



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

TABLE OF CONTENTS

Contractors' Registration Statute	1
Proposed Contractors' Registration Regulations	6

CHAPTER 16

AN ACT concerning contractors engaged in home improvements and supplementing P.L.1960, c.39 (C.56:8-1 et seq.).

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

C.56:8-136 Short title.

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

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

2. 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.

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

3. a. 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.

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

4. 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 after the effective date of this act 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 after the effective date of this act 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.

C.56:8-140 Inapplicability of act.

5. 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.

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

6. 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.

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

7. a. 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 proof of a commercial general liability insurance policy required to be filed with the director shall provide that cancellation or nonrenewal of the policy shall not be effective unless and until at least 10 days' notice of intention to cancel or nonrenew has been received in writing by the director.

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

8. 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.

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

9. 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.

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

10. 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.

C.56:8-146 Violations, fourth degree crime.

11. 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.

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

12. 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.

C.56:8-148 Municipal powers preserved.

13. 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.

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

14. 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.

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

15. 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.

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

16. a. 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. 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."

C.56:8-152 Rules, regulations.

17. The director, pursuant to the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), shall promulgate rules and regulations to effectuate the purposes of this act.

18. This act shall take effect on the 180th day following enactment.

Approved May 13, 2004.

(a)

DIVISION OF CONSUMER AFFAIRS**Home Improvement Contractor Registration****Proposed Amendment: N.J.A.C. 13:45A-16.2****Proposed Recodification with Amendment: N.J.A.C. 13:45A-16.1 as 16.1A****Proposed New Rules: N.J.A.C. 13:45A-16.1 and 17**

Authorized By: Reni Erdos, Director, Division of Consumer Affairs.

Authority: N.J.S.A. 56:8-1 et seq., specifically 56:8-152.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2004-293.

Submit written comments by October 1, 2004 to:

Reni Erdos, Director

New Jersey Division of Consumer Affairs

PO Box 45027

Newark, NJ 07101

The agency proposal follows:

Summary

On May 13, 2004, the Governor signed the Contractors' Registration Act, P.L. 2004, c.16 (N.J.S.A. 56:8-136 et seq.), into law establishing, among other things, a new registration program for home improvement contractors who engage in the business of selling or making home improvements in this State. Pursuant to its rulemaking authority, N.J.S.A. 56:8-1 et seq. and specifically, N.J.S.A. 56:8-152, the Division of Consumer Affairs (the "Division") is proposing a new subchapter, N.J.A.C. 13:45A-17, to establish the registration program, including the application, disclosure and other requirements of the program. Furthermore, the Division is proposing amendments to existing rules at N.J.A.C. 13:45A-16.1 (recodified as 16.1A and 16.2 and a new rule at N.J.A.C. 13:45A-16.1 regarding home improvement practices to make these rules consistent with the requirements of the P.L. 2004, c.16, since the existing rules apply to all home improvement contracts regardless of whether certain contractors are exempt from the provisions of the Contractors' Registration Act.

Proposed new rule N.J.A.C. 13:45A-16.1 describes the purpose and scope of the existing rules in the subchapter, Home Improvement Practices, with subsection (a) stating the purpose of the subchapter is to implement the provisions of the Consumer Fraud Act by providing procedures for the regulation and content of home improvement contracts and establishing standards to facilitate enforcement of the requirements of that Act. Subsection (b) states that the rule applies to all sellers as defined in N.J.A.C. 13:45A-16.1A, including home improvement contractors as defined in N.J.A.C. 13:45A-17.2 and shall include those exempt from the provisions of subchapter N.J.A.C. 13:45A-17.

Proposed amendment to existing N.J.A.C. 13:45A-16.1, Definitions, would recodify the section as N.J.A.C. 13:45A-16.1A and include the terms "renovating," "restoring," "moving" and "demolishing" in the definition of home improvement to be consistent with the definition of home improvement in proposed new section N.J.A.C. 13:45A-17.2 as well as N.J.S.A. 56:8-137.

The proposed amendment to N.J.A.C. 13:45A-16.2(a)12 would increase the minimum purchase price requirement for a home improvement contract to be in writing from \$200.00 to \$500.00 and require that language in the contract be understandable to be consistent with N.J.S.A. 56:8-151.

Proposed new rule N.J.A.C. 13:45A-17.1 describes the purpose and scope of this new subchapter, Home Improvement Contractor Registration, with subsection (a) stating the purpose of the subchapter is to implement the provisions of the Consumer Fraud Act, 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 that Act, including the registration procedures for those persons who fall under the requirements of this law. Subsection (b) states that the rule applies to home improvement contractors in this State unless a contractor is exempt under N.J.A.C. 13:45A-17.4.

Proposed new rule N.J.A.C. 13:45A-17.2 establishes the definitions for the subchapter.

Proposed new N.J.A.C. 13:45A-17.3(a) requires that home improvement contractors who are not exempt under N.J.A.C. 13:45A-17.4 and persons who advertise as home improvement contractors in this State must register with the Division in accordance with the provisions of this proposed new

subchapter. Proposed new subsection (b) clarifies that home improvement contractors who are hired by other home improvement contractors to make or sell any home improvements are also required to be registered. Proposed new subsection (c) clarifies that officers and employers of a registered home improvement contractor are not required to register separately from the registered business entity as long as the officers' and employees' home improvement activities are done solely within their respective scopes of performance for that registered business entity. Proposed new subsection (d) clarifies that officers and employees of home improvement contractors that are exempt from registration under N.J.A.C. 13:45A-17.4 are not required to register as long as the officers' and employees' home improvement activities are done solely within their respective scopes of performance for that exempt business entity.

Proposed new rule N.J.A.C. 13:45A-17.4 establishes the exemptions to the registration requirement consistent with N.J.S.A. 56:8-140. Specifically, the exemption applies to (1) any person registered pursuant to the "New Home Warranty and Builders' Registration Act" when in conjunction with the building of a new home, (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, (7) any person licensed as a home financing agency, a home repair contractor or a home repair salesman as long as the person is acting within the scope of such license, or (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 by the home improvement retailer. The Division added language to all listed exemptions, except for public utilities, to clarify that the exemptions are applicable to the exempt classes when persons in that class are acting within the scope of practice, performance or employment as applicable to that exempt class. This clarification is consistent with the statutory exemption language for persons regulated by the State who are exempt when acting within the scope of practice for their professions.

Proposed new rule N.J.A.C. 13:45A-17.5 establishes the initial and renewal application requirements for home improvement contractor registrants. The requirements for an initial registration application include providing all names and street addresses used by the home improvement contractor, the type of business organization, information about each officer, director, principal, and person with an ownership interest of 10 percent or more, the name and street address of an agent for service of process in this State, proof of commercial general liability insurance, a properly completed disclosure statement and the registration fee. The proposed new rule also requires registrants who are renewing their registrations to complete the renewal application, provide proof of their required commercial general liability insurance policies, and provide the appropriate renewal registration fee and late fee, if applicable.

Proposed new rule N.J.A.C. 13:45A-17.6 sets forth the information that must be provided on the disclosure statement by the contractor concerning the contractor or any of the contractor's officers, directors, principals or persons with an ownership interest of 10 percent or more in the business. The information required to be disclosed includes convictions of various criminal offenses as stipulated in N.J.S.A. 56:8-141(a) and other information that the Director may consider when issuing, suspending or revoking a registration issued under this subchapter as stipulated in N.J.S.A. 56:8-141(b).

Proposed new N.J.A.C. 13:45A-17.7(a) provides that applicants and registrants have a duty to update information provided to the Division on the application within 20 calendar days of the change or addition. Proposed subsection (b) provides that applicants and registrants have a duty to update information provided to the Division on the disclosure statement within 30 calendar days of the change or addition. These requirements are derived from N.J.S.A. 56:8-138(c) and 141(e), respectively.

Proposed new rule N.J.A.C. 13:45A-17.8 provides that applicants and registrants have a continuing duty to cooperate with the Division by providing any assistance, information or documents requested by the Director.

Proposed new N.J.A.C. 13:45A-17.9(a) provides the grounds for which the Director may refuse to issue or renew, or may suspend or revoke any registration issued by the Division. Subsection (b) states that the information in the application and disclosure statement may be used by the Director for the purpose of denying, suspending or revoking a registration. Additionally, subsection (c) provides that applicants and registrants have a right 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. Subsection (c) requires the Director to notify applicants and registrants prior to refusing to issue or renew, suspending or revoking a registration or assessing a penalty and provide an opportunity to be heard. Subsection (d) allows the Director to suspend or revoke a registration in addition to assessing a monetary penalty for a violation of this subchapter. Subsection (e) clarifies that nothing in this subchapter limits the Director from imposing any additional fees, fines, penalties, restitution or any other actions as permitted under the Consumer Fraud Act.

Proposed new rule N.J.A.C. 13:45A-17.10 allows for reinstatement of a suspended registration upon the contractor's satisfying the conditions for reinstatement as determined by the Director and paying all outstanding fees, fines, penalties and restitution, including payment of the reinstatement fee specified in proposed new rule N.J.A.C. 13:45A-17.14.

Proposed new N.J.A.C. 13:45A-17.11(a) states that the registration number and certificate issued by the Division are the property of this State and that the contractor must immediately return all registration certificates and remove the registration number from all vehicles, advertising and other places where it is displayed if the registration is suspended or revoked or if the contractor fails to renew the registration. Subsection (b) requires the Director to issue a replacement certificate if the contractor pays the required fee and attests that the original certificate was lost, destroyed or mutilated or is otherwise not recoverable by the certificate holder. Subsection (c) requires the Director to issue duplicate certificates if the contractor pays the required fee per additional certificate and attests that the contractor has multiple places of business in which the certificate must be displayed. The contractor may not possess more registration certificates than the number of places of business utilized by the contractor. Subsection (d) requires a registered contractor to display prominently the original or duplicate registration certificate issued by that Division at each place of business and the 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 certain commercial vehicles used by the registrant. Subsection (e) requires that any invoice, contract or correspondence given by a registrant to a consumer shall prominently contain the Division's toll-free number.

Proposed new rule N.J.A.C. 13:45A-17.12 sets forth the amount, type, proof and notice requirements for the mandatory commercial general liability insurance that registrants must maintain.

Proposed new rule N.J.A.C. 13:45A-17.13 states that in addition to the requirements of a home improvement contract pursuant to N.J.A.C. 13:45A-16.2, every home improvement contract to which a person required to be registered as a home improvement contractor is a party must comply with the provision of N.J.S.A. 56:8-151.

Proposed new rule N.J.A.C. 13:45A-17.14 sets forth the fee schedule for the home improvement contractor registration program.

This proposal has not been calendared pursuant to the requirements of N.J.A.C. 1:30-3.1, and, therefore, a 60-day comment period is provided pursuant to N.J.A.C. 1:30-3.3(a).

Social Impact

Proposed amended rules N.J.A.C. 13:45A-16.1A and 16.2 and proposed new rule N.J.A.C. 13:45A-16.1 and proposed new subchapter N.J.A.C. 13:45A-17 will have a positive impact on the public and legitimate sellers and makers of home improvements in this State. In 2003, the Division of Consumer Affairs received 2,579 home improvement complaints, a 22 percent increase from 2002, and it is anticipated by the Division that the number of complaints should fall with full implementation of these proposed rules. Registration of home improvement contractors will help the public be better informed about home improvement contractors and related contracts and will provide assurance that a registered home improvement contractor has met the standards under P.L. 2004, c.16 (N.J.S.A. 56:8-136 et seq.), including the requirement that the contractor maintain a commercial general liability insurance policy with coverage of a minimum of \$500,000 per occurrence. Businesses and other contractors will also benefit by knowing that subcontractors that they hire must also meet the same statutory and regulatory standards.

Economic Impact

Proposed amended rules N.J.A.C. 13:45A-16.1A and 16.2 and proposed new rule N.J.A.C. 13:45A-16.1 and proposed new subchapter N.J.A.C. 13:45A-17 will have a beneficial economic impact on the public by reducing the number of home improvement contractors that defraud consumers who do not have liability insurance to pay for damage caused by the contractor while performing a home improvement. Registrants may benefit from greater patronage by an educated public that knows that the contractors are in compliance with the law and have met the State's standards. Registrants will incur costs from applying and maintaining the registration. Registrants may incur costs from purchasing and maintaining the required commercial general liability insurance, if the contractor does not already maintain such insurance. Registrants will incur costs associated with the display of their registration certificates and registration numbers including fees for duplicate certificates, if the contractor has multiple places of business, and reproducing the registration number on certain commercial vehicles, all advertisements and business invoices, contracts and other correspondence to consumers in this State.

Federal Standards Statement

A Federal standards analysis is not required because there are no Federal standards or requirements applicable to the proposed new rules and amendments.

Jobs Impact

The Division does not anticipate that the proposed new rules and amendments will increase or decrease jobs in the State.

Agriculture Industry Impact

The proposed new rules and amendments will have no impact on the agriculture industry in this State.

Regulatory Flexibility Analysis

If, for purposes of the Regulatory Flexibility Act (the "Act"), N.J.S.A. 52:14B-16 et seq., the 20,000 potential home improvement contractor registrants are deemed "small businesses," then the following analysis applies.

The Act requires the Division to set forth the reporting, recordkeeping, and other compliance requirements of the proposed amendments and new rules including the kinds of personal services likely to be needed to comply with the requirements. The Act further requires the Division to estimate the initial and annual compliance costs and to outline the manner in which it has designed the amendments and new rules to minimize any adverse economic impact upon small businesses.

The compliance requirements in the proposed new rules and amendments, which implement N.J.S.A. 56:8-134 et seq., which states that home improvement contractors, unless otherwise exempt, must be registered with the Division. In the registration process, the applicant must comply by (1) providing certain information about the business and its officers, directors, principals, and persons who have an ownership interest of 10 percent or more in the home improvement business; (2) purchasing and maintaining the statutory required level of commercial general liability insurance; and (3) paying the required fees to the Division. Once a contractor is registered, the contractor must comply by (1) renewing the registration on an annual basis and providing such information as required by the Director, (2) paying the required renewal fees, (3) maintaining the required commercial general liability insurance policy, (4) using written contracts, when appropriate, that are in compliance with existing regulations and N.J.S.A. 56:8-151, and (5) displaying the registration certificate and registration number in accordance with N.J.S.A. 56:8-144.

The reporting requirement in the proposed amendments and new rules state that the home improvement contractor applicants and registrants report any changes in the information contained on their applications within 20 calendar days from the change or addition and any changes in the information contained on their disclosure statements within 30 calendar days from the change or addition.

There is no specific recordkeeping requirement in the proposed amended and new rules; however, applicants and registrants are required to cooperate with the Division and provide assistance, information and documentation as requested by the Director.

The Division believes that no professional services are likely to be needed to comply with the proposed new rules and amendments. The Division believes that because the proposed new rules and amendments are intended to protect the public from fraudulent, misleading or deceptive practices of certain home improvement contractors, the provisions of the proposed new

rules and amendments must be applied uniformly to non-exempt home improvement contractors regardless of the size of the business.

Smart Growth Impact

The Division does not anticipate that the proposed amendments and new rules will have any impact on the achievement of smart growth or the implementation of the State Development and Redevelopment Plan.

Full text of the proposal follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

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) These rules shall apply to all sellers as defined in N.J.A.C. 13:45A-16.1A, including home improvement contractors as defined in N.J.A.C. 13:45A-17.2, and shall include those exempt from the provisions of N.J.A.C. 13:45A-17 et seq.

13:45A-[16.1]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, aluminum 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.

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.-11. (No change.)

12. Home improvement contract requirements—writing requirement: All home improvement contracts for a purchase price in excess of [\$200.00] \$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.-vi. (No change.)

13. (No change.)

SUBCHAPTER 17. [(RESERVED)] 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, aluminum 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) Unless exempt under N.J.A.C. 13:45A-17.4:

1. No contractor 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) 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 and that cancellation or nonrenewal of the policy by either the contractor or the insurer shall not be effective

unless and until at least 10 business days' notice of intention to cancel or not to renew has been received in writing by the Director.

(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 who 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 at least 10 business days 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.

(a)

DIVISION OF CRIMINAL JUSTICE

**Health Care Accountability Act—N.J.S.A. 52:17B-196
Joint Negotiations by Physicians and Dentists with
Health Benefit Plan Carriers**

Proposed New Rules: N.J.A.C. 13:87

Authorized By: Mariellen Dugan, Acting Attorney General, in consultation with the Commissioner of the Department of Banking and Insurance and the Commissioner of the Department of Health and Senior Services.

Authority: N.J.S.A. 52:17B-209.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2004-285.

Submit written comments by October 1, 2004 to:

Andrew L. Rossner, Deputy Director
Division of Criminal Justice
25 Market Street
PO Box 085
Trenton, New Jersey 08625-0085

The agency proposal follows:

Summary

The Legislature enacted N.J.S.A. 52:17B-196 et seq., which provides a mechanism to authorize physicians and dentists, in appropriate cases, to jointly engage in negotiations with health/dental benefits plan carriers through an authorized representative and to qualify such joint negotiations and related activities for the State-action immunity under the Federal antitrust laws. Under the statutory scheme, physicians and dentists who wish to engage in joint negotiations through a representative may obtain permission from the Attorney General through the Division of Criminal Justice. When an approved representative's negotiations result in a contract, the statute provides for review and approval of that contract by the Attorney General through the Division of Criminal Justice. The petitioners must demonstrate that the proposed negotiations or contracts will result in benefits that outweigh any disadvantages that may result from a reduction in competition. The New Jersey Department of Banking and Insurance in consultation with the New Jersey Department of Health and Senior Services are tasked with