

SENATE, No. 764

STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

Sponsored by:

Senator GORDON M. JOHNSON

District 37 (Bergen)

Senator ROBERT W. SINGER

District 30 (Monmouth and Ocean)

SYNOPSIS

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

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning the regulation of home improvement and home
2 elevation contractors, revising various parts of the statutory law,
3 and supplementing Title 45 of the Revised Statutes.
4

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

7
8 1. (New section) Sections 1 through 24 of P.L. , c.
9 (C.) (pending before the Legislature as this bill) shall be
10 known and may be cited as the "Home Improvement and Home
11 Elevation Contractor Licensing Act."
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 providing home improvement
18 or home elevation services, or both types of services, for a
19 corporation, partnership, association, sole proprietorship, and any
20 other form of business organization or entity that enters into
21 contracts for home improvement, home elevation, or both types of
22 services with consumers. This shall not include: (1) an individual
23 who owns or manages a home improvement or home elevation
24 business but does not perform home improvement or home elevation
25 services; or (2) employees of or individuals contracted by a sole
26 proprietorship, corporation, partnership, association, or other form of a
27 business entity hired or contracted to sell home improvement or home
28 elevation services, or both types of services. An individual who
29 makes a home improvement or home elevation without
30 compensation shall not be deemed to be a contractor with respect to
31 that service.

32 "Director" means the Director of the Division of Consumer
33 Affairs in the Department of Law and Public Safety.

34 "Division" means the Division of Consumer Affairs in the
35 Department of Law and Public Safety.

36 "Home elevation" means any home improvement that involves
37 raising an entire residential structure to a higher level above the
38 ground.

39 "Home elevation contractor" means a contractor who engages in
40 the practice of home elevation and is authorized to perform home
41 improvement services.

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
46 include insulation, installation and the conversion of existing

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 commercial structures into residential property. Home improvement
2 shall not include the construction of a new residential property.

3 “Home improvement contractor” means a contractor who
4 engages solely in the practice of home improvement.

5 “Limited specialty services license” means a license issued by the
6 board that authorizes an individual only to perform services in a
7 specialty of home improvement, the scope of which shall be
8 determined by the board.

9 “Limited specialty services licensee” means an individual licensed
10 by the board to provide limited specialty home improvement services.

11 “Principal home improvement contractor” or “principal home
12 elevation contractor” means a licensed home improvement or home
13 elevation contractor who oversees the performance of services for
14 contracts (1) valued at a minimum of \$120,000 and (2) that require
15 the submittal of plans with more than one subcode. A principal
16 home improvement or principal home elevation contractor may also
17 provide services as a home improvement contractor or home
18 elevation contractor if a contract is valued at less than \$120,000 or
19 does not require submittal of plans with more than one subcode.

20 “Residential property” means any single or multi-unit structure
21 used in whole or in part as a place of residence, and all structures
22 appurtenant thereto, and any portion of the lot or site on which the
23 structure is situated which is devoted to the residential use of the
24 structure.

25

26 3. (New section) There is created within the Division of
27 Consumer Affairs in the Department of Law and Public Safety, the
28 New Jersey State Board of Home Improvement and Home Elevation
29 Contractors. The board shall consist of nine members who shall be
30 residents of the State. Except for the members first appointed: five
31 members shall be licensed home improvement contractors, of whom
32 two shall represent trade associations focused on the home
33 improvement industry, one member shall be a licensed construction
34 code official, two members shall be members of the public, and one
35 member shall be appointed pursuant to subsection c. of section 2 of
36 P.L.1971, c.60 (C.45:1-2.2). Of the two members of the public, one
37 shall be appointed by the Governor upon recommendation of the
38 Senate President and the other shall be appointed by the Governor
39 upon recommendation of the Assembly Speaker. Of the members
40 first appointed, the five members who are registered home
41 improvement contractors shall have been so registered for at least
42 ten years immediately preceding appointment to the board. The
43 members first appointed shall be appointed no later than the first day
44 of the sixth month following enactment of P.L. , c. (C.)
45 (pending before the Legislature as this bill).

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

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

9
10 4. (New section) a. The board shall be entitled to retain all
11 funds collected as a result of fees paid for initial licensure and for
12 licensure renewal, reactivation, and reinstatement to administer and
13 enforce the provisions of P.L. , c. (C.) (pending before the
14 Legislature as this bill).

15 b. Members of the board may be reimbursed for expenses
16 within the limits of funds appropriated or otherwise made available
17 for this purpose and provided with office and meeting facilities and
18 personnel required for the proper conduct of the business of the
19 board.

20
21 5. (New section) a. The board shall organize within 60 days after
22 the appointment of its members and shall annually elect from its
23 members a chairperson and a vice-chairperson, and may appoint a
24 secretary, who need not be a member of the board. The board shall
25 meet at least once a month and may hold additional meetings as
26 necessary to discharge its duties. A majority of board membership
27 shall constitute a quorum.

28 b. The board shall promulgate rules and regulations pursuant to the
29 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et seq.)
30 to effectuate the purposes of P.L. , c. (C.) (pending before the
31 Legislature as this bill). The provisions of sections 9 through 13 of
32 P.L. , c. (C.) (pending before the Legislature as this bill) shall
33 remain inoperative until the first day of the sixth month next following
34 the promulgation by the board of the rules and regulations.

35
36 6. (New section) The board shall have the following powers
37 and duties:

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

40 b. develop education requirements and develop or designate an
41 examination or examinations to evaluate the knowledge, ability, and
42 fitness of applicants for licensure to perform as home improvement
43 or home elevation contractors, which shall include examination of
44 State law on home improvement for individuals seeking licensure as
45 home improvement contractors, or on home improvement and home
46 elevation for individuals seeking licensure as home elevation
47 contractors. The requirements shall include:

- 1 (1) establishing education requirements for home improvement
2 contractors, including principal home improvement contractors, and
3 home elevation contractors, including principal home elevation
4 contractors; and
- 5 (2) developing the curriculum for or identifying courses in which
6 an applicant may enroll in to prepare for licensing examinations
7 developed or designated pursuant to paragraph (1) of this
8 subsection;
- 9 c. review the qualifications of applicants for licensure;
- 10 d. issue and renew, on a biennial basis, licenses for home
11 improvement and home elevation contractors;
- 12 e. refuse to admit an applicant for an examination or suspend,
13 revoke, or refuse to renew a license pursuant to the provisions of
14 P.L.1978, c.73 (C.45:1-14 et seq.) and, in the case of a suspension,
15 revocation, or refusal to renew, notify the contractor business
16 registered pursuant to P.L.2004, c.16 (C.56:8-136 et seq.) that
17 employs the licensed individual of the decision and notify the
18 division that the individual is not authorized to perform home
19 improvements, home elevations, or services pursuant to a limited
20 specialty services license on behalf of the registered contractor
21 business that employs the individual until such time as the license is
22 restored;
- 23 f. adopt a code of ethics and standards of conduct for licensed
24 home improvement and home elevation contractors;
- 25 g. establish and change, if necessary, applicable fees including
26 for initial licensure and licensure renewal, reactivation and
27 reinstatement;
- 28 h. establish standards for continuing education requirements;
- 29 i. promulgate rules and regulations pursuant to the
30 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
31 seq.);
- 32 j. issue, from time to time and as determined by the board,
33 limited specialty services licenses in home improvement contracting
34 specialties, including, but not limited to, drywall installation; painting
35 and plastering; roofing; and carpeting and flooring;
- 36 (1) The board shall establish requirements for licensure in a
37 limited specialty service, which may include the passage of an
38 examination specific to the specialty.
- 39 (2) An individual may hold more than one limited specialty
40 services license.
- 41 (3) An individual who is not licensed as a home improvement or
42 home elevation contractor but has a limited specialty services license
43 issued by the board may provide any services within the scope of
44 practice, to be determined by the board, of the specialty services
45 license; and
- 46 k. establish standards for:

- 1 (1) the scope of practice for principal home improvement and
2 principal home elevation contractors; home improvement and home
3 elevation contractors; and limited specialty services licensees; and
4 (2) the supervision of employees of home improvement, home
5 elevation, and specialty service businesses.
6
- 7 7. (New section) To be eligible for licensure as a home
8 improvement contractor or as a home elevation contractor, an
9 applicant shall fulfill the following requirements:
- 10 a. be at least 18 years of age;
11 b. demonstrate completion of:
- 12 (1) through submission of an attestation as prescribed by the
13 board, an apprenticeship program registered with or approved by
14 the United States Department of Labor, or similar program as
15 provided by a trade school or other facility accredited by a regional
16 or national accrediting agency recognized by the United States
17 Department of Education, that allows for the applicant to prepare
18 for a career in home improvement or home elevation services; or
19 (2) at least two years of experience performing home
20 improvement services subject to the direct oversight of a home
21 improvement contractor or a home elevation contractor or
22 performing home improvement and home elevation services subject
23 to the direct oversight of a home elevation contractor. “Direct
24 oversight” shall not require the supervising individual to remain on-
25 site. An application for licensure shall require the signature of the
26 applicant, the name and address of the home improvement or home
27 elevation business for whom the applicant worked, and an
28 attestation, in a form as determined by the board, that the applicant,
29 when providing contracting services, adhered to industry best
30 practices and followed standard procedures in a safe and healthy
31 manner. The two years of experience required in this section may be
32 obtained by an applicant who can demonstrate to the board, in a
33 manner and form as determined by the board, the performance of
34 services in home improvement or home elevation:
- 35 (a) under a home improvement or home elevation contractor in
36 another state or jurisdiction of the United States with, as determined by
37 the board, substantially equivalent requirements to the requirements in
38 this State; or
39 (b) through work obtained by the applicant as a home
40 improvement or home elevation contractor in another state or
41 jurisdiction of the United States with, as determined by the board,
42 substantially equivalent requirements to the requirements in this State;
43 c. completion of educational requirements established pursuant
44 to paragraph (1) of subsection b. of section 6 of P.L. , c.
45 (C.) (pending before the Legislature as this bill) and passage of
46 an examination pursuant to paragraph (2) of subsection b. of section
47 6 of P.L. , c. (C.) (pending before the Legislature as this
48 bill);

1 d. submission of a disclosure statement, as prescribed by the
2 board, stating whether the applicant has been convicted of any
3 crime, which for the purposes of P.L. , c. (C.) (pending
4 before the Legislature as this bill) shall mean a violation of section
5 8 of P.L. , c. (C.) (pending before the Legislature as this
6 bill); and

7 e. payment of all applicable fees.

8
9 8. (New section) a. In addition to any other procedure,
10 condition or information required by P.L. , c. (C.) (pending
11 before the Legislature as this bill), every applicant for licensure
12 shall file a disclosure statement with the board, pursuant to
13 subsection d. of section 7 of P.L. , c. (C.) (pending before
14 the Legislature as this bill), stating whether the applicant has been
15 convicted of any crime, which for the purposes of P.L. , c.
16 (C.) (pending before the Legislature as this bill) shall mean a
17 violation of certain provisions of the "New Jersey Code of Criminal
18 Justice," Title 2C of the New Jersey Statutes, or the equivalent
19 under the laws of any other jurisdiction; provided, however, that an
20 applicant shall not be disqualified from licensure or have a license
21 suspended or revoked on the basis of any conviction disclosed,
22 except as provided in subsection b. of this section or in sections 1 or
23 2 of P.L.2021, c.81 (C.45:1-21 and 45:1-21.5).

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

29 (1) Has obtained a license through fraud, deception or
30 misrepresentation;

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

33 (3) Has engaged in gross negligence, gross malpractice or gross
34 incompetence;

35 (4) Has engaged in repeated acts of negligence, malpractice or
36 incompetence;

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

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

48 (7) Has had the authority to engage in the activity regulated by
49 the board revoked or suspended by any other state, agency or

1 authority for reasons consistent with this section;

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

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

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

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

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

26

27 9. (New section) Except for individuals exempted pursuant to
28 section 11 of P.L. , c. (C.) (pending before the Legislature
29 as this bill), no individual shall perform home improvement
30 services or home elevation services unless licensed by the board.

31

32 10. (New section) a. Except for individuals exempted
33 pursuant to section 11 of P.L. , c. (C.) (pending before the
34 Legislature as this bill), any individual who or business that
35 advertises in print or electronic media or who puts out any sign or
36 card or other device which would indicate to the public that the
37 individual is a contractor in New Jersey or who causes the
38 individual's name or business name to be included in a classified
39 advertisement or directory in New Jersey under a classification for
40 home improvement or home elevation, as defined in section 2 of
41 P.L. , c. (C.) (pending before the Legislature as this bill), is
42 subject to the provisions of P.L. , c. (C.) (pending before
43 the Legislature as this bill). This section shall not be construed to
44 apply to simple residential alphabetical listings in standard
45 telephone directories, including directories or similar lists posted
46 online.

47 b. No individual holding a limited specialty services license
48 shall advertise in print or electronic media or put out any sign or
49 card or other device which would indicate to the public that the

1 individual is licensed as a home improvement or home elevation
2 contractor or is authorized to perform services outside of the scope
3 of the limited specialty services license.
4

5 11. (New section) The provisions of sections 7, 8, 9, 12, 13, 17,
6 and 20 through 23 of P.L. , c. (C.) (pending before the
7 Legislature as this bill) shall not apply to:

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

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

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

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

24 e. Any individual licensed under the provisions of section 16 of
25 P.L.1960, c.41 (C.17:16C-77) but only in conjunction with selling a
26 home repair contract as defined in section 1 of P.L.1960, c.41
27 (C.17:16C-62) and as also applicable to P.L.1968, c.224 (C.17:16C-
28 95 et seq.);

29 f. Any home improvement or home elevation retailer with
30 sales of more than \$50,000,000, or employee of that retailer while
31 acting on behalf of that retailer; and

32 g. Any individual who is seeking a license in home
33 improvement pursuant to paragraph (2) of subsection b. in section 7
34 of P.L. , c. (C.) (pending before the Legislature as this
35 bill).
36

37 12. (New section) a. The provisions of subsections a., b., and c.
38 of section 7 of P.L. , c. (C.) (pending before the
39 Legislature as this bill) shall not apply to an individual who, as of
40 the effective date of P.L. , c. (C.) (pending before the
41 Legislature as this bill), has been registered as a home improvement
42 or home elevation contractor in New Jersey for at least five years.
43 The board shall issue a license to an individual who meets the
44 requirements of this subsection which shall take effect at the time of
45 expiration of the contractor registration previously issued upon
46 submission by an individual of an application in such form as may
47 be prescribed by the board and payment of a fee established by the
48 board.

1 b. An individual who qualifies for licensure as a home
2 improvement or home elevation contractor under subsection a. of
3 this section and who can demonstrate experience overseeing the
4 performance of services for contracts (1) valued at a minimum of
5 \$120,000 and (2) that require the submittal of plans with more than
6 one subcode shall qualify as a principal home improvement or home
7 elevation contractor.

8 c. The provisions of subsections a., b., and c. of section 7 and
9 the provisions of sections 20 through 23 of P.L. , c. (C.)
10 (pending before the Legislature as this bill) shall not apply to an
11 individual who provides services included in the definition of
12 “home improvement” but earns a maximum of \$1,500 per contract
13 and \$25,000 on an annual basis.

14 d. An individual covered under subsection c. of this section
15 shall continue to be subject to the requirement to maintain annual
16 registration pursuant to P.L.2004, c.16 (C.56:8-136 et seq.).

17 e. An individual registered pursuant to subsection d. of this
18 section shall be liable for penalties pursuant to subsection b. of
19 section 8 of P.L. , c. (C.) (pending before the Legislature
20 as this bill) for making false statements, including falsification of
21 records demonstrating earnings in connection with the process to
22 register.

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

30
31 13. (New section) The provisions of P.L. , c. (C.)
32 (pending before the Legislature as this bill) shall apply to any
33 individual who engages or seeks to engage in any of the activities in
34 this State which are regulated by the board pursuant to P.L. , c.
35 (C.) (pending before the Legislature as this bill), including
36 individuals whose residence or principal place of business is located
37 outside of this State.

38
39 14. (New section) a. P.L. , c. (C.) (pending before the
40 Legislature as this bill) shall supersede any municipal ordinance or
41 regulation that provides for the licensing of home improvement or
42 home elevation contractors or for the protection of homeowners by
43 bonds or warranties required to be provided by contractor
44 registration businesses pursuant to section 7 of P.L.2004, c.16
45 (C.56:8-142), exclusive of those required by water, sewer, utility, or
46 land use ordinances or regulations.

47 b. A municipality shall not issue a construction permit for any
48 home improvement or home elevation if any part of the home

1 improvement or home elevation is to be performed by any
2 contractor who is neither licensed pursuant to, nor exempt from the
3 requirements of, the provisions of P.L. , c. (C.) (pending
4 before the Legislature as this bill).

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

7 (1) a contractor who is performing the home improvement or
8 home elevation and who is licensed pursuant to
9 P.L. , c. (C.) (pending before the Legislature as this bill) or
10 who will obtain a license upon expiration of a registration pursuant
11 to section 12 of P.L. , c. (C.) (pending before the
12 Legislature as this bill);

13 (2) an individual who is performing the home improvement or
14 home elevation and is not required to be licensed pursuant to section
15 11 of P.L. , c. (C.) (pending before the Legislature as this
16 bill); or

17 (3) a single-family homeowner who performs plumbing, electrical,
18 or heating, ventilation, and air conditioning work in the homeowner's
19 own dwelling.

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

23

24 15. (New section) a. P.L. , c. (C.) (pending before the
25 Legislature as this bill) shall not deny to any municipality the
26 power, pursuant to the "State Uniform Construction Code Act,"
27 P.L.1975, c.217 (C.52:27D-119 et seq.), to inspect a contractor's
28 work or equipment, the work of a contractor who performs
29 improvements to commercial property, or the power to regulate the
30 standards and manners in which the work of the contractor shall be
31 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 of
36 P.L. , c. (C.) (pending before the Legislature as this bill),
37 committed by a contractor in connection with a home improvement
38 or home elevation located within the municipality. Fines and
39 penalties recovered from a contractor in a proceeding may be
40 retained by the municipality.

41

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

47 b. The board shall provide a toll-free telephone number for
48 consumers making inquiries regarding any individual engaging in or

1 offering to engage in home improvement, home elevation, or
2 limited specialty services or shall promote, as part of the public
3 information campaign, any toll-free telephone number already
4 established for inquiries.

5

6 17. (New section) a. Any individual seeking to convert a
7 home improvement contractor license into a home elevation license
8 may do so by submitting documentation, as prescribed by the board,
9 demonstrating:

10 (1) at least two years of experience working on home elevations
11 under a home elevation contractor who is licensed pursuant to
12 section 7 of P.L. , c. (C.) (pending before the Legislature
13 as this bill) or qualifies for licensure pursuant to section 12 of
14 P.L. , c. (C.) (pending before the Legislature as this bill);

15 (2) that the individual has not had a home improvement
16 contractor license or registration or a home elevation contractor
17 license or registration revoked or suspended; and

18 (3) that the contractor business registered pursuant to P.L.2004,
19 c.16 (C.56:8-136 et seq.) that employs the contractor maintains cargo
20 or other insurance covering home elevation services as required
21 pursuant to section 7 of P.L.2004, c.16 (C.56:8-142).

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

24 c. The board shall establish the standards and requirements
25 necessary for a limited specialty services licensee to obtain a home
26 improvement or home elevation license.

27

28 18. Section 1 of P.L.1971, c.60 (C.45:1-2.1) is amended to read
29 as follows:

30 1. The provisions of this act shall apply to the following boards
31 and commissions: the New Jersey State Board of Accountancy, the
32 New Jersey State Board of Architects, the New Jersey State Board
33 of Cosmetology and Hairstyling, the Board of Examiners of
34 Electrical Contractors, the New Jersey State Board of Dentistry, the
35 State Board of Mortuary Science of New Jersey, the State Board of
36 Professional Engineers and Land Surveyors, the State Board of
37 Marriage and Family Therapy Examiners, the State Board of
38 Medical Examiners, the New Jersey Board of Nursing, the New
39 Jersey State Board of Optometrists, the State Board of Examiners of
40 Ophthalmic Dispensers and Ophthalmic Technicians, the Board of
41 Pharmacy, the State Board of Professional Planners, the State Board
42 of Psychological Examiners, the State Board of Examiners of
43 Master Plumbers, the New Jersey Real Estate Commission, the
44 State Board of Court Reporting, the State Board of Veterinary
45 Medical Examiners, the Radiologic Technology Board of
46 Examiners, the Acupuncture Examining Board, the State Board of
47 Chiropractic Examiners, the State Board of Respiratory Care, the
48 State Real Estate Appraiser Board, the State Board of Social Work

1 Examiners, the State Board of Examiners of Heating, Ventilating,
2 Air Conditioning and Refrigeration Contractors, the Elevator,
3 Escalator, and Moving Walkway Mechanics Licensing Board, the
4 State Board of Physical Therapy Examiners, the Orthotics and
5 Prosthetics Board of Examiners, the New Jersey Cemetery Board,
6 the State Board of Polysomnography, the New Jersey Board of
7 Massage and Bodywork Therapy, the Genetic Counseling Advisory
8 Committee, the State Board of Dietetics and Nutrition, the New
9 Jersey State Board of Home Improvement and Home Elevation
10 Contractors, and any other entity hereafter created under Title 45 to
11 license or otherwise regulate a profession or occupation.
12 (cf: P.L.2019, c.331, s.16)

13

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

16 2. a. All members of the several professional boards and
17 commissions shall be appointed by the Governor in the manner
18 prescribed by law; except in appointing members other than those
19 appointed pursuant to subsection b. or subsection c., the Governor
20 shall give due consideration to, but shall not be bound by,
21 recommendations submitted by the appropriate professional
22 organizations of this State.

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

1 until the appointment of his successor. Vacancies shall be filled for
2 the unexpired term only. The Governor may remove any such
3 public member after hearing, for misconduct, incompetency, neglect
4 of duty or for any other sufficient cause.

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

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

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

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

38 d. A majority of the voting members of such boards or
39 commissions shall constitute a quorum thereof and no action of any
40 such board or commission shall be taken except upon the
41 affirmative vote of a majority of the members of the entire board or
42 commission.

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

44

45 20. (New section) a. Each licensee shall complete not less than
46 six hours of continuing education requirements as a condition of
47 licensure renewal pursuant to P.L. , c. (C.) (pending before
48 the Legislature as this bill).

1 b. The board shall:

2 (1) approve continuing education courses, course providers, and
3 instructors. Entities approved by the board as home improvement or
4 home elevation contractor instructors, pursuant to section 20 of
5 P.L. , c. (C.) (pending before the Legislature as this bill),
6 shall be deemed approved providers of continuing education
7 courses. Building, construction, contracting and related
8 professional trade associations that qualify under the standards to be
9 established by the board as approved providers may offer approved
10 continuing education courses;

11 (2) confer continuing education credits for courses completed in
12 other states or jurisdictions of the United States on topics approved
13 by the board as appropriate for elective courses, provided that the
14 courses have been approved as continuing education courses by the
15 agency exercising regulatory authority over home improvement or
16 home elevation contractors in the other state or jurisdiction of the
17 United States and that satisfactory evidence of the licensees'
18 attendance at and completion of the courses is provided to the board
19 by the course provider;

20 (3) confer continuing education credits for courses offered in
21 this State on topics deemed of a timely nature but which have not
22 been granted prior approval by the board, provided that the courses
23 are advertised prior to the time of offering as not having been
24 approved, the course provider eventually submits and receives
25 approval of the course offering, and satisfactory evidence of the
26 licensee's attendance at and completion of the course is provided to
27 the board by the course provider;

28 (4) set parameters for the auditing and monitoring of course
29 providers;

30 (5) establish, by regulation, the amount of the application fee
31 payable for continuing education course providers approved by the
32 board and providers seeking approval and individuals seeking
33 approval as instructors of a continuing education course. These fees
34 shall be non-refundable and shall be in amounts which do not
35 exceed the costs incurred by the board to review these applications;

36 (6) waive or grant an extension to comply with continuing
37 education requirements, in whole or in part, on the grounds of
38 illness, emergency, hardship or active duty military service; and

39 (7) confer continuing education credits upon a licensee who is
40 approved by the board as an instructor of an approved continuing
41 education course offered by an approved provider. Licensees
42 approved by the board to instruct an approved continuing education
43 course shall receive twice the credit conferred upon those licensees
44 attending the course. Regardless of the number of times during a
45 biennial licensure term that the same approved course is taught by
46 that licensee, that licensee shall receive double the continuing
47 education credit for that course only once to satisfy part of the
48 continuing education requirement for the renewal of their license.

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

14 b. A licensee may fulfill all continuing education requirements
15 in-person, via the Internet or video modalities, or through a
16 combination of these options.

17
18 22. (New section)Continuing education requirements, as set
19 forth by the board, shall be completed on or before the date the
20 biennial license expires. Any licensee required to complete
21 continuing education requirements who fails to do so prior to the
22 date of expiration of a biennial license term shall be subject to a
23 reasonable processing fee, as determined by the board, of not more
24 than \$200, unless a waiver was granted by the board pursuant to
25 paragraph (6) of subsection b. of section 20 of P.L. , c. (C.)
26 (pending before the Legislature as this bill).

27
28 23. (New section) a. Not less than 50 percent of the continuing
29 education courses of study that licensees are required to complete as
30 a condition for licensure renewal shall demonstrate significant
31 intellectual or practical content and deal with matters directly
32 related to home improvement or home elevation contracting,
33 workforce safety, or the business of running a company in the home
34 improvement or home elevation industry or trade. In no event shall
35 the board require that courses in these core topics comprise more
36 than 60 percent of the total continuing education hours required for
37 the renewal of any license.

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

40
41 24. (New section) Course providers shall maintain records of the
42 successful completion of continuing education courses by licensees
43 and shall transmit this data to the board in a manner as directed by
44 the board.

45
46 25. Section 1 of P.L.2004, c.16 (C.56:8-136) is amended to read as
47 follows:

1 1. **【This act】** P.L.2004, c.16 (C.56:8-136 et seq.) shall be known
2 and may be cited as the "Contractors' Business Registration Act."
3 (cf: P.L.2004, c.16, s.1)
4

5 26. Section 2 of P.L.2004, c.16 (C.56:8-137) is amended to read as
6 follows:

7 2. As used in **【this act】** P.L.2004, c.16 (C.56:8-136 et seq.):

8 “Board” means the New Jersey State Board of Home Improvement
9 and Home Elevation Contractors.

10 "Contractor" means **【a person engaged in the business of making**
11 **or selling home improvements and includes a corporation,**
12 **partnership, association and any other form of business organization**
13 **or entity, and its officers, representatives, agents and employees】** an
14 individual providing home improvement or home elevation services,
15 or both types of services, for a corporation, partnership, association,
16 sole proprietorship, and any other form of business organization or
17 entity that enters into contracts for home improvement, home
18 elevation, or both types of services.

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

31 "Director" means the Director of the Division of Consumer Affairs
32 in the Department of Law and Public Safety.

33 "Division" means the Division of Consumer Affairs in the
34 Department of Law and Public Safety.

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

38 "Home elevation contractor" means a contractor who engages in
39 the practice of home elevation and is authorized to perform home
40 improvement services.

41 "Home improvement" means the remodeling, altering, renovating,
42 repairing, restoring, modernizing, moving, demolishing, or otherwise
43 improving or modifying of the whole or any part of any residential **【or**
44 **non-commercial】** property. Home improvement shall also include
45 insulation, installation, **【home elevation】** and the conversion of
46 existing commercial structures into residential **【or non-commercial】**

1 property. Home improvement shall not include the construction of a
2 new residential property.

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

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

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

17 "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. A 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.

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

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

32

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

35 3. a. **[On or after December 31, 2005, no person]** No contractor
36 business shall offer to perform, or engage, or attempt to engage in the
37 business of making or selling home improvements unless registered
38 with the Division of Consumer Affairs in accordance with the
39 provisions of **[this act]** P.L.2004, c.16 (C.56:8-136 et seq.).

40 b. Every contractor business shall annually register with the
41 director. Application for registration shall be on a form provided by
42 the division and shall be accompanied by a reasonable fee, set by the
43 director in an amount sufficient to defray the division's expenses
44 incurred in administering and enforcing **[this act]** P.L.2004, c.16
45 (C.56:8-136 et seq.).

46 c. Every contractor business required to register under **[this act]**
47 P.L.2004, c.16 (C.56:8-136 et seq.) shall file an amended registration
48 within 20 days after any change in the information required to be

1 included thereon. No fee shall be required for the filing of an
2 amendment.

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

9 e. A contractor business that performs home improvement or
10 home elevation services pursuant to contracts valued at less than
11 \$120,000 shall be required to employ at least one licensed home
12 improvement or licensed home elevation contractor, as applicable,
13 unless the registered contractor business performs only limited
14 specialty services.

15 f. A contractor business that performs services pursuant to
16 contracts valued at less than \$120,000 and offers only specialty
17 services shall employ at least one individual who holds a limited
18 specialty services license that corresponds to the services that the
19 contractor business offers. A contractor business that does not employ
20 a principal home improvement or principal home elevation contractor
21 or a licensed home improvement or licensed home elevation contractor
22 shall offer services only in the specialties for which the business
23 employs limited specialty services licensees.

24 g. A contractor business that is required to employ a principal
25 home improvement or principal home elevation contractor pursuant to
26 subsection d. of this section, a licensed home improvement or licensed
27 home elevation contractor pursuant to subsection e. of this section, or a
28 limited specialty services licensee pursuant to subsection f. of this
29 section shall, in its application for initial registration and for
30 registration renewal, disclose the identity of the applicable contractor
31 and update the division within 10 days if the identity of the applicable
32 contractor changes.

33 h. The provisions of subsections d. through g. of this section shall
34 remain inoperative until the first day of the sixth month next following
35 the promulgation of rules and regulations by the New Jersey State
36 Board of Home Improvement and Home Elevation Contractors.

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

38

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

40

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

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

1 b. The division shall adopt rules and regulations pursuant to the
2 provisions of the "Administrative Procedure Act," P.L.1968, c.410
3 (C.52:14B-1 et seq.), to effectuate the provisions of P.L.2014, c.34
4 (C.56:8-138.2 et al.) with regard to registration of home elevation
5 **【contractors】** contractor businesses, and may establish fees for this
6 purpose. Notwithstanding the provisions of the "Administrative
7 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary,
8 the Division of Consumer Affairs may adopt immediately upon filing
9 with the Office of Administrative Law rules and regulations for this
10 purpose, which shall be effective for a period not to exceed 270 days
11 following the date of enactment of P.L.2014, c.34 (C.56:8-138.2 et
12 al.), and may thereafter be amended, adopted, or readopted, by the
13 division in accordance with the requirements of the "Administrative
14 Procedure Act".

15 c. In addition to any other civil or criminal penalty that may
16 apply, any person who makes a false statement in connection with the
17 process for registration as a home elevation contractor business
18 pursuant to this section or in regard to any statement required to be
19 made pursuant to section 7 of P.L.2004, c.16 (C.56:8-142) shall be
20 liable for a civil penalty of not less than \$10,000 or more than \$25,000.
21 Such penalty may be imposed by the director and shall be collected by
22 summary proceedings instituted in accordance with the "Penalty
23 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

24 d. In addition to any other action that may be authorized by law,
25 the director may suspend or revoke the home improvement contractor
26 business registration and home elevation contractor business
27 registration of any **【person who】** business that violates any provision
28 of P.L.2014, c.34 (C.56:8-138.2 et al.). In the case of a suspension or
29 revocation of a registration of a contractor business, the division shall
30 notify the board.

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

32

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

35 4. Except for **【persons】** businesses exempted pursuant to section
36 5 of **【this act】** P.L.2004, c.16 (C.56:8-140), any **【person who】**
37 business that advertises in print or electronic media or puts out any
38 sign or card or other device on or after December 31, 2005, which
39 would indicate to the public that **【he】** it is a contractor in New Jersey,
40 or **【who】** that causes **【his】** its name or business name to be included
41 in a classified advertisement or directory in New Jersey on or after
42 December 31, 2005, under a classification for home improvements
43 covered by **【this act】** P.L.2004, c.16 (C.56:8-136 et seq.), is subject to
44 the provisions of **【this act】** P.L.2004, c.16 (C.56:8-136 et seq.). This
45 section shall not be construed to apply to simple residential
46 alphabetical listings in standard telephone directories.

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

1 31. Section 6 of P.L.2004, c.16 (C.56:8-141) is amended to read as
2 follows:

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

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

11 (1) Any crime of the first degree;

12 (2) Any crime which is a second or third degree crime and is a
13 violation of chapter 20 or 21 of Title 2C of the New Jersey Statutes; or

14 (3) Any other crime which is a violation of N.J.S.2C:5-1, 2C:5-2,
15 2C:11-2 through 2C:11-4, 2C:12-1, 2C:12-3, 2C:13-1, 2C:14-2,
16 2C:15-1, subsection a. or b. of 2C:17-1, subsection a. or b. of 2C:17-2,
17 2C:18-2, 2C:20-4, 2C:20-5, 2C:20-7, 2C:20-9, 2C:21-2 through
18 2C:21-4, 2C:21-6, 2C:21-7, 2C:21-12, 2C:21-14, 2C:21-15, or 2C:21-
19 19, chapter 27 or 28 of Title 2C of the New Jersey Statutes,
20 N.J.S.2C:30-2, 2C:30-3, 2C:35-5, 2C:35-10, 2C:37-1 through 2C:37-4.

21 b. The director may refuse to issue or may suspend or revoke any
22 registration issued by him upon proof that the applicant or holder of
23 the registration:

24 (1) Has obtained a registration through fraud, deception or
25 misrepresentation;

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

28 (3) Has engaged in gross negligence, gross malpractice or gross
29 incompetence;

30 (4) Has engaged in repeated acts of negligence, malpractice or
31 incompetence;

32 (5) Has engaged in professional or occupational misconduct as
33 may be determined by the director;

34 (6) Has been convicted of any crime **【involving moral turpitude or**
35 **any crime relating adversely】** that has a direct and substantial
36 relationship to the activity regulated by **【this act】** P.L.2004, c.16
37 (C.56:8-136 et seq.) or is of a nature such that registration of the
38 individual would be inconsistent with the public's health, safety, or
39 welfare. For the purpose of this subsection a plea of guilty, non vult,
40 nolo contendere or any other such disposition of alleged criminal
41 activity shall be deemed a conviction;

42 (7) Has had his authority to engage in the activity regulated by the
43 director revoked or suspended by any other state, agency or authority
44 for reasons consistent with this section;

45 (8) Has violated or failed to comply with the provisions of any act
46 or regulation administered by the director;

1 (9) Is incapable, for medical or any other good cause, of
2 discharging the functions of a **【licensee】** registrant in a manner
3 consistent with the public's health, safety and welfare.

4 c. An applicant whose registration is denied, suspended, or
5 revoked pursuant to this section shall, upon a written request
6 transmitted to the director within 30 calendar days of that action, be
7 afforded an opportunity for a hearing in a manner provided for
8 contested cases pursuant to the "Administrative Procedure Act,"
9 P.L.1968, c.410 (C.52:14B-1 et seq.).

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

13 e. If any of the information required to be included in the
14 disclosure statement changes, or if additional information should be
15 added after the filing of the statement, the applicant shall provide that
16 information to the director, in writing, within 30 calendar days of the
17 change or addition.

18 f. Notwithstanding the provisions of paragraph (6) of subsection
19 b. of this section, no individual shall be disqualified from registration
20 or shall have registration revoked **【**on the basis of any conviction
21 disclosed if the individual has affirmatively demonstrated to the
22 director clear and convincing evidence of the individual's
23 rehabilitation. In determining whether an individual has affirmatively
24 demonstrated rehabilitation, the following factors shall be considered:

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

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

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

29 (4) The date of the offense;

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

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

32 (7) Any social conditions which may have contributed to the
33 offense; and

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

- 1 (a) the nature and seriousness of the crime or offense and the
2 passage of time since its commission;
3 (b) the relationship of the crime or offense to the purposes of
4 regulating the profession or occupation regulated by the entity;
5 (c) any evidence of rehabilitation of the person in the period of
6 time following the prior conviction that may be made available to
7 the entity; and
8 (d) the relationship of the crime or offense to the ability,
9 capacity, and fitness required to perform the duties and discharge
10 the responsibilities of the profession or occupation regulated by the
11 entity.
12 (cf: P.L.2004, c.16, s.6)

13
14 32. Section 7 of P.L.2004, c.16 (C.56:8-142) is amended to read as
15 follows:

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

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

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

1 insurance policy required to be maintained under this subsection shall
2 provide that the issuer of that bond or policy shall give the director
3 written notice of cancellation or non-renewal of the bond or policy
4 within 10 days of the cancellation or non-renewal.】

5 d. A home elevation contractor business, prior to entering into an
6 agreement to perform a home elevation, shall provide proof of
7 insurance to the homeowner including the issuing insurer, policy
8 number, type, and amount of insurance coverage maintained by the
9 contractor business in accordance with this section.

10 e. Every contractor business that is engaged in home
11 improvement or home elevation services shall maintain, in effect
12 during the entire period of registration:

13 (1) a compliance bond issued by one or more sureties authorized
14 to transact business in this State;

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

16 (3) securities, moneys or other security acceptable to the
17 division to fulfill the requirements of this section.

18 f. The principal sum of the compliance bond, letter of credit, or
19 securities, moneys or other security shall be a minimum of:

20 (1) \$50,000 for the performance of services pursuant to a
21 contract valued at more than \$120,000 or for the performance of
22 services, in the previous 12 months, for contracts valued at a
23 minimum of \$750,000;

24 (2) \$25,000 for the performance of services pursuant to a
25 contract valued between \$10,000 and \$120,000 or for the
26 performance of services, in the previous 12 months, for contracts
27 valued between \$150,000 and \$750,000; and

28 (3) \$10,000 for the performance of services pursuant to a
29 contract valued at less than \$10,000 or for the performance of
30 services, in the previous 12 months, for contracts valued less than
31 \$150,000.

32 g. The contractor business shall, from time to time, to the
33 extent that claims are paid, promptly replenish the amount of the
34 compliance bond, letter of credit, securities, moneys or other
35 security maintained pursuant to paragraphs (1) through (3) of
36 subsection f. of this section.

37 h. The compliance bond, letter of credit, or securities, moneys,
38 or other security shall cover penalties assessed by the division for
39 violations of P.L.2004, c.16 (C.56:8-136 et seq.).

40 i. The compliance bond, letter of credit, or securities, moneys,
41 or other security shall not be payable for treble damage claims
42 pursuant to P.L.1960, c.39 (C.56:8-1 et seq.).

43 j. The aggregate liability of the surety, bank, or issuer of
44 securities, moneys or other security to all individuals for all
45 breaches of the conditions of the compliance bond, letter of credit
46 or the securities, moneys or other security shall not exceed the
47 amount of the bond, letter of credit, or the securities, moneys or
48 other security.

49 k. Every bond, letter of credit, or securities, moneys, or other

1 security shall provide that cancellation or nonrenewal of the bond,
2 letter of credit, or securities, moneys, or other security shall not be
3 effective unless and until at least 10 days' notice of intention to
4 cancel or nonrenew the bond, letter of credit, or securities, moneys,
5 or other security has been received in writing by the contractor
6 business from the surety, bank, or other issuer.

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

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

13
14 33. Section 11 of P.L.2004, c.16 (C.56:8-146) is amended to read
15 as follows:

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

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

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

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

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

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

34
35 35. Section 12 of P.L.2004, c.16 (C.56:8-147) is repealed.

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

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

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

46
47 37. Section 14 of P.L.2004, c.16 (C.56:8-149) is amended to read
48 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 provisions
4 of **【this act】** P.L.2004, c.16 (C.56:8-136 et seq.). The public
5 information campaign shall include, but not be limited to, the
6 preparation, printing and distribution of booklets, pamphlets or other
7 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.

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

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

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

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

20
21 39. Section 16 of P.L.2004, c.16 (C.56:8-151) is amended to read
22 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 all
25 changes in the terms and conditions of the contract, shall be in writing.
26 The contract shall be signed by all parties thereto, including the home
27 improvement contractor licensed pursuant to P.L. , c. (C.)
28 (pending before the Legislature as this bill) and shall clearly and
29 accurately set forth in legible form and in understandable language all
30 terms and conditions of the contract, including but not limited to:

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

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

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

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

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

9

10 "NOTICE TO CONSUMER

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

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

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

20 (Name of Contractor Business)

21 (Address of Contractor Business)

22 (Phone Number of Contractor Business)

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

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

28

29 40. This act shall be effective immediately, but section 9 through
30 13 shall remain inoperative until such time as provided in section 5
31 and sections 7, 8, and 14 through 20 shall be effective on the first day
32 of the twenty-fifth month next following enactment. The director and
33 the board 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 establishes a board to govern licensed contractors in the
40 home improvement and home elevation industries. The bill also
41 updates current law to oversee the registration of home
42 improvement and home elevation contractors' businesses.

43 Additionally, under the bill, a new level of licensure is created to
44 allow an individual to provide services in a limited specialty of
45 home improvement. The board is to establish specific
46 requirements, which may include passage of an exam, for the
47 specialty services licensees. Moreover, with board membership, the
48 Governor has until the first day of the sixth month after enactment

1 of the bill to appoint members. The board is to meet within 60 days
2 after the appointment of the members. Rules and regulations are to
3 be promulgated for specific provisions of the substitute prior to it
4 being fully operative but a set time in which to promulgate the rules
5 and regulations is updated to align with the effective date of the
6 substitute, which is to be fully operative on the first day of the
7 twenty-fifth month after the date of enactment.

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

20 Under the bill, licensure as either a home improvement or home
21 elevation contractor can be achieved through completion of an
22 apprenticeship or through experience. If applying through the
23 experience option, an individual is to perform services subject to
24 the direct oversight of a contractor, include the name of the home
25 improvement or home elevations business for whom the individual
26 worked on the application, and is to attest, as part of the application,
27 that, when performing contracting services, industry best practices
28 were adhered to and standard procedures were followed in a safe
29 and healthy manner.

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

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

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