



***New Jersey Office of the Attorney General***  
Division of Consumer Affairs  
Regulated Business Section  
Contractors' Registration Statutes and Regulations

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TABLE OF CONTENTS

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Contractors' Registration Act (the Act) .....	1
Contractors' Registration Regulations .....	7

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TITLE 56. TRADE NAMES, TRADE-MARKS  
AND UNFAIR TRADE PRACTICES  
**CHAPTER 8. FRAUDS, ETC., IN SALES OR  
ADVERTISEMENTS OR MERCHANDISE**

**§ 56:8-136. Short title.**

This act shall be known and may be cited as the "Contractors' Registration Act."

**§ 56:8-137. Definitions relative to home improvement contractors.**

As used in this act:

"Contractor" means a person engaged in the business of making or selling home improvements and includes a corporation, partnership, association and any other form of business organization or entity, and its officers, representatives, agents and employees.

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

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

"Home improvement" means the remodeling, altering, renovating, repairing, restoring, modernizing, moving, demolishing, or otherwise improving or modifying of the whole or any part of any residential or non-commercial property. Home improvement shall also include insulation installation, and the conversion of existing commercial structures into residential or non-commercial property.

"Home improvement contract" means an oral or written agreement for the performance of a home improvement between a contractor and an owner, tenant or lessee, of a residential or noncommercial property, and includes all agreements under which the contractor is to perform labor or render services for home improvements, or furnish materials in connection therewith.

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

**§ 56:8-138. Registration for contractors; application, fee.**

a. On or after December 31, 2005, no person shall offer to perform, or engage, or attempt to engage in the business of making or selling home improvements unless registered with the Division of Consumer Affairs in accordance with the provisions of this act.

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

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

**§ 56:8-139. Act applicable to contractors who publicly advertise.**

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

**§ 56:8-140. Inapplicability of act.**

The provisions of this act shall not apply to:

- a. Any person required to register pursuant to "The New Home Warranty and Builders' Registration Act," P.L. 1977, c. 467 (C. 46:3B-1 et seq.);
- b. Any person performing a home improvement upon a residential or non-commercial property he owns, or that is owned by a member of his family, a bona fide charity, or other non-profit organization;
- c. Any person regulated by the State as an architect, professional engineer, landscape architect, land surveyor, electrical contractor, master plumber, or any other person in any other related profession requiring registration, certification, or licensure by the State, who is acting within the scope of practice of his profession;
- d. Any person who is employed by a community association or cooperative corporation;
- e. Any public utility as defined under R.S. 48:2-13;
- f. Any person licensed under the provisions of section 16 of P.L. 1960, c. 41 (C. 17:16C-77); and
- g. Any home improvement retailer with a net worth of more than \$ 50,000,000, or employee of that retailer.

**§ 56:8-141. Additional requirements; refusal to issue or suspend or revoke registration; grounds.**

In addition to any other procedure, condition or information required by this act:

- a. Every applicant shall file a disclosure statement with the director stating whether the applicant has been convicted of any crime, which for the purposes of this act shall mean a violation of any of the following provisions of the "New Jersey Code of Criminal Justice," Title 2C of the New Jersey Statutes, or the equivalent under the laws of any other jurisdiction:
  - (1) Any crime of the first degree;
  - (2) Any crime which is a second or third degree crime and is a violation of chapter 20 or 21 of Title 2C of the New Jersey Statutes; or
  - (3) Any other crime which is a violation of N.J.S. 2C:5-1, 2C:5-2, 2C:11-2 through 2C:11-4, 2C:12-1, 2C:12-3, 2C:13-1, 2C:14-2, 2C:15-1, subsection a. or b. of 2C:17-1, subsection a. or b. of 2C:17-2, 2C:18-2, 2C:20-4, 2C:20-5, 2C:20-7, 2C:20-9, 2C:21-2 through 2C:21-4, 2C:21-6, 2C:21-7, 2C:21-12, 2C:21-14, 2C:21-15, or 2C:21-19, chapter 27 or 28 of Title 2C of

the New Jersey Statutes, N.J.S. 2C:30-2, 2C:30-3, 2C:35-5, 2C:35-10, 2C:37-1 through 2C:37-4.

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

- (1) Has obtained a registration through fraud, deception or misrepresentation;
- (2) Has engaged in the use or employment of dishonesty, fraud, deception, misrepresentation, false promise or false pretense;
- (3) Has engaged in gross negligence, gross malpractice or gross incompetence;
- (4) Has engaged in repeated acts of negligence, malpractice or incompetence;
- (5) Has engaged in professional or occupational misconduct as may be determined by the director;
- (6) Has been convicted of any crime involving moral turpitude or any crime relating adversely to the activity regulated by this act. For the purpose of this subsection a plea of guilty, non vult, nolo contendere or any other such disposition of alleged criminal activity shall be deemed a conviction;
- (7) Has had his authority to engage in the activity regulated by the director revoked or suspended by any other state, agency or authority for reasons consistent with this section;
- (8) Has violated or failed to comply with the provisions of any act or regulation administered by the director;
- (9) Is incapable, for medical or any other good cause, of discharging the functions of a licensee in a manner consistent with the public's health, safety and welfare.

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

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

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

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

- (1) The nature and responsibility of the position which the convicted individual would hold;
- (2) The nature and seriousness of the offense;
- (3) The circumstances under which the offense occurred;

- (4) The date of the offense;
- (5) The age of the individual when the offense was committed;
- (6) Whether the offense was an isolated or repeated incident;
- (7) Any social conditions which may have contributed to the offense; and
- (8) Any evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational schooling, successful participation in correctional work-release programs, or the recommendation of persons who have had the individual under their supervision.

**§ 56:8-142. Proof of commercial general liability insurance; requirements.**

- a. On or after December 31, 2005, every registered contractor who is engaged in home improvements shall secure, maintain and file with the director proof of a certificate of commercial general liability insurance in a minimum amount of \$ 500,000 per occurrence.
- b. Every registered contractor engaged in home improvements whose commercial general liability insurance policy is cancelled or nonrenewed shall submit to the director a copy of the certificate of commercial general liability insurance for a new or replacement policy which meets the requirements of subsection a. of this section before the former policy is no longer effective.

**§ 56:8-143. Refusal to issue, renew, revocation, suspension of registration; procedures.**

- a. The director may refuse to issue or renew, and may revoke, any registration for failure to comply with, or violation of, the provisions of this act or for any other good cause shown within the meaning and purpose of this act. A refusal or revocation shall not be made except upon reasonable notice to, and opportunity to be heard by, the applicant or registrant.
- b. The director, in lieu of revoking a registration, may suspend the registration for a reasonable period of time, or assess a penalty in lieu of suspension, or both, and may issue a new registration, notwithstanding the revocation of a prior registration, if the applicant is found to have become entitled to the new registration.

**§ 56:8-144. Display of registration number; requirements.**

- a. All registrants shall prominently display their registration numbers within their places of business, in all advertisements distributed within this State, on business documents, contracts and correspondence with consumers of home improvement services in this State, and on all commercial vehicles registered in this State and leased or owned by registrants and used by registrants for the purpose of providing home improvements, except for vehicles leased or rented to customers of registrants by a registrant or any agent or representative thereof.
- b. Any invoice, contract or correspondence given by a registrant to a consumer shall prominently contain the toll-free telephone number provided pursuant to section 14 of this act.

**§ 56:8-145. Applicability of act of out-of-State contractors.**

The provisions of this act shall apply to any person engaging in any of the activities regulated by this act in this State, including persons whose residence or principal place of business is located outside of this State.

**§ 56:8-146. Violations, fourth degree crime.**

- a. It is an unlawful practice and a violation of P.L. 1960, c. 39 (C. 56:8-1 et seq.) to violate any provision of this act.
- b. In addition to any other penalty provided by law, a person who knowingly violates any of the provisions of this act is guilty of a crime of the fourth degree.

**§ 56:8-147. Supersedure of municipal ordinance, regulation.**

- a. This act shall supersede any municipal ordinance or regulation that provides for the licensing or registration of contractors or for the protection of homeowners by bonds or warranties required to be provided by contractors, exclusive of those required by water, sewer, utility, or land use ordinances or regulations.
- b. No municipality shall issue a construction permit for any home improvement to any contractor who is not registered pursuant to the provisions of this act.

**§ 56:8-148. Municipal powers preserved.**

This act shall not deny to any municipality the power to inspect a contractor's work or equipment, the work of a contractor who performs improvements to commercial property, or the power to regulate the standards and manners in which the contractor's work shall be done.

**§ 56:8-149. Public information campaign, toll free number.**

- a. The director shall establish and undertake a public information campaign to educate and inform contractors and the consumers of this State of the provisions of this act. The public information campaign shall include, but not be limited to, the preparation, printing and distribution of booklets, pamphlets or other written pertinent information.
- b. The director shall provide a toll-free telephone number for consumers making inquiries regarding contractors.

**§ 56:8-150. Applicability of C.56:8-1 et seq.**

Nothing in this act shall limit the application of P.L. 1960, c. 39 (C. 56:8-1 et seq.), or any regulations promulgated thereunder, in regard to the registration or regulation of contractors.

**§ 56:8-151. Contracts, certain, required to be in writing; contents.**

- a. On or after December 31, 2005, every home improvement contract for a purchase price in excess of \$ 500, and all changes in the terms and conditions of the contract, shall be in writing. The contract shall be signed by all parties thereto, and shall clearly and accurately set forth in legible form and in understandable language all terms and conditions of the contract, including but not limited to:
  - (1) The legal name, business address, and registration number of the contractor;
  - (2) A copy of the certificate of commercial general liability insurance required of a contractor pursuant to section 7 of this act and the telephone number of the insurance company issuing the certificate; and
  - (3) The total price or other consideration to be paid by the owner, including the finance charges.

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

"NOTICE TO CONSUMER

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

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

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

(Name of Contractor)

(Address of Contractor)

(Phone Number of Contractor)

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

TITLE 13. LAW AND PUBLIC SAFETY  
CHAPTER 45A. ADMINISTRATIVE RULES OF THE DIVISION OF CONSUMER AFFAIRS  
**SUBCHAPTER 16. HOME IMPROVEMENT PRACTICES**

**§ 13:45A-16.1 Purpose and scope**

(a) The purpose of the rules in this subchapter is to implement the provisions of the Consumer Fraud Act, *N.J.S.A. 56:8-1 et seq.*, by providing procedures for the regulation and content of home improvement contracts and establishing standards to facilitate enforcement of the requirements of the Act.

(b) The rules in this subchapter shall apply to all sellers as defined in *N.J.A.C. 13:45A-16.1A* and to all home improvement contractors as defined in *N.J.A.C. 13:45A-17.2* whether or not they are exempt from the provisions of *N.J.A.C. 13:45A-17*.

**§ 13:45A-16.1A Definitions**

The following words and terms, when used in this subchapter, shall have the following meanings unless the context indicates otherwise.

"Home improvement" means the remodeling, altering, painting, repairing, renovating, restoring, moving, demolishing, or modernizing of residential or noncommercial property or the making of additions thereto, and includes, but is not limited to, the construction, installation, replacement, improvement, or repair of driveways, sidewalks, swimming pools, terraces, patios, landscaping, fences, porches, windows, doors, cabinets, kitchens, bathrooms, garages, basements and basement waterproofing, fire protection devices, security protection devices, central heating and air conditioning equipment, water softeners, heaters, and purifiers, solar heating or water systems, insulation installation, siding, wall-to-wall carpeting or attached or inlaid floor coverings, and other changes, repairs, or improvements made in or on, attached to or forming a part of the residential or noncommercial property, but does not include the construction of a new residence. The term extends to the conversion of existing commercial structures into residential or noncommercial property and includes any of the above activities performed under emergency conditions.

"Home improvement contract" means an oral or written agreement between a seller and an owner of residential or noncommercial property, or a seller and a tenant or lessee of residential or noncommercial property, if the tenant or lessee is to be obligated for the payment of home improvements made in, to, or upon such property, and includes all agreements under which the seller is to perform labor or render services for home improvements, or furnish materials in connection therewith.

"Residential or non-commercial property" means a structure used, in whole or in substantial part, as a home or place of residence by any natural person, whether or not a single or multi-unit structure, and that part of the lot or site on which it is situated and which is devoted to the residential use of the structure, and includes all appurtenant structures.

"Sales representative" means a person employed by or contracting with a seller for the purpose of selling home improvements.

"Seller" means a person engaged in the business of making or selling home improvements and includes corporations, partnerships, associations and any other form of business organization or entity, and their officers, representatives, agents and employees.

**§ 13:45A-16.2 Unlawful practices**

(a) Without limiting any other practices which may be unlawful under the Consumer Fraud Act, *N.J.S.A. 56:8-1 et seq.*, utilization by a seller of the following acts and practices involving the sale, attempted sale, advertisement or performance of home improvements shall be unlawful hereunder.

1. Model home representations: Misrepresent or falsely state to a prospective buyer that the buyer's residential or noncommercial property is to serve as a "model" or "advertising job", or use any other prospective buyer lure to mislead the buyer into believing that a price reduction or other compensation will be received by reason of such representations;

2. Product and material representations: Misrepresent directly or by implication that products or materials to be used in the home improvement:

- i. Need no periodic repainting, finishing, maintenance or other service;
- ii. Are of a specific or well-known brand name, or are produced by a specific manufacturer or exclusively distributed by the seller;
- iii. Are of a specific size, weight, grade or quality, or possess any other distinguishing characteristics or features;
- iv. Perform certain functions or substitute for, or are equal in performance to, other products or materials;
- v. Meet or exceed municipal, state, federal, or other applicable standards or requirements;
- vi. Are approved or recommended by any governmental agency, person, firm or organization, or that they are the users of such products or materials;
- vii. Are of sufficient size, capacity, character or nature to do the job expected or represented;
- viii. Are or will be custom-built or specially designed for the needs of the buyer; or
- ix. May be serviced or repaired within the buyer's immediate trade area, or be maintained with replacement and repair parts which are readily available.

3. Bait selling:

- i. Offer or represent specific products or materials as being for sale, where the purpose or effect of the offer or representation is not to sell as represented but to bait or entice the buyer into the purchase of other or higher priced substitute products or materials;
- ii. Disparage, degrade or otherwise discourage the purchase of products or materials offered or represented by the seller as being for sale to induce the buyer to purchase other or higher priced substitute products or materials;
- iii. Refuse to show, demonstrate or sell products or materials as advertised, offered, or represented as being for sale;
- iv. Substitute products or materials for those specified in the home improvement contract, or otherwise represented or sold for use in the making of home improvements by sample, illustration or model, without the knowledge or consent of the buyer;
- v. Fail to have available a quantity of the advertised product sufficient to meet reasonably anticipated demands; or
- vi. Misrepresent that certain products or materials are unavailable or that there will be a long delay in their manufacture, delivery, service or installation in order to induce a buyer to purchase other or higher priced substitute products or materials from the seller.

4. Identity of seller:

- i. Deceptively gain entry into the prospective buyer's home or onto the buyer's property under the guise of any governmental or public utility inspection, or otherwise misrepresent that the seller has any official right, duty or authority to conduct an inspection;
- ii. Misrepresent that the seller is an employee, office or representative of a manufacturer, importer or any other person, firm or organization, or a member of any trade associa-

tion, or that such person, firm or organization will assume some obligation in fulfilling the terms of the contract;

- iii. Misrepresent the status, authority or position of the sales representative in the organization he represents;
- iv. Misrepresent that the sales representative is an employee or representative of or works exclusively for a particular seller; or
- v. Misrepresent that the seller is part of any governmental or public agency in any printed or oral communication including but not limited to leaflets, tracts or other printed material, or that any licensing denotes approval by the governmental agency.

5. Gift offers:

- i. Offer or advertise any gift, free item or bonus without fully disclosing the terms or conditions of the offer, including expiration date of the offer and when the gift, free item or bonus will be given; or
- ii. Fail to comply with the terms of such offer.

6. Price and financing:

- i. Misrepresent to a prospective buyer that an introductory, confidential, close-out, going out of business, factory, wholesale, or any other special price or discount is being given, or that any other concession is made because of a market survey or test, use of materials left over from another job, or any other reason;
- ii. Misrepresent that any person, firm or organization, whether or not connected with the seller, is especially interested in seeing that the prospective buyer gets a bargain, special price, discount or any other benefit or concession;
- iii. Misrepresent or mislead the prospective buyer into believing that insurance or some other form of protection will be furnished to relieve the buyer from obligations under the contract if the buyer becomes ill, dies or is unable to make payments;
- iv. Misrepresent or mislead the buyer into believing that no obligation will be incurred because of the signing of any document, or that the buyer will be relieved of some or all obligations under the contract by the signing of any documents;
- iv. Request the buyer to sign a certificate of completion, or make final payment on the contract before the home improvement is completed in accordance with the terms of the contract;
- v. Misrepresent or fail to disclose that the offered or contract price does not include delivery or installation, or that other requirements must be fulfilled by the buyer as a condition to the performance of labor, services, or the furnishing of products or materials at the offered or contract price;
- vi. Mislead the prospective buyer into believing that the down payment or any other sum constitutes the full amount the buyer will be obligated to pay;
- vii. Misrepresent or fail to disclose that the offered or contract price does not include all financing charges, interest service charges, credit investigation costs, building or installation permit fees, or other obligations, charges, cost or fees to be paid by the buyer;
- ix. Advise or induce the buyer to inflate the value of the buyer's property or assets, or to misrepresent or falsify the buyer's true financial position in order to obtain credit; or
- x. Increase or falsify the contract price, or induce the buyer by any means to misrepresent or falsify the contract price or value of the home improvement for financing purposes or to obtain additional credit.

7. Performance:

- i. Deliver materials, begin work, or use any similar tactic to unduly pressure the buyer into a home improvement contract, or make any claim or assertion that a binding contract has been agreed upon where no final agreement or understanding exists;
- ii. Fail to begin or complete work on the date or within the time period specified in the home improvement contract, or as otherwise represented, unless the delay is for reason of labor stoppage; unavailability of supplies or materials, unavoidable casualties, or any other cause beyond the seller's control. Any changes in the dates or time periods stated in a written contract shall be agreed to in writing; or
- iii. Fail to give timely written notice to the buyer of reasons beyond the seller's control for any delay in performance, and when the work will begin or be completed.

8. Competitors:

- i. Misrepresent that the work of a competitor was performed by the seller;
- ii. Misrepresent that the seller's products, materials or workmanship are equal to or better than those of a competitor; or
- iii. Use or imitate the trademarks, trade names, labels or other distinctive marks of a competitor.

9. Sales representations:

- i. Misrepresent or mislead the buyer into believing that a purchase will aid or help some public, charitable, religious, welfare or veterans' organization, or misrepresent the extent of such aid or assistance;
- ii. Knowingly fail to make any material statement of fact, qualification or explanation if the omission of such statement, qualification or explanation causes an advertisement, announcement, statement or representation to be false, deceptive or misleading; or
- iii. Misrepresent that the customer's present equipment, material, product, home or a part thereof is dangerous or defective, or in need of repair or replacement.

10. Building permits:

- i. No seller contracting for the making of home improvements shall commence work until he is sure that all applicable state or local building and construction permits have been issued as required under state laws or local ordinances; or
- ii. Where midpoint or final inspections are required under state laws or local ordinances, copies of inspection certificates shall be furnished to the buyer by the seller when construction is completed and before final payment is due or the signing of a completion slip is requested of the buyer.

11. Guarantees or warranties:

- i. The seller shall furnish the buyer a written copy of all guarantees or warranties made with respect to labor services, products or materials furnished in connection with home improvements. Such guarantees or warranties shall be specific, clear and definite and shall include any exclusions or limitations as to their scope or duration. Copies of all guarantees or warranties shall be furnished to the buyer at the time the seller presents his bid as well as at the time of execution of the contract, except that separate guarantees or warranties of the manufacturer of products or materials may be furnished at the time such products or materials are installed.

12. Home improvement contract requirements--writing requirement: All home improvement contracts for a purchase price in excess of \$ 500.00, and all changes in the terms and conditions

thereof shall be in writing. Home improvement contracts which are required by this subsection to be in writing, and all changes in the terms and conditions thereof, shall be signed by all parties thereto, and shall clearly and accurately set forth in legible form and in understandable language all terms and conditions of the contract, including, but not limited to, the following:

- i. The legal name and business address of the seller, including the legal name and business address of the sales representative or agent who solicited or negotiated the contract for the seller;
- ii. A description of the work to be done and the principal products and materials to be used or installed in performance of the contract. The description shall include, where applicable, the name, make, size, capacity, model, and model year of principal products or fixtures to be installed, and the type, grade, quality, size or quantity of principal building or construction materials to be used. Where specific representations are made that certain types of products or materials will be used, or the buyer has specified that certain types of products are to be used, a description of such products or materials shall be clearly set forth in the contract;
- iii. The total price or other consideration to be paid by the buyer, including all finance charges. If the contract is one for time and materials, the hourly rate for labor and all other terms and conditions of the contract affecting price shall be clearly stated;
- iv. iv. The dates or time period on or within which the work is to begin and be completed by the seller;
- v. A description of any mortgage or security interest to be taken in connection with the financing or sale of the home improvement; and
- vi. A statement of any guarantee or warranty with respect to any products, materials, labor or services made by the seller.

13. Disclosures and obligations concerning preservation of buyers' claims and defenses:

- i. If a person other than the seller is to act as the general contractor or assume responsibility for performance of the contract, the name and address of such person shall be disclosed in the oral or written contract, except as otherwise agreed, and the contract shall not be sold or assigned without the written consent of the buyer;
- ii. ii. No home improvement contract shall require or entail the execution of any note, unless such note shall have conspicuously printed thereon the disclosures required by either State law (*N.J.S.A. 17:16C-64.2* (consumer note)) or Federal law (*16 C.F.R. section 433.2*) concerning the preservation of buyers' claims and defenses.

TITLE 13. LAW AND PUBLIC SAFETY  
CHAPTER 45A. ADMINISTRATIVE RULES OF THE DIVISION OF CONSUMER AFFAIRS  
**SUBCHAPTER 17. HOME IMPROVEMENT CONTRACTOR REGISTRATION**

**§ 13:45A-17.1 Purpose and scope**

(a) The purpose of the rules in this subchapter is to implement the provisions of the Consumer Fraud Act, *N.J.S.A. 56:8-1* et seq. as amended by P.L. 2004, c.16 (*N.J.S.A. 56:8-136* et seq.) by providing procedures for the regulation of home improvement contractors and establishing standards to facilitate enforcement of the requirements of the Act. The rules establish the Division's registration procedures for those persons who fall under the requirements of this law.

(b) These rules shall apply to home improvement contractors in this State unless otherwise exempt under *N.J.A.C. 13:45A-17.4*.

**§ 13:45A-17.2 Definitions**

The following words and terms, as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

"Advertise" means to communicate to the public by means of any print, electronic or any other media, including, but not limited to, newspapers, magazines, periodicals, journals, circulars, flyers, business cards, signs, radio, telephone, facsimile machine, television, computer or the Internet. "Advertise" includes having a person's name in a classified advertisement or directory in this State under any classification of home improvement as defined in this section but does not include simple residential alphabetical listings in standard telephone directories.

"Director" means the Director of the Division of Consumer Affairs.

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

"Employee" means employee as defined in *N.J.A.C. 18:35-7.1*.

"Home improvement" means the remodeling, altering, painting, repairing, renovating, restoring, moving, demolishing, or modernizing of residential or noncommercial property or the making of additions thereto, and includes, but is not limited to, the construction, installation, replacement, improvement, or repair of driveways, sidewalks, swimming pools, terraces, patios, landscaping, fences, porches, windows, doors, cabinets, kitchens, bathrooms, garages, basements and basement waterproofing, fire protection devices, security protection devices, central heating and air conditioning equipment, water softeners, heaters, and purifiers, solar heating or water systems, insulation installation, siding, wall-to-wall carpeting or attached or inlaid floor coverings, and other changes, repairs, or improvements made in or on, attached to or forming a part of the residential or noncommercial property, but does not include the construction of a new residence. The term extends to the conversion of existing commercial structures into residential or noncommercial property and includes any of the above activities performed under emergency conditions.

"Home improvement contract" means an oral or written agreement for the performance of a home improvement between a contractor and an owner of residential or noncommercial property, or a contractor and a tenant or lessee of residential or noncommercial property, if the tenant or lessee is to be obligated for the payment of home improvements made in, to, or upon such property, and includes all agreements under which the contractor is to perform labor or render services for home improvements, or furnish materials in connection therewith.

"Home improvement contractor" or "contractor" means a person engaged in the business of making or selling home improvements and includes corporations, partnerships, associations and any other form of business organization or entity, and their officers, representatives, agents and employees.

"Residential or non-commercial property" means a structure used, in whole or in substantial part, as a home or place of residence by any natural person, whether or not a single or multi-unit structure, and that part of the lot or site on which it is situated and which is devoted to the residential use of the structure, and includes all appurtenant structures.

### § 13:45A-17.3 Registration required

(a) On or after December 31, 2005, unless exempt under *N.J.A.C. 13:45A-17.4*:

1. No person shall engage in the business of making or selling home improvements in this State unless registered with the Division in accordance with this subchapter; and
2. No person shall advertise indicating that the person is a contractor in this State unless the person is registered with the Division in accordance with this subchapter.

(b) Unless exempt under *N.J.A.C. 13:45A-17.4*, contractors hired by other contractors to make or sell any home improvements shall register with the Division in accordance with this subchapter.

(c) Officers and employees of a registered home improvement contractor shall not be required to register separately from the registered business entity provided that the officers and employees sell or make home improvements solely within their respective scopes of performance for that registered business entity.

(d) Officers and employees of a home improvement contractor that is exempt under *N.J.A.C. 13:45A-17.4* shall not be required to register provided that the officers and employees sell or make home improvements solely within their respective scopes of performance for that exempt business entity.

### § 13:45A-17.4 Exemptions

(a) The following persons are exempt from the registration requirements of this subchapter:

1. Any person registered pursuant to "the New Home Warranty and Builders' Registration Act," P.L. 1977, c.467 (*N.J.S.A. 46:3B-1 et seq.*), but only in conjunction with the building of a new home as defined in *N.J.A.C. 5:25-1.3*;
2. Any person performing a home improvement upon a residential or non-commercial property owned by that person, or by the person's family;
3. Any person performing a home improvement upon a residential or non-commercial property owned by a bona fide charity or other non-profit organization;
4. Any person regulated by the State as an architect, professional engineer, landscape architect, land surveyor, electrical contractor, master plumber, locksmith, burglar alarm business, fire alarm business, or any other person in any other related profession requiring registration, certification, or licensure by the State, who is acting within the scope of practice of that profession;
5. Any person employed by a community association or cooperative corporation who is making home improvements within the person's scope of employment at the residential or non-commercial property that is owned or leased by the community association or cooperative corporation;
6. Any public utility as defined under *N.J.S.A. 48:2-13*;
7. Any person licensed as a home financing agency, a home repair contractor or a home repair salesman pursuant to *N.J.S.A. 17:16C-77*, provided that the person is acting within the scope of such license; and
8. Any home improvement retailer with a net worth of more than \$ 50,000,000 or any employee of such home improvement retailer who is making or selling such home improvements within the person's scope of employment of the home improvement retailer.

### § 13:45A-17.5 Initial and renewal applications

(a) Each home improvement contractor required to be registered under this subchapter shall initially register with the Division by submitting the following on forms provided by the Director:

1. The name and street address of each place of business of the home improvement contractor and any fictitious or trade name to be used by the home improvement contractor;
2. The type of business organization;
3. The name, residence and business street address of each officer, director, principal and person with an ownership interest of 10 percent or more in the home improvement contractor business, including the percentage of ownership held;
4. The name and number of any professional or occupational license, certificate or registration issued by this State or any other governmental entity to any officer, director, principal or person with an ownership interest of 10 percent or more in the home improvement contractor business;
5. Whether the entity, any officer, director, principal or person with an ownership interest of 10 percent or more in the home improvement contractor business has been adjudged liable in an administrative or civil action involving any of the situations in (a)5i through vi below. For the purposes of this paragraph, a judgment of liability in an administrative or civil action shall include, but not be limited to, any finding or admission that the entity, officer, director, principal or person with an ownership interest of 10 percent or more in the home improvement contractor business engaged in an unlawful practice or practices related to any of the named situations in (a)5i through vi below regardless of whether that finding was made in the context of an injunction, a proceeding resulting in the denial, suspension or revocation of a license, certification or registration, consented to in an assurance of voluntary compliance or any similar order or legal agreement with any State or Federal agency. As described above, this paragraph covers the following situations:
  - i. Obtained any registration, certification or license by fraud, deception or misrepresentation;
  - ii. Engaged in the use or employment of dishonesty, fraud, deception, misrepresentation, false promise or false pretense;
  - iii. Engaged in gross negligence, gross malpractice or gross incompetence;
  - iv. Engaged in acts of negligence, malpractice or incompetence involving selling or making a home improvement; and
  - v. Engaged in professional or occupational misconduct;
6. Whether the entity, any officer, director, principal or person with an ownership interest of 10 percent or more in the home improvement contractor business has been convicted of any crime involving moral turpitude or any crime relating adversely to selling or making home improvements. For the purpose of this paragraph, a plea of guilty, non vult, nolo contendere or any other such disposition of alleged criminal activity shall be deemed a conviction;
7. Whether the entity, any officer, director, principal or person with an ownership interest of 10 percent or more in the home improvement contractor business has had their authority to engage in the activity regulated by the Director revoked or suspended by any other state, agency or authority;
8. Whether the entity, any officer, director, principal or person with an ownership interest of 10 percent or more in the home improvement contractor business has violated or failed to comply with the provisions of any act, regulation or order administered or issued by the Director;

9. Whether the entity, any officer, director, principal or person with an ownership interest of 10 percent or more in the home improvement contractor business believes they are unable to meet the requirements of the Contractors' Registration Act, *N.J.S.A. 56:8-136 et seq.* or rule in this subchapter for medical or any other good cause to the detriment of the public's health, safety and welfare; and

10. The name and street address of an agent in the State of New Jersey for service of process.

(b) In addition to the information required in (a) above, the applicant shall include the following with the initial application:

1. A properly completed disclosure statement that complies with the requirements of *N.J.A.C. 13:45A-17.6*;
2. Proof of the home improvement contractor's commercial general liability insurance policy in a minimum amount of \$ 500,000 per occurrence that complies with the requirements of *N.J.A.C. 13:45A-17.12*; and
3. The initial registration fee in the amount specified in *N.J.A.C. 13:45A-17.14*.

(c) A registered home improvement contractor shall include the following with the annual renewal application:

1. A completed renewal application that will be on a form specified by the Director;
2. Proof of the home improvement contractor's commercial general liability insurance policy in a minimum amount of \$ 500,000 per occurrence that complies with the requirements of *N.J.A.C. 13:45A-17.12*;
3. The renewal registration fee in the amount specified in *N.J.A.C. 13:45A-17.14*; and
4. If the completed renewal application is received by the Division after the renewal application's due date as specified on the renewal application, the late fee in the amount specified in *N.J.A.C. 13:45A-17.14*.

### **§ 13:45A-17.6 Disclosure statement**

(a) Each applicant shall file a disclosure statement with the Director stating whether it or any of its officers, directors, principals or persons with an ownership interest of 10 percent or more in the home improvement contractor business has been convicted of any violations of the following provisions of the "New Jersey Code of Criminal Justice," Title 2C of the New Jersey Statutes, or the equivalent under the laws of any other jurisdiction:

1. Any crime of the first degree;
2. Any crime which is a second or third degree crime and is a violation of chapter 20 or 21 of Title 2C of the New Jersey Statutes; or
3. Any other crime which is a violation of *N.J.S.A. 2C:5-1* or *2C:5-2* (conspiracy), *N.J.S.A. 2C:11-2* (criminal homicide), *N.J.S.A. 2C:11-3* (murder), *N.J.S.A. 2C:11-4* (manslaughter), *N.J.S.A. 2C:12-1* (assault), *N.J.S.A. 2C:12-3* (terroristic threats), *N.J.S.A. 2C:13-1* (kidnapping), *N.J.S.A. 2C:14-2* (sexual assault), subsection a. or b. of *N.J.S.A. 2C:17-1* (arson and related offenses), subsection a. or b. of *N.J.S.A. 2C:17-2* (causing or risking widespread injury or damage), *N.J.S.A. 2C:15-1* (robbery), *N.J.S.A. 2C:18-2* (burglary), *N.J.S.A. 2C:20-4* (theft by deception), *N.J.S.A. 2C:20-5* (theft by extortion), *N.J.S.A. 2C:20-7* (receiving stolen property), *N.J.S.A. 2C:20-9* (theft by failure to make required disposition of property received), *N.J.S.A. 2C:21-2* (criminal simulation), *N.J.S.A. 2C:21-2.1* (fraud relating to driver's license or other document issued by governmental agency to verify identity or age; simulation), *N.J.S.A. 2C:21-2.3* (fraud relating to motor vehicle insurance identification card; production or sale), *N.J.S.A. 2C:21-3* (frauds relating to public records and recordable instruments), *N.J.S.A. 2C:21-4* (falsifying or tampering with records), *N.J.S.A. 2C:21-6* (fraud relating to credit cards), *N.J.S.A. 2C:21-7* (deceptive business practices), *N.J.S.A.*

2C:21-12 (defrauding secured creditors), *N.J.S.A. 2C:21-14* (receiving deposits in a failing financial institution), *N.J.S.A. 2C:21-15* (misapplication of entrusted property and property of government of financial institution), *N.J.S.A. 2C:21-19* (wrongful credit practices and related offenses), *N.J.S.A. 2C:27-2* (bribery in official and political matters), *N.J.S.A. 2C:27-3* (threats and other improper influence in official and political matters), *N.J.S.A. 2C:27-5* (retaliation for past official action), *N.J.S.A. 2C:27-9* (public servant transacting business with certain persons), *N.J.S.A. 2C:27-10* (acceptance or receipt of unlawful benefit by public servant for official behavior), *N.J.S.A. 2C:27-11* (offer of unlawful benefit by public servant for official behavior), *N.J.S.A. 2C:28-1* (perjury), *N.J.S.A. 2C:28-2* (false swearing), *N.J.S.A. 2C:28-3* (unsworn falsification to authorities), *N.J.S.A. 2C:28-4* (false reports to law enforcement officials), *N.J.S.A. 2C:28-5* (tampering with witnesses and informants; retaliation against them), *N.J.S.A. 2C:28-6* (tampering with or fabricating physical evidence), *N.J.S.A. 2C:28-7* (tampering with public records or information), *N.J.S.A. 2C:28-8* (impersonating a public servant or law enforcement officer), *N.J.S.A. 2C:30-2* (official misconduct), *N.J.S.A. 2C:30-3* (speculating or wagering on official action or information), *N.J.S.A. 2C:35-5* (manufacturing, distributing or dispensing a controlled dangerous substance), *N.J.S.A. 2C:35-10* (possession, use or being under the influence or failure to make lawful disposition of a controlled dangerous substance), *N.J.S.A. 2C:37-2* (promoting gambling), *N.J.S.A. 2C:37-3* (possession of gambling records), or *N.J.S.A. 2C:37-4* (maintenance of a gambling resort).

### **§ 13:45A-17.7 Duty to update information**

(a) Whenever any information required to be included in the application changes, or if additional information should be added after the filing of the application, the applicant or registered home improvement contractor, as appropriate, shall provide that information to the Director, in writing, within 20 calendar days of the change or addition. Whenever any other information filed with the Director pursuant to the Contractors' Registration Act, *N.J.S.A. 56:8-136* et seq., or this subchapter has changed, the applicant or registered home improvement contractor, as appropriate, shall provide that information to the Director, in writing, within 20 calendar days of the change or addition.

(b) Whenever any information required to be included in the disclosure statement changes, or if additional information should be added after the filing of the statement, the applicant or registered home improvement contractor, as appropriate, shall provide that information to the Director, in writing, within 30 calendar days of the change or addition.

### **§ 13:45A-17.8 Requirement to cooperate**

Home improvement contractor applicants seeking to register with the Division and registered home improvement contractors shall have the continuing duty to provide any assistance or information; to produce any records requested by the Director; and to cooperate in any inquiry, investigation or hearing conducted by the Director.

### **§ 13:45A-17.9 Refusal to issue, suspension or revocation of registration; hearing; other sanctions**

(a) The Director may refuse to issue or renew, or may suspend or revoke any registration issued by the Division upon proof that an applicant or registrant or any of its officers, directors, principals or persons with an ownership interest of 10 percent or more in the home improvement contractor business:

1. Has obtained any registration, certification or license by fraud, deception or misrepresentation;
2. Has engaged in the use or employment of dishonesty, fraud, deception, misrepresentation, false promise or false pretense;

3. Has engaged in gross negligence, gross malpractice or gross incompetence;
4. Has engaged in repeated acts of negligence, malpractice or incompetence involving selling or making a home improvement;
5. Has engaged in professional or occupational misconduct;
6. Has been adjudged liable in an administrative or civil action involving any finding or admission which would provide a basis for discipline pursuant to (a)1 through 5 above regardless of whether that finding was made in the context of an injunction, a proceeding resulting in the denial, suspension or revocation of a license, certification or registration, consented to in an assurance of voluntary compliance or any similar order or legal agreement with any State or Federal agency;
7. Has been convicted of any crime involving moral turpitude or any crime relating adversely to selling or making home improvements. For the purpose of this paragraph, a plea of guilty, non vult, nolo contendere or any other such disposition of alleged criminal activity shall be deemed a conviction;
8. Has had his or her authority to engage in the activity regulated by the Director revoked or suspended by any other state, agency or authority for reasons consistent with this section;
9. Has violated or failed to comply with *N.J.S.A. 56:8-136* et seq. or any provision of this subchapter or the provisions of any act, regulation or order administered or issued by the Director; or
10. Is unable to meet the requirements of the Contractors' Registration Act, *N.J.S.A. 56:8-136* et seq., or rule in this subchapter for medical or any other good cause to the detriment of the public's health, safety and welfare.

(b) Information contained in the application required pursuant to *N.J.A.C. 13:45A-17.5* and information contained in the disclosure statement required to be filed pursuant to *N.J.A.C. 13:45A-17.6* may be used by the Director as grounds for denying, suspending or revoking a registration. An applicant whose registration is denied or a home improvement contractor whose registration is suspended or revoked based upon information contained in the application or disclosure statement or any amendments thereto shall be afforded an opportunity to be heard pursuant to the Administrative Procedure Act, *N.J.S.A. 52:14B-1* et seq., and the Uniform Administrative Procedure Rules, *N.J.A.C. 1:1*, upon written request to the Director within 30 days of the notice of denial, suspension or revocation which shall contain the basis for such action. In any matter in which the provisions of the Rehabilitated Convicted Offenders Act, *N.J.S.A. 2A:168A-1* et seq., apply, the Director shall comply with the requirements of that Act.

(c) Except as provided in (b) above, prior to refusing to issue or renew or suspending or revoking a home improvement contractor registration or assessing a penalty, the Director shall notify the applicant or registrant and provide an opportunity to be heard.

(d) In addition to assessing a monetary penalty for any violation of this subchapter, the Director may revoke a registration or suspend the registration for a period of time dependent upon the seriousness of the violation.

(e) Nothing contained in this subchapter shall limit the Director from imposing any additional fees, fines, penalties, restitution or any other sanctions as permitted under the Consumer Fraud Act, *N.J.S.A. 56:8-1* et seq.

### **§ 13:45A-17.10 Reinstatement of suspended registration**

A registration that is suspended by the Director may be reinstated upon the contractor satisfying the conditions for reinstatement as determined by the Director and paying all outstanding fees, fines, penalties and restitution, including the payment of the reinstatement fee specified in *N.J.A.C. 13:45A-17.14*.

**§ 13:45A-17.11 Ownership and use of registration number; replacement and duplicate certificates**

(a) Each registration number and certificate containing such registration number issued by the Director to a home improvement contractor remain the property of the State of New Jersey. If the Director suspends, fails to renew, or revokes a registration, the home improvement contractor shall immediately return all registration certificates to the Director and shall remove the registration number from all vehicles, advertising and anything else on which the registration number is displayed or otherwise communicated.

(b) The Director shall issue a replacement certificate upon payment of the replacement certificate fee as set forth in *N.J.A.C. 13:45A-17.14* and receipt by the Director of an affidavit or certified statement attesting that the original was either lost, destroyed, mutilated or is otherwise no longer in the custody of and cannot be recovered by the certificate holder.

(c) The Director shall issue a duplicate certificate to a registered contractor upon payment of the duplicate certificate fee as set forth in *N.J.A.C. 13:45A-17.14* and receipt by the Director of an affidavit or certified statement that the registered contractor has multiple places of business in which the contractor must display a certificate. A registered contractor may not possess more registration certificates than the number of places of business utilized by the contractor.

(d) A registered home improvement contractor shall prominently display:

1. The original registration certificate or a duplicate registration certificate issued by the Division at each place of business; and
2. The contractor's registration number on all advertisements distributed within this State, on business documents, contracts and correspondence with consumers of home improvement services in this State, and on all commercial vehicles registered in this State and leased or owned by a registrant and used by the registrant for the purpose of providing home improvements, except for vehicles leased or rented by a registrant to a customer of that registrant.

(e) Any invoice, contract or correspondence given by a registrant to a consumer shall prominently contain the toll-free telephone number provided by the Division pursuant to (b) of *N.J.S.A. 56:8-149b*.

**§ 13:45A-17.12 Mandatory commercial general liability insurance**

(a) On or after December 31, 2005 every registered home improvement contractor shall secure and maintain in full force and effect during the entire term of registration a commercial general liability insurance policy and shall file with the Director proof that such insurance is in full force and effect.

(b) The insurance policy required to be filed with the Director shall be a commercial general liability insurance policy, occurrence form, and shall provide a minimum coverage in the amount of \$500,000 per occurrence. On or after December 31 2005, every registered contractor engaged in home improvements whose commercial general liability insurance policy is canceled or nonrenewed shall submit to the director a copy of the certificate of commercial general liability insurance for a new or replacement policy which meets the requirements of (a) above before the former policy is no longer effective.

(c) The proof of insurance required by (a) above shall be a certificate provided by the insurer containing the insured's name, business street address, policy number, term of the insurance, and information assuring that the policy conforms with (b) above.

(d) A home improvement contractor who either does not renew or otherwise changes the contractor's commercial general liability policy shall submit a copy of the certificate of commercial general liability insurance for the new policy before the former policy is no longer effective.

**§ 13:45A-17.13 Requirements of certain home improvement contracts**

In addition to the requirements of a home improvement contract pursuant to *N.J.A.C. 13:45A-16.2*, every home improvement contract in which a person required to be registered as a home improvement contractor is a party shall comply with the provisions of *N.J.S.A. 56:8-151*.

**§ 13:45A-17.14 Fees**

(a) The Division shall charge the following non-refundable home improvement contractor registration fees:

- |    |  |           |
|----|--|-----------|
| 1. | Initial registration fee                 | \$ 90.00; |
| 2. | Renewal registration fee                 | \$ 75.00; |
| 3. | Late fee                                 | \$ 25.00; |
| 4. | Reinstatement fee                        | \$ 50.00; |
| 5. | Replacement or duplicate certificate fee | \$ 20.00. |