertise that a person qualifies to provide home improvement or home elevation services in New Jersey is subject to the provisions of the contractors' business law;

20) require written contracts for home improvement services include the name, signature, and license number of the licensee;

21) remove provisions related to licensees and to the Division of Consumer Affairs regarding the issuance of identification badges;

22) modify the reasons a registration may be revoked to align with current law; and

23) make technical corrections and updates.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

LEGISLATIVE FISCAL ESTIMATE

[Third Reprint]

ASSEMBLY, No. 2138

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: MARCH 1, 2023

SUMMARY

- Synopsis:** Establishes professional board to regulate home improvement and home elevation contractors and requires licensure for each type of contractor.
- Type of Impact:** Annual State expenditure and revenue increases.
- Agencies Affected:** Department of Law and Public Safety.

Office of Legislative Services Estimate

Fiscal Impact	
Annual State Cost Increase	Indeterminate
Annual State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) finds that this bill would result in an indeterminate annual State expenditure increase related to the establishment of the New Jersey State Board of Home Improvement and Home Elevation Contractors, the processing of licenses and regulation of home improvement and home elevation contractors, and the completion of the public information campaign by the Division of Consumer Affairs in the Department of Law and Public Safety. The OLS further notes that the bill will increase annual State revenue collections from application fees, licensure fees, fines, and penalties by indeterminate amounts.
- The bill establishes the New Jersey State Board of Home Improvement and Home Elevation Contractors, which is to consist of nine members under the Division of Consumer Affairs, to provide for the licensure of home improvement and home elevation contractors. The bill directs that the board members may be reimbursed for expenses related to their positions.
- The OLS anticipates that the State may annually collect indeterminate fines and penalty payments from violators of statutory and regulatory requirements applicable to the newly licensed profession. A violator may receive a civil penalty of \$10,000 for an initial violation and \$20,000 for any subsequent violations.

BILL DESCRIPTION

This bill repeals current law on the regulation of home improvement and home elevation contractors and establishes the New Jersey State Board of Home Improvement and Home Elevation Contractors as the regulating and licensing entity for the industry.

The New Jersey State Board of Home Improvement and Home Elevation Contractors established in the bill is to consist of nine people. The board is entitled to retain all funds collected from fees paid for initial licensure and business registration, as well as for the renewal, reactivation, or reinstatement of licenses and registrations. The board may use those funds to reimburse board members for expenses incurred.

The responsibilities of the board are to license, on a biennial basis, home improvement and home elevation contractors and register, also on a biennial basis, home improvement and home elevation businesses; develop education requirements for contractors, including principal contractors, and a voluntary examination preparatory course; establish a code of ethics and standards of conduct for contractors; develop standards for continuing education; and promulgate rules and regulations as guidance for contractors. The bill includes certain exemptions from the licensure requirement.

The bill requires a business to have a bond, letter of credit, or other type of security. If a business has a bond, the bill provides that it must be a compliance bond. The board can collect penalties from a bond, letter of credit, or security if penalties are assessed against a business.

The bill clarifies that a home improvement or home elevation contractor cannot practice in New Jersey without a license. Penalties for the failure to complete a home improvement or home elevation in accordance with a contract are deemed an unlawful practice under the consumer fraud statute. A contractor who commits an unlawful practice may be fined up to \$10,000 for a first offense and up to \$20,000 for a subsequent offense.

Language also in current law on the establishment of a public information campaign is included in this bill and states the need to publicize the provisions of the bill to applicable businesses.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that this bill would result in an indeterminate annual State expenditure increase related to: 1) the establishment of the New Jersey State Board of Home Improvement and Home Elevation Contractors; 2) the processing of licenses and regulation of home improvement and home elevation contractors; 3) and the completion of the public information campaign by the Division of Consumer Affairs in the Department of Law and Public Safety. The OLS further notes that the bill will increase annual State revenue collections from application fees, licensure fees, fines, and penalties by indeterminate amounts.

State Expenditure Increase: Although the bill repeals current regulations of home improvement and home elevation contractors, the bill establishes an entirely new licensure process. The bill may increase annual State expenditures due to the establishment of a new board, and from a public information campaign on the new licensure requirement, in turn increasing the division's responsibilities.

With the establishment of the new board, the bill directs that the board members may be reimbursed for expenses related to their position. Under current law, each member of the State board receives \$25 for each meeting day in attendance and, in addition, is entitled to be reimbursed for necessary traveling expenses, provided compensation in any fiscal year does not exceed \$1,000 per member. The legislation does not indicate whether the board members will receive compensation for meeting and traveling expenses specifically, and, in any event, the OLS cannot determine the increased cost because of the uncertainty regarding the number of professionals who will be regulated and operational decisions the board will make to implement this bill.

State Revenue Increase: The bill will increase annual State revenue collections from licensure fees, fines, and penalties by indeterminate amounts. The OLS cannot quantify the licensure fee payments the board will collect from the licensing requirement, as the bill leaves the setting of the fee levels to the board's discretion and the number of licenses that will be issued is unknown. The Office of the Attorney General estimates there are nearly 45,000 practitioners who will be affected.

The OLS anticipates that the State may annually collect indeterminate fines and penalty payments from violators of statutory and regulatory requirements applicable to the newly licensed profession. A violator may receive a civil penalty of \$10,000 for an initial violation and \$20,000 for any subsequent violations. The OLS, however, has no information on which to base an estimate of the number and magnitude of future penalty assessments and payments and thus cannot project the amount the State will collect.

The OLS also anticipates that as a result of a new dedicated board to provide oversight and licensure of home improvement and elevation contractors, New Jersey consumers may receive a higher confidence level when hiring contractors. In addition, the State will have additional recourse and accountability when a job has not been performed as contracted as the board can collect penalties from a bond, letter of credit, or other security if penalties are assessed against a business.

Home Improvement and Home Elevation Contractors Background – Since 2006, the New Jersey Contractors' Registration Act and home improvement contractor regulations require home improvement contractors to register with the Division of Consumer Affairs. To register, a home improvement contractor must provide proof of liability insurance, disclose a legitimate business address, and provide other information about the business. Contractors must display their registration number on all contracts, advertisements, and commercial vehicles as a reference for consumers.

According to the department, in 2013, there were 1,432 complaints filed against home improvement contractors, and in 2012, there were 1,751 complaints filed against home improvement contractors. This was the most up-to-date information available to the OLS.

The OLS notes that the application fee charged by the Office of Consumer Protection to regulate home improvement and home elevation contractors is \$110, and the annual fee thereafter is \$90.

Section: Law and Public Safety

*Analyst: Kristin Brunner Santos
Lead Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[Fourth Reprint]

ASSEMBLY, No. 2138

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: DECEMBER 13, 2023

SUMMARY

- Synopsis:** Updates regulation of home improvement and home elevation contractors and contractors' businesses.
- Type of Impact:** Annual State expenditure and revenue increases.
- Agencies Affected:** Department of Law and Public Safety.

Office of Legislative Services Estimate

Fiscal Impact	
Annual State Cost Increase	Indeterminate
Annual State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) finds that this bill would result in an indeterminate annual State expenditure increase related to the establishment of the New Jersey State Board of Home Improvement and Home Elevation Contractors, the processing of licenses and regulation of home improvement and home elevation contractors, and the completion of the public information campaign by the Division of Consumer Affairs in the Department of Law and Public Safety. The OLS further notes that the bill will increase annual State revenue collections from application fees, licensure fees, fines, and penalties by indeterminate amounts.
- The bill establishes the New Jersey State Board of Home Improvement and Home Elevation Contractors, which is to consist of nine members under the Division of Consumer Affairs, to provide for the licensure of home improvement and home elevation contractors. The bill directs that the board members may be reimbursed for expenses related to their positions.
- The OLS anticipates that the State may annually collect indeterminate fines and penalty payments from violators of statutory and regulatory requirements. A violator may receive penalties of up to \$15,000 for an initial violation and up to \$25,000 for any subsequent violations.

BILL DESCRIPTION

This bill establishes a board to govern licensed contractors in the home improvement and home elevation industries. The bill updates current law to oversee the registration of home improvement and home elevation contractors' businesses.

The New Jersey State Board of Home Improvement and Home Elevation Contractors established in the bill is to consist of nine people. The board is entitled to retain all funds collected from fees paid for initial licensure and business registration, as well as for the renewal, reactivation, or reinstatement of licenses and registrations. The board may use those funds to reimburse board members for expenses incurred.

The responsibilities of the board are to license, on a biennial basis, home improvement and home elevation contractors and register, also on a biennial basis, home improvement and home elevation businesses; develop education requirements for contractors, including principal contractors, and a curriculum for voluntary examination preparatory courses; establish a code of ethics and standards of conduct for contractors; develop standards for continuing education; and promulgate rules and regulations as guidance for contractors. The bill requires the board to notify the Division of Consumer Affairs when a license it otherwise issued is suspended, revoked, or rejected for renewal. The bill moves the responsibility to maintain registration of certain parties exempted from licensure from the board to the Division of Consumer Affairs and require licensure of these parties by the board if financial earnings demonstrate the need for licensure.

The bill clarifies that a home improvement or home elevation contractor cannot practice in New Jersey without a license. Penalties for the failure to complete a home improvement or home elevation in accordance with a contract are deemed an unlawful practice under the consumer fraud statute. A contractor who commits an unlawful practice under the consumer fraud act may be liable up to \$15,000 for a first offense and up to \$25,000 for a subsequent offense. Additionally, violators of the insurance and bond requirements will be liable for a minimum of \$10,000 and not more than \$25,000.

Language also in current law on the establishment of a public information campaign is included in this bill and states the need to publicize the provisions of the bill to applicable businesses.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that this bill would result in an indeterminate annual State expenditure increase related to: 1) the establishment of the New Jersey State Board of Home Improvement and Home Elevation Contractors; 2) the processing of licenses and regulation of home improvement and home elevation contractors; 3) and the completion of the public information campaign by the Division of Consumer Affairs in the Department of Law and Public Safety. The OLS further notes that the bill will increase annual State revenue collections from application fees, licensure fees, fines, and penalties by indeterminate amounts.

State Expenditure Increase: This bill updates the regulation of home improvement and home elevation contractors. The bill would increase annual State expenditures due to the establishment

of a new board and from a public information campaign on the new licensure and education requirement, in turn increasing the division's responsibilities.

With the establishment of the new board, the bill directs that the nine board members may be reimbursed for expenses related to their positions. While the bill does not specifically indicate whether the board members will receive compensation for meeting and traveling expenses, which would be a maximum total of \$9,000 annually for all the members under current law, it does note the board is entitled to retain all the fees it collects and that board members may be reimbursed for expenses within the limits of appropriated funds or funds made available to the board. The board is also to be provided with office and meeting facilities and have personnel made available to it to carry out its business.

In any event, the OLS cannot determine the increased costs to the division because of the uncertainty regarding the number of professionals who will be regulated and operational decisions the board will make to implement this bill.

State Revenue Increase: The bill will increase annual State revenue collections from licensure fees, fines, and penalties by indeterminate amounts. The OLS cannot quantify the licensure fee payments the board will collect from the licensing requirement, as the bill leaves the setting of the fee levels to the board's discretion, and the number of licenses that will be issued is unknown. The Office of the Attorney General estimates there are nearly 45,000 practitioners who will be affected.

The OLS anticipates that the State may annually collect indeterminate fines and penalty payments from violators of statutory and regulatory requirements. As earlier noted, the legislation allows for the collection of penalties under the consumer fraud statute. Additionally, a violator may receive a fine or civil penalty of up to \$15,000 for an initial violation and up to \$25,000 for any subsequent violations. The OLS, however, has no information on which to base an estimate of the number and magnitude of future penalty assessments and payments and thus cannot project the amount the State will collect.

The OLS also anticipates that as a result of a new board dedicated to providing oversight and licensure of home improvement and elevation contractors, New Jersey consumers may experience a higher confidence when hiring contractors. In addition, the State will have additional recourse and accountability when a job has not been performed as contracted as the board can collect penalties from a bond, letter of credit, or other security if penalties are assessed against a business, which may promote growth in this industry, resulting in increased licensure fee payments to the board.

Home Improvement and Home Elevation Contractors Background: Since 2006, the New Jersey Contractors' Registration Act and home improvement contractor regulations require home improvement contractors to register with the Division of Consumer Affairs, with the home elevation contractor registration added in 2014. To register, a home improvement contractor must provide proof of liability insurance, disclose a legitimate business address, and provide other information about the business. Contractors must display their registration number on all contracts, advertisements, and commercial vehicles as a reference for consumers. According to the Division of Consumer Affairs, in 2022 there were 2,310 consumer complaints against contractors and home improvement contractors. The OLS notes that the application fee charged by the Office of Consumer Protection to regulate home improvement and home elevation contractors is \$110, and the annual fee thereafter is \$90.

Section: Law and Public Safety

*Analyst: Kristin Brunner Santos
Lead Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

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.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1890

with committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 15, 2022

The Senate Commerce Committee reports favorably Senate Bill No. 1890, with committee amendments.

As amended, this bill repeals current law on the regulation of home improvement and home elevation contractors and establishes the New Jersey State Board of Home Improvement and Home Elevation Contractors as the regulating body of these contractors. “Contractor” is defined to mean an individual providing home improvement or home elevation services, or both types of services, for any form of business organization or entity, including sole proprietorships, that enters into a contract with consumers. The definition excludes (1) individuals who own or manage a home improvement or home elevation business but do not perform the contracting services and (2) employees of or individuals contracted by a business entity who are hired or contracted to sell the contracting services. The bill also clarifies that “home improvement,” as defined, does not include the construction of new residential property.

Additionally, the definition of “principal home improvement contractor” and “principal home elevation contractor” are established as the licensed contractors who are to oversee the performance of services of a contract. A principal contractor is needed, under the bill, if the value of the contract for services is (1) at least \$120,000 and (2) requires the submittal of more than one subcode. The bill also stipulates that a principal contractor may practice as a non-principal contractor if a contract for services is agreed to in which the value of the services is less than \$120,000 or the contract does not require the submittal of plans with more than one subcode.

Board membership is to consist of nine people, including five home improvement contractors, of whom two are to represent a trade association focused on the home improvement industry, one home elevation contractor, one member is to be a licensed construction code official, two members are to represent the public, and one member is to represent the Executive Branch. The members first appointed to the board are to be appointed no later than the first day of the third month following enactment of the bill.

It is the entitlement of the board to retain all funds collected as a result of fees paid for initial licensure and business registration, as well as for the renewal, reactivation, or reinstatement of licenses and registrations. The board may use funds to reimburse members for expenses incurred. The board is to assemble within 30 days of the members being appointed. Additionally, the first members of the board are to promulgate rules and regulations for specific provisions of the bill prior to it being fully operative.

The bill delineates the responsibilities of the board. Among other tasks, the board is to (1) on a biennial basis, license home improvement and home elevation contractors and register home improvement and home elevation businesses; (2) develop education requirements for contractors, including principal contractors, a voluntary examination preparatory course, and an examination, or an examination is to be designated for applicants by the board; (3) establish a code of ethics and standards of conduct for contractors; (4) develop continuing education requirements for contractors; and (5) promulgate rules and regulations as guidance for contractors.

Under the bill, an applicant can apply for licensure as a home improvement or home elevation contractor through certain apprenticeships or through experience. An attestation will need to be submitted as part of the licensure application to demonstrate that an individual has completed an apprenticeship. If applying for licensure through experience, the bill requires an individual to demonstrate, as prescribed by the board, completion of at least two years of experience performing contracting services under a home improvement or home elevation contractor, depending on the type of licensure the individual seeks to obtain. The name and address of the contracting business under who the individual gained the experience is to be included as part of the application. If an individual applies using experience, they may use experience gained out-of-State or in another U.S. jurisdiction as a home improvement or home elevation contractor or as a contractor working for another home improvement or home elevation contractor. The other state or jurisdiction is to have requirements substantially equivalent to those for contractors in New Jersey. The bill clarifies that an applicant for licensure through either an apprenticeship or through experience is to complete educational requirements as prescribed by the board. Additionally, the bill moves the requirement to prove financial stability from the requirements for individuals seeking licensure to businesses seeking registration by the board. Further requirements for registration of a business under the bill include proof of commercial general liability insurance and workers' compensation; employment of at least one licensed home elevation or licensed home improvement contractor; and compliance with all State laws regarding business, tax, and other applicable matters.

Provisions in the bill on securing and maintaining commercial general liability insurance are updated to clarify that (1) they speak to registered contracting businesses, not individuals licensed as contractors, and (2) a business is to also maintain workers' compensation insurance. This includes an update to the process to follow in the event the business has a previous liability or workers' compensation policy canceled or it is not renewed. The bill also clarifies that a registered business, not an individually licensed contractor, is to have a bond, letter of credit, or other type of security. If a business has a bond, the bill provides that it must be a compliance bond. The bill also delineates the dollar amount of the bond, letter of credit, or other type of security needed by a business depending on the value of the contract in place for a business to provide services. The board can collect penalties from a bond, letter of credit, or security if penalties are assessed against a business.

The bill allows a business to reduce, by half, the dollar amount of a compliance bond, letter of credit, or other security if the business can demonstrate that a senior manager of the business completed a course in financial responsibility and security. The board is granted discretion to require the full dollar amount of the bond, letter of credit, or other security even if a senior manager has completed an aforementioned course, if a business, as demonstrated on an application for registration for renewal, has a claim, or multiple claims, of a certain dollar amount, as determined by the board, made against the bond, letter of credit or other security held by the business.

Under the bill, if a registered business has only one licensed contractor under its employment who then leaves their employment, the registered business has 60 days to hire a new contractor. Additionally, the bill states that only a licensed contractor performing contracting services is required to wear an identification badge unless an individual is selling contracting services in-person. The bill also allows for the issuance of a temporary paper badge if there is a delay in processing of an identification badge. Moreover, if an individual wears a badge but is not a licensed contractor at the time, it is a crime of the fourth degree.

The bill retains current provisions requiring an individual performing contracting services to be licensed in New Jersey. It also stipulates that a registered contracting business, along with licensed contractors, are regulated by the provisions of the bill if the business holds itself out as providing contracting services. The bill also clarifies that contracting businesses that hold themselves out in advertisements as performing contracting services are to be registered with the State. Additionally, an advertisement is to include the registration number of the registered contracting business.

The bill also modifies the provisions of the bill from which the numerous individuals or entities are exempt to include 1) licensure

requirements; 2) the nonrenewal of a license or licensure revocation or suspension; 3) liability insurance and proof of financial stability; 4) criminal penalties; 5) identification badges; 6) licensure display; 7) the grandfathering clause; 8) the application of the law to individuals with places of business outside the State; 9) provisions on the cancellation of a contract; 10) written agreements between county or municipal offices and the board regarding consumer complaints; 11) conversion of licenses from home elevation to home improvement or home improvement to home elevation; and 12) continuing education provisions. Additionally, the bill clarifies that individuals required to be licensed for selling home repair contracts under current law are also exempt if sales are made door-to-door. However, door-to-door sales individuals are to still comply with identification badge requirements, which are required of individuals that make in-person sales to consumers.

Language in the bill also exempts from licensure individuals currently registered as a home improvement contractor in New Jersey for at least five years and individuals who have at least five years of experience in providing home elevation services who have been registered as home improvement contractors in New Jersey for at least five years or registered as home elevation contractors in New Jersey for at least five years. The bill also clarifies that an individual who is exempted under this language can qualify as a principal home improvement or home elevation contractor if they can demonstrate experience overseeing the performance of services valued at \$120,000 and requiring the submission of multiple subcodes. The bill retains language that its provisions apply to all individuals engaged in New Jersey in any of the activities regulated under the bill, even if the principal place or business or the residence of the individual is outside the State.

The bill also modifies current law regarding the applicability of its provisions to municipalities by allowing a municipality to issue a construction permit to licensed contractors and registered contractors who will obtain licensure once current registrations expire and to single-family homeowners who perform certain services on their own dwelling.

The bill also stipulates the various requirements for written contracts for the performance of home improvement, home elevation, or both types of services. This includes allowing a consumer to waive the three-day waiting period during which the consumer can exercise the right to cancel a contract for a home improvement or home elevation service in the event of a bona fide emergency. Additional requirements for a contract that the bill now includes is the registration number of the business where the contractors are employed and the legal name of the principal contractor if one is needed, which is to be in a clear and conspicuous manner.

The bill also allows a county or municipal office of consumer affairs that enters into a written agreement with the board to accept consumer complaints against either a contractor or registered business to be entitled to a share of licensing and registration fees collected by the board.

The bill also establishes a process for converting a license for home improvement to home elevation, which may entail a fee. The bill stipulates that, among other items, the individual works at least two years on home elevations under a home elevation contractor licensed pursuant to the bill and that the required cargo insurance requirement of the registered business is maintained.

The bill also incorporates the board under various provisions of Title 45, including those related to the appointment of public members to a board. Additionally, the bill establishes continuing education requirements for licensed contractors. At least six hours of continuing education is to be completed each biennial renewal period by a licensee. The bill also delineates the board's role in approving providers and conferring credit for courses, and stipulates that online courses are permissible. Lastly, the effective date of the bill ties it being fully operative to the promulgation of rules and regulations issued by the first members of the board.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

(1) clarify that the definition of "contractor" applies to individuals providing home improvement or home elevation services and excludes owners or managers of home improvement or home elevation businesses who do not perform the services and individuals who strictly sell the services;

(2) exclude new residential properties from the definition of "home improvement;"

(3) delete the definition of "responsible managing employee," and subsequent references, and add definitions of "principal home improvement contractor" and "principal home elevation contractor;"

(4) adjust board membership by deleting as a member a home elevation contractor, adding two members representing a trade association focused on the home improvement industry, and stipulating that the members first appointed will be appointed by the first day of the third month following enactment of the bill and are to promulgate rules and regulations for specific provisions of the bill prior to it being fully operative;

(5) specify that the board is entitled to retain the fees it collects and may reimburse members of the board with the fees;

(6) add certain responsibilities regarding education and examination requirements for the board to fulfill;

(7) clarify that if applying for licensure through experience, an attestation is not necessary; that the application is to require the name

and address of the contracting business for whom the applicant worked; and that certain experience gained out-of-State may apply towards the experience requirement in New Jersey;

(8) reiterate that educational requirements as established by the board are to be completed by contracting licensure applicants;

(9) establish requirements for contracting businesses to be proof of financial stability, commercial general liability insurance and workers' compensation; employment of one licensed home improvement or licensed home elevation contractor; and compliance with all applicable State laws on business, tax, and other matters;

(10) update provisions on securing and maintaining commercial general liability insurance to include securing and maintaining workers' compensation insurance; apply these requirements to registered contracting businesses rather than licensed contractors; and include a process for when an original policy is canceled or not renewed;

(11) require a registered business, not an individual contractor, to obtain a bond, letter of credit, or other type of security and that if a bond is secured, it is to be a compliance bond;

(12) delineate the dollar amount of the bond, letter of credit, or other type of security needed by a business and allow the board to collect penalties from a bond, letter of credit, or security if penalties are assessed against a business;

(13) remove language connecting the board to the process by which a consumer makes a claim against the bond, letter of credit, or other security of a business;

(14) allow a person in senior management to complete a course in financial responsibility and stability to qualify for a reduced amount of the compliance bond, letter of credit or other security but allow the board the ability to require maintenance of the full amount if it is demonstrated on the application for business registration renewal that a business received a claim, or multiple claims, in a dollar amount as determined by the board, made against its compliance bond, letter of credit, or other security;

(15) require a registered business with one licensed contractor under its employment who then leaves the employment 60 days to hire a new contractor;

(16) remove the requirement for an identification badge for individuals strictly selling home improvement or home elevation services unless selling of services is provided in-person;

(17) allow temporary paper badges to be issued if there is a delay in processing of an identification badge;

(18) stipulate that a registered contracting business is regulated by the provisions of the bill if it holds itself out as providing contracting services;

(19) require registration numbers of a business to be included in all advertisements;

(20) modify the provisions of the bill from which the numerous individuals or entities are exempt; and clarify that individuals required to be licensed for selling home repair contracts under current law are also exempt if sales are made door-to-door but they are still to comply with identification badge requirements;

(21) reduce the number of years that qualifies a New Jersey-registered contractor to be exempt from the bill and allow a registrant to qualify as a principal home improvement or home elevation contractor if they have experience overseeing the performance of services valued at a minimum of \$120,000 and requiring the submission of multiple subcodes;

(22) allow a municipality to issue a construction permit to registered contractors who will obtain licensure once current registrations expire and to single-family homeowners who perform certain services on their own dwelling;

(23) remove the requirement for direct supervision for experience required to convert a home improvement to a home elevation contractor and remove a reference to “place of employment” and insert “registered business” as the entity to maintain the required cargo insurance for individuals converting to a home elevation license;

(24) incorporate the board under various provisions of Title 45, including those related to the appointment of public members to a board;

(25) establish continuing education requirements, including the role of the board and the responsibilities of course providers;

(26) lengthen the effective date;

(27) replace certain terms with or incorporate the term “registered business;”

(28) tie the bill being fully operative to the promulgation of rules and regulations issued by the first members of the board; and

(29) make clarifications for consistency and grammar in the bill.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 1890

STATE OF NEW JERSEY

DATED: NOVEMBER 30, 2023

The Senate Budget and Appropriations Committee reports favorably the Senate Committee Substitute for Senate Bill No. 1890 (1R).

The Senate Committee Substitute establishes a board to govern licensed contractors in the home improvement and home elevation industries. The substitute also updates current law to oversee the registration of home improvement and home elevation contractors' businesses.

Additionally, under the substitute, a new level of licensure is created to allow an individual to provide services in a limited specialty of home improvement. The board is to establish specific requirements, which may include passage of an exam, for the specialty services licensees. Moreover, with board membership, the Governor has until the first day of the sixth month after enactment of the bill to appoint members. The board is to meet within 60 days after the appointment of the members. Rules and regulations are to be promulgated for specific provisions of the substitute prior to it being fully operative but a set time in which to promulgate the rules and regulations is updated to align with the effective date of the substitute, which is to be fully operative on the first day of the twenty-fifth month after the date of enactment.

Added as part of the board's responsibilities is the requirement that if a license of a contractor at any level – principal, limited, or regular home improvement or home elevation – is not renewed or is suspended or revoked, the board is to notify the Division of Consumer Affairs so that the division is aware and ensures that the individual with the encumbered license does not impact the registration of the business that employs the individual. Moreover, the board is to establish standards for the scopes of practice for each type of licensee it oversees and for the supervision of licensees, except for those at the principal level. Additionally, the board is to develop curriculum for or to identify courses in which an applicant can enroll to prepare for examinations.

Under the substitute, licensure as either a home improvement or home elevation contractor can be achieved through completion of an apprenticeship or through experience. If applying through the

experience option, an individual is to perform services subject to the direct oversight of a contractor, include the name of the home improvement or home elevations business for whom the individual worked on the application, and is to attest, as part of the application, that, when performing contracting services, industry best practices were adhered to and standard procedures were followed in a safe and healthy manner.

The substitute stipulates that individuals, including limited specialty services licensees, are subject to fines if it is determined that an individual made false statements in connection with the process to obtain licensure. It is also prohibited in the substitute to falsely advertise, including through electronic media, regarding qualifications of an individual to provide contracting services. Additionally, the substitute specifies individuals exempt from licensure. The exemption includes individuals who provide home improvement services but earn a maximum of \$1,500 per contract and \$25,000 annually. An individual exempted under these maximum amounts is still subject to the requirement to maintain annual registration, to be handled by the Division of Consumer Affairs rather than the board. However, a party exempted pursuant to these maximum dollar amounts will be required to obtain licensure by the board if, at the time of annual registration renewal, the earnings of the individual demonstrate that the dollar amounts increased in the previous calendar year. The substitute also requires the board to establish the process by which a limited specialty services licensee can obtain full licensure as a home improvement or home elevation contractor.

The substitute preserves and updates most provisions in current law that govern the registration requirements and process for contractors' businesses. It also stipulates that a contractor business is to employ at least one licensed contractor.

The substitute updates language on the oversight of home improvement and home elevation businesses by the Division of Consumer Affairs. Language is added throughout the current law to ensure that its provisions apply to the contractors' businesses. This includes incorporating the provisions requiring general liability insurance, workers' compensation insurance, and either a bond, letter of credit, or other type of security. Language is also added to require certain contracts for home improvement services to include the name and license number of the contractor providing the services and the registration number of the business for which the contractor provides services. Additionally, the division is to notify the board when a contractor business has its registration suspended, revoked or not renewed.

As adopted and reported by the committee, the Senate Committee Substitute for Senate Bill No. 1890 (1R) is identical to Assembly Bill No. 2138 (3R), which was amended and reported by the committee on this same date.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 1890 STATE OF NEW JERSEY 220th LEGISLATURE

DATED: NOVEMBER 16, 2023

SUMMARY

- Synopsis:** Establishes professional board to regulate home improvement and home elevation contractors and requires licensure for each type of contractor.
- Type of Impact:** Annual State expenditure and revenue increases.
- Agencies Affected:** Department of Law and Public Safety.

Office of Legislative Services Estimate

Fiscal Impact	
Annual State Cost Increase	Indeterminate
Annual State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) finds that this bill would result in an indeterminate annual State expenditure increase related to the establishment of the New Jersey State Board of Home Improvement and Home Elevation Contractors, the processing of licenses and regulation of home improvement and home elevation contractors, and the completion of the public information campaign by the Division of Consumer Affairs in the Department of Law and Public Safety. The OLS further notes that the bill will increase annual State revenue collections from application fees, licensure fees, fines, and penalties by indeterminate amounts.
- The bill establishes the New Jersey State Board of Home Improvement and Home Elevation Contractors, which is to consist of nine members under the Division of Consumer Affairs, to provide for the licensure of home improvement and home elevation contractors. The bill directs that the board members may be reimbursed for expenses related to their positions.
- The OLS anticipates that the State may annually collect indeterminate fines and penalty payments from violators of statutory and regulatory requirements applicable to the newly licensed profession. A violator may receive a civil penalty of \$10,000 for an initial violation and \$20,000 for any subsequent violations.

BILL DESCRIPTION

This bill repeals current law on the regulation of home improvement and home elevation contractors and establishes the New Jersey State Board of Home Improvement and Home Elevation Contractors as the regulating and licensing entity for the industry.

The New Jersey State Board of Home Improvement and Home Elevation Contractors established in the bill is to consist of nine people. The board is entitled to retain all funds collected from fees paid for initial licensure and business registration, as well as for the renewal, reactivation, or reinstatement of licenses and registrations. The board may use those funds to reimburse board members for expenses incurred.

The responsibilities of the board are to license, on a biennial basis, home improvement and home elevation contractors and register, also on a biennial basis, home improvement and home elevation businesses; develop education requirements for contractors, including principal contractors, and a voluntary examination preparatory course; establish a code of ethics and standards of conduct for contractors; develop standards for continuing education; and promulgate rules and regulations as guidance for contractors. The bill includes certain exemptions from the licensure requirement.

The bill requires a business to have a bond, letter of credit, or other type of security. If a business has a bond, the bill provides that it must be a compliance bond. The board can collect penalties from a bond, letter of credit, or security if penalties are assessed against a business.

The bill clarifies that a home improvement or home elevation contractor cannot practice in New Jersey without a license. Penalties for the failure to complete a home improvement or home elevation in accordance with a contract are deemed an unlawful practice under the consumer fraud statute. A contractor who commits an unlawful practice may be fined up to \$10,000 for a first offense and up to \$20,000 for a subsequent offense.

Language also in current law on the establishment of a public information campaign is included in this bill and states the need to publicize the provisions of the bill to applicable businesses.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that this bill would result in an indeterminate annual State expenditure increase related to: 1) the establishment of the New Jersey State Board of Home Improvement and Home Elevation Contractors; 2) the processing of licenses and regulation of home improvement and home elevation contractors; and 3) the completion of the public information campaign by the Division of Consumer Affairs in the Department of Law and Public Safety. The OLS further notes that the bill will increase annual State revenue collections from application fees, licensure fees, fines, and penalties by indeterminate amounts.

State Expenditure Increase: Although the bill repeals current regulations of home improvement and home elevation contractors, the bill establishes an entirely new licensure process. The bill may increase annual State expenditures due to the establishment of a new board, and from a public information campaign on the new licensure requirement, in turn increasing the division's responsibilities.

With the establishment of the new board, the bill directs that the board members may be reimbursed for expenses related to their position. Under current law, each member of the State board receives \$25 for each meeting day in attendance and, in addition, is entitled to be reimbursed for necessary traveling expenses, provided compensation in any fiscal year does not exceed \$1,000 per member. The legislation does not indicate whether the board members will receive compensation for meeting and traveling expenses specifically, and, in any event, the OLS cannot determine the increased cost because of the uncertainty regarding the number of professionals who will be regulated and operational decisions the board will make to implement this bill.

State Revenue Increase: The bill will increase annual State revenue collections from licensure fees, fines, and penalties by indeterminate amounts. The OLS cannot quantify the licensure fee payments the board will collect from the licensing requirement, as the bill leaves the setting of the fee levels to the board's discretion and the number of licenses that will be issued is unknown. The Office of the Attorney General estimates there are nearly 45,000 practitioners who will be affected.

The OLS anticipates that the State may annually collect indeterminate fines and penalty payments from violators of statutory and regulatory requirements applicable to the newly licensed profession. A violator may receive a civil penalty of \$10,000 for an initial violation and \$20,000 for any subsequent violations. The OLS, however, has no information on which to base an estimate of the number and magnitude of future penalty assessments and payments and thus cannot project the amount the State will collect.

The OLS also anticipates that as a result of a new dedicated board to provide oversight and licensure of home improvement and elevation contractors, New Jersey consumers may receive a higher confidence level when hiring contractors. In addition, the State will have additional recourse and accountability when a job has not been performed as contracted as the board can collect penalties from a bond, letter of credit, or other security if penalties are assessed against a business.

Home Improvement and Home Elevation Contractors Background: The New Jersey Contractors' Registration Act and home improvement contractor regulations currently require home improvement contractors to register with the Division of Consumer Affairs. To register, a home improvement contractor must provide proof of liability insurance, disclose a legitimate business address, and provide other information about the business. Contractors must display their registration number on all contracts, advertisements, and commercial vehicles as a reference for consumers.

According to the department, in 2013, there were 1,432 complaints filed against home improvement contractors, and in 2012, there were 1,751 complaints filed against home improvement contractors. This was the most up-to-date information available to the OLS.

The OLS notes that the application fee charged by the Office of Consumer Protection within the division to regulate home improvement and home elevation contractors is \$110, and the annual fee thereafter is \$90.

Section: Law and Public Safety

*Analyst: Kristin Brunner Santos
Lead Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 1890
STATE OF NEW JERSEY
220th LEGISLATURE

DATED: DECEMBER 13, 2023

SUMMARY

Synopsis: Updates regulation of home improvement and home elevation contractors and contractors' businesses.

Type of Impact: Annual State expenditure and revenue increases.

Agencies Affected: Department of Law and Public Safety.

Office of Legislative Services Estimate

Fiscal Impact	
Annual State Cost Increase	Indeterminate
Annual State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) finds that this bill would result in an indeterminate annual State expenditure increase related to the establishment of the New Jersey State Board of Home Improvement and Home Elevation Contractors, the processing of licenses and regulation of home improvement and home elevation contractors, and the completion of the public information campaign by the Division of Consumer Affairs in the Department of Law and Public Safety. The OLS further notes that the bill will increase annual State revenue collections from application fees, licensure fees, fines, and penalties by indeterminate amounts.
- The bill establishes the New Jersey State Board of Home Improvement and Home Elevation Contractors, which is to consist of nine members under the Division of Consumer Affairs, to provide for the licensure of home improvement and home elevation contractors. The bill directs that the board members may be reimbursed for expenses related to their positions.
- The OLS anticipates that the State may annually collect indeterminate fines and penalty payments from violators of statutory and regulatory requirements. A violator may receive penalties of up to \$15,000 for an initial violation and up to \$25,000 for any subsequent violations.

BILL DESCRIPTION

This bill establishes a board to govern licensed contractors in the home improvement and home elevation industries. The bill updates current law to oversee the registration of home improvement and home elevation contractors' businesses.

The New Jersey State Board of Home Improvement and Home Elevation Contractors established in the bill is to consist of nine people. The board is entitled to retain all funds collected from fees paid for initial licensure and business registration, as well as for the renewal, reactivation, or reinstatement of licenses and registrations. The board may use those funds to reimburse board members for expenses incurred.

The responsibilities of the board are to license, on a biennial basis, home improvement and home elevation contractors and register, also on a biennial basis, home improvement and home elevation businesses; develop education requirements for contractors, including principal contractors, and a curriculum for voluntary examination preparatory courses; establish a code of ethics and standards of conduct for contractors; develop standards for continuing education; and promulgate rules and regulations as guidance for contractors. The bill requires the board to notify the Division of Consumer Affairs when a license it otherwise issued is suspended, revoked, or rejected for renewal. The bill moves the responsibility to maintain registration of certain parties exempted from licensure from the board to the Division of Consumer Affairs and require licensure of these parties by the board if financial earnings demonstrate the need for licensure.

The bill clarifies that a home improvement or home elevation contractor cannot practice in New Jersey without a license. Penalties for the failure to complete a home improvement or home elevation in accordance with a contract are deemed an unlawful practice under the consumer fraud statute. A contractor who commits an unlawful practice under the consumer fraud act may be liable up to \$15,000 for a first offense and up to \$25,000 for a subsequent offense. Additionally, violators of the insurance and bond requirements will be liable for a minimum of \$10,000 and not more than \$25,000.

Language also in current law on the establishment of a public information campaign is included in this bill and states the need to publicize the provisions of the bill to applicable businesses.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that this bill would result in an indeterminate annual State expenditure increase related to: 1) the establishment of the New Jersey State Board of Home Improvement and Home Elevation Contractors; 2) the processing of licenses and regulation of home improvement and home elevation contractors; 3) and the completion of the public information campaign by the Division of Consumer Affairs in the Department of Law and Public Safety. The OLS further notes that the bill will increase annual State revenue collections from application fees, licensure fees, fines, and penalties by indeterminate amounts.

State Expenditure Increase: This bill updates the regulation of home improvement and home elevation contractors. The bill would increase annual State expenditures due to the establishment

of a new board and from a public information campaign on the new licensure and education requirement, in turn increasing the division's responsibilities.

With the establishment of the new board, the bill directs that the nine board members may be reimbursed for expenses related to their positions. While the bill does not specifically indicate whether the board members will receive compensation for meeting and traveling expenses, which would be a maximum total of \$9,000 annually for all the members under current law, it does note the board is entitled to retain all the fees it collects and that board members may be reimbursed for expenses within the limits of appropriated funds or funds made available to the board. The board is also to be provided with office and meeting facilities and have personnel made available to it to carry out its business.

In any event, the OLS cannot determine the increased costs to the division because of the uncertainty regarding the number of professionals who will be regulated and operational decisions the board will make to implement this bill.

State Revenue Increase: The bill will increase annual State revenue collections from licensure fees, fines, and penalties by indeterminate amounts. The OLS cannot quantify the licensure fee payments the board will collect from the licensing requirement, as the bill leaves the setting of the fee levels to the board's discretion, and the number of licenses that will be issued is unknown. The Office of the Attorney General estimates there are nearly 45,000 practitioners who will be affected.

The OLS anticipates that the State may annually collect indeterminate fines and penalty payments from violators of statutory and regulatory requirements. As earlier noted, the legislation allows for the collection of penalties under the consumer fraud statute. Additionally, a violator may receive a fine or civil penalty of up to \$15,000 for an initial violation and up to \$25,000 for any subsequent violations. The OLS, however, has no information on which to base an estimate of the number and magnitude of future penalty assessments and payments and thus cannot project the amount the State will collect.

The OLS also anticipates that as a result of a new board dedicated to providing oversight and licensure of home improvement and elevation contractors, New Jersey consumers may experience a higher confidence when hiring contractors. In addition, the State will have additional recourse and accountability when a job has not been performed as contracted as the board can collect penalties from a bond, letter of credit, or other security if penalties are assessed against a business, which may promote growth in this industry, resulting in increased licensure fee payments to the board.

Home Improvement and Home Elevation Contractors Background: Since 2006, the New Jersey Contractors' Registration Act and home improvement contractor regulations require home improvement contractors to register with the Division of Consumer Affairs, with the home elevation contractor registration added in 2014. To register, a home improvement contractor must provide proof of liability insurance, disclose a legitimate business address, and provide other information about the business. Contractors must display their registration number on all contracts, advertisements, and commercial vehicles as a reference for consumers. According to the Division of Consumer Affairs, in 2022 there were 2,310 consumer complaints against contractors and home improvement contractors. The OLS notes that the application fee charged by the Office of Consumer Protection to regulate home improvement and home elevation contractors is \$110, and the annual fee thereafter is \$90.

Section: Law and Public Safety

*Analyst: Kristin Brunner Santos
Lead Fiscal Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

Governor Murphy Takes Action on Legislation

01/8/2024

TRENTON – Today, Governor Murphy signed the following bills into law:

- S-530/A-5164 (Ruiz, Turner/Coughlin, Quijano, McKnight, Reynolds-Jackson)** - Requires certain school meal information be provided to public school students' parents and requires school districts to request that families apply for school meals under certain circumstances
- S-553/A-4238 (Zwicker/Conaway, Atkins)** - Adds technology transfer duties to New Jersey Commission on Science, Innovation and Technology
- S-652/A-117 (Oroho, Pou/Space, Calabrese, Wirths)** - Permits governing body of municipalities having population of 30,000 or less to serve as local board of health; validates cc actions
- S-762/A-3786 (Pou, Cruz-Perez/Sumter, Reynolds-Jackson)** - Concerns certification of tax collectors
- S-765/A-3246 (Pou, Pennacchio/Lampitt, Schaer, Murphy)** - Prohibits carrier from precluding dentist from billing covered person under certain circumstances
- S-1211/A-1222 (Singleton, Gopal/Pintor Marin, Mukherji, Park)** - Provides for civil actions against persons or entities profiting from commission of human trafficking offenses, or maintaining victims of such offenses
- S-1228/A-4092 (Greenstein/Diegnan, Benson, Jaffer, Verrelli)** - Allows certain airports to carry over certain grant money into future years
- S-1892/A-4501 (Johnson, Schepisi/Park, Wimberly, Matsikoudis)** - Authorizes certain boards of education to issue bonds to repair damages caused by natural disasters in certain circumstances
- S-2057/A-1174 (Turner, Greenstein/Jasey, Benson, Quijano)** - Requires certain documentation of needs of students with disabilities during school security drills and emergency situations and in school security plans; requires staff training on needs of students with disabilities in emergency planning
- S-2716/A-4153 (Vitale, Turner/Carter, McKnight, Atkins)** - Requires NJ FamilyCare to reimburse claims for covered services submitted by clinical social workers, professional counselors, and marriage and family therapists under certain circumstances
- S-2789/A-3793 (Cruz-Perez, Johnson/Benson, Wimberly, Lopez)** - Requires certain permit holders to complete practice driving hours to obtain probationary driver's license
- S-3013/A-5062 (Scutari, Pou/Carter, Atkins, Stanfield)** - Revises definition of women's business enterprise and minority business enterprise
- S-3079/A-4977 (Diegnan, Lagana/Lampitt, Benson, Wimberly)** - Establishes School Safety and Security Task Force.
- S-3409/A-4785 (Pou, Oroho/McKeon, Flynn, Wimberly)** - Updates certain insurance company investment provisions in accordance with Investments of Insurers Model Act
- S-3490/A-5124 (Smith/Stanley, Calabrese)** - Amends certain requirements for installation of electric vehicle supply equipment and Make-Ready parking spaces
- S-3604/A-5212 (Madden, Cruz-Perez/Murphy, Stanley)** - Authorizes use of healthcare platforms providing discounted prices for payment of prescription and non-prescription drug devices and for telehealth and telemedicine services
- S-3723/A-5365 (Smith/McKeon, Danielsen, Haider)** – “Electric and Hybrid Vehicle Battery Management Act”
- S-3916/A-5486 (Cruz-Perez, Turner/Sauickie, Freiman, Rooney)** - Expands eligibility for wildlife fencing programs to farmers leasing farmland; clarifies eligibility and provides for uniform funding levels for grant recipients
- S-3969/A-5658 (Gopal/Freiman, Murphy)** - Allows for credit against contract cost for primary care services managed by health care provider for public employees and their dependents; allows referrals to other providers that have contractual relationship with such health care provider
- S-4081/A-5891 (Beach, Diegnan/Atkins, Carter)** - Allows board of county commissioners to hold annual meeting at certain additional locations other than Superior Court
- A-111/S-3201 (Space, Wirths, McCarthy Patrick/Oroho, Durr)** - Provides that farm, farmstand, or other agricultural operation selling firewood obtained from property other than seller's shall not be considered lumber yard; prohibits sale of untreated firewood from outside of State
- A-649/S-587 (McClellan, McKnight/Testa)** - Expands purposes for which civil asset forfeiture funds may be used by law enforcement agency
- A-831/S-461 (Jimenez, Rooney, Timberlake/Sacco, Greenstein)** - Provides for reciprocity of certain out-of-State EMT certification; establishes criminal history record background check process
- A-1475/S-1809 (Lopez, Speight, Haider/Ruiz, Cunningham)** - Requires court to consider information concerning coercive control in domestic violence proceedings
- A-1507/S-1503 (McKnight, Carter, Speight/Gopal, Oroho)** - Permits chair or booth rentals for the purpose of providing cosmetology and hairstyling services or ancillary services
- A-1570/S-2216 (Moen/Madden, Singleton)** - Authorizes issuance of special license plates for alumni of four-year public institutions of higher education
- A-1581/S-3880 (Moen, Benson, Conaway/Cruz-Perez, Turner)** - Requires MVC to provide customer service telephone number at motor vehicle inspection facilities
- A-1704/S-1000 (Speight, Pintor Marin, McKnight/Ruiz, Gopal)** - Requires domestic violence orders to be issued in other languages in addition to English under certain circumstances
- ACS for A-1707/S-3700 (Speight, McKnight, Karabinchak/Burgess, Ruiz)** - Establishes presumption that VCCO will order payment to victim of crime
- A-2040/S-540 (Benson, McKnight/Ruiz, Pou)** - Requires Commissioner of Human Services to request authorization for SNAP benefits to be used to pay delivery charges for online grocery purchases
- A-2138/SCS for S-1890 (Moriarty, Mukherji, McKnight/Johnson, Singer)** - Updates regulation of home improvement and home elevation contractors and contractors' businesses
- A-2351/S-2991 (Mukherji, Flynn, Murphy/Singleton)** - Permits court to effectuate equitable distribution when complaint for divorce or dissolution of civil union has been filed and party has died prior to final judgment; provides that surviving party would not receive intestate or elective share

A-3093/S-1516 (Stanley, Jaffer, Murphy/Greenstein, Gopal) - Authorizes court to include in domestic violence restraining orders a provision making the order applicable to a pre victim's child upon birth of the child

A-3737/S-3393 (Speight, Swain, McKnight/Ruiz, O'Scanlon) - Establishes menstrual health public awareness campaign

A-4125/S-2712 (Haider, Swain, Stanley/Singleton, Greenstein) - Prohibits sale, manufacture, distribution, and use of firefighting foam containing intentionally added perfluoroalk and polyfluoroalkyl substances; requires DEP to establish collection and disposal program; appropriates \$250,000

A-4614/S-3547 (Greenwald, Jasey, Carter, Lampitt/Pou, Vitale) - Modifies Nursing Faculty Loan Redemption Program

A-4729/S-3279 (Sauickie, Freiman, Clifton/Stanfield, Cruz-Perez) - Revises method for appraisals of farmland to be acquired for farmland preservation purposes

A-4757/S-3263 (Jimenez, Tucker, Atkins/Burgess, Turner) - Requires DCA to conduct surveys and report data related to homelessness in administering the Rental Assistance Navigation Program

A-4913/S-3133 (Conaway, Stanley, Wimberly/Johnson, Scutari) - Requires carriers to offer health care providers more than one method of payment for reimbursement

A-5036/S-3551 (Tully, Swain, Karabinchak, Lagana/A.M. Bucco) - Requires "Electronic Permit Processing Review System" in DCA to enable applicant to submit electronic sign and certain other submission materials for permit application review

A-5208/S-4082 (Coughlin, Munoz, Wimberly/Scutari, A.M. Bucco) - Extends provisions of P.L.2021, c.498 in certain circumstances

A-5281/S-2341 (Chaparro, Jimenez, Stanley/Johnson) - Eliminates position of constable; removes statutory references to constable; repeals various parts of statutory law; implements recommendation of SCI report concerning elimination of constables

A-5417/S-3890 (Lampitt, Jasey, Swain/Ruiz, Burgess) - Prohibits limiting number of county college credits that may be applied towards educator preparation program and teach certification requirements

A-5501/SCS for S-3895 (Jasey/Zwicker, Sarlo, Ruiz) - Adjusts bid threshold amounts for certain public research universities; permits certain contracts for school districts, municipalities, and counties to be awarded by qualified purchasing agent

A-5648/S-3933 (Barranco, Rooney/A.M. Bucco) - Authorizes State Treasurer to sell as surplus property certain land and improvements in Township of Morris in Morris County

A-5813/S-3392 (Wimberly, Sumter/Pou) - Exempts electricity sold to certain recovered materials manufacturing facilities from renewable energy portfolio standards

AJR-230/SJR-129 (Karabinchak, Schaer, Freiman/Diegnan, Beach, A.M. Bucco) - Recognizes 75th anniversary of establishment of State of Israel

Governor Murphy conditionally vetoed the following bills:

S-539/A-2140 (Ruiz, Pou/Reynolds-Jackson, Wimberly, Mosquera) - CONDITIONAL - Permits online purchase of eligible foods using WIC funds and use of WIC funds for groc delivery charges

[Copy of Statement](#)

S-1680/A-2257 (Pou, Ruiz/Murphy, Quijano, Wimberly) - CONDITIONAL - Designates each community college in State as provider of allowable services under SNAP employm and training program

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S-2535/A-4048 (Polistina, Pou/Benson, McKnight, Reynolds-Jackson, Carter) - CONDITIONAL - Requires health benefits coverage of hearing aids and cochlear implants for insureds aged 21 or younger

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SCS for S-3632 and 3649/ACS for A-1948 (Johnson, Cryan/Haider, Conaway, Quijano) - CONDITIONAL - Requires labeling of non-flushable disposable wipes

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A-2146/S-855 (Reynolds-Jackson, Wimberly, Sumter/Singleton, Beach) - CONDITIONAL - Creates State business assistance program to establish contracting agency procure goals for socially and economically disadvantaged business enterprises

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A-3092/S-2415 (Stanley, Jaffer, Mukherji/Gopal, Ruiz) - CONDITIONAL - Requires State agencies update demographic data collection methods on Asian, Native Hawaiian, Pa Islander, Middle Eastern, North African, and South Asian and Indian Diaspora residents of this State

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A-4033/S-2657 (Coughlin, Wimberly/Sarlo, Ruiz) - CONDITIONAL - Extends deadline for completion of school district's annual audit

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ACS for A-4821 and 4823/S-3283 (Karabinchak, Conaway, Schaer/Greenstein, Zwicker) - CONDITIONAL - Directs DEP to take certain actions concerning identification and testing of microplastics in drinking water, and requires DEP and BPU to study and promote use of microplastics removal technologies

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A-5416/S-3883 (Wimberly, Giblin, Haider/Greenstein, Turner) - CONDITIONAL - Requires State Board of Education to authorize alternate route to expedite teacher certifiator persons employed as paraprofessionals in school districts

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A-5610/S-3954 (Greenwald, Spearman, Chaparro/Beach, A.M. Bucco) - CONDITIONAL - Revises penalties for possession or consumption of alcoholic beverages by underag persons

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Governor Murphy absolute vetoed the following bills:

ACS for A-3677 and 2807/SS for S-2186 (Stanley, Verrelli, Jaffer, Calabrese/Greenstein, Smith) - ABSOLUTE - Prohibits sale, distribution, import, export or propagation of ce invasive species without permit from Department of Agriculture; establishes NJ Invasive Species Council

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A-5283/S-3939 (Tully, Greenwald, Mosquera/Lagana, Gopal) – ABSOLUTE - Requires calculation of national average time needed to approve applications for initial credential i profession or occupation and use of average time as standard in New Jersey

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