



Substitute Senate Bill No. 266

Public Act No. 21-197

AN ACT CONCERNING REQUIREMENTS FOR HOME CONSTRUCTION CONTRACTORS AND HOME IMPROVEMENT CONTRACTORS AND SALESPERSONS, EXEMPTING CERTAIN PERSONS FROM LOCKSMITH REGISTRATION REQUIREMENTS AND EXPANDING THE APPLICABILITY OF THE SMALL CLAIMS PROCEDURE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 20-417b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

(a) No person shall engage in the business of new home construction or hold himself or herself out as a new home construction contractor unless such person has been issued a certificate of registration by the commissioner in accordance with the provisions of sections 20-417a to 20-417j, inclusive. No new home construction contractor shall be relieved of responsibility for the conduct and acts of its agents, employees or officers by reason of such new home construction contractor's compliance with the provisions of sections 20-417a to 20-417j, inclusive.

(b) Any person seeking a certificate of registration shall apply to the commissioner, [in writing] online, on a form provided by the commissioner. The application shall include (1) the applicant's name,

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business street address and business telephone number, (2) the identity of the insurer that provides the applicant with insurance coverage for liability, (3) if such applicant is required by any provision of the general statutes to have workers' compensation coverage, the identity of the insurer that provides the applicant with such workers' compensation coverage, [and] (4) if such applicant is required by any provision of the general statutes to have an agent for service of process, the name and address of such agent, and (5) proof of general liability insurance coverage in an amount not less than twenty thousand dollars, demonstrated by providing the policy number and business name of the insurance provider. Each such application shall be accompanied by a fee of [two] one hundred [forty] twenty dollars, except that no such application fee shall be required if such person has paid the registration fee required under section 20-421, as amended by this act, during any year in which such person's registration as a new home construction contractor would be valid.

(c) Certificates issued to new home construction contractors shall not be transferable or assignable, except when the holder of a certificate, who is engaged in the business, changes the name or form of such business.

(d) All certificates issued under the provisions of sections 20-417a to 20-417j, inclusive, shall expire [biennially] annually. The fee for renewal of a certificate shall be the same as the fee charged for an original application, except that no renewal fee is due if a person seeking renewal of a certificate has paid the registration fee under section 20-427, as amended by this act, during any year in which such person's registration as a new home construction contractor would be valid.

(e) All certificates issued under the provisions of this chapter shall expire [biennially and may be renewed by the applicant not later than six months after the expiration date of such certificate] annually on the thirty-first day of March. The fee for renewal of a certificate shall be the

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same as charged for the original application. [but shall be charged on a pro rata basis, based upon the application date for such renewal.]

(f) Failure to receive a notice of expiration or a renewal application shall not exempt a new home construction contractor from the obligation to renew.

(g) The holder of a certificate of registration issued by the commissioner in accordance with the provisions of sections 20-417a to 20-417j, inclusive, may opt to engage in home improvement, as defined in section 20-419, as amended by this act. If a new home construction contractor does opt to engage in such home improvement, such new home construction contractor shall first notify the commissioner in writing and shall pay to the Department of Consumer Protection any fee due to the Home Improvement Guaranty Fund pursuant to section 20-432, as amended by this act.

Sec. 2. (NEW) (*Effective July 1, 2022*) (a) (1) As used in this section, "contract" has the same meaning as provided in section 20-417a of the general statutes. A contract shall not be valid or enforceable against a consumer unless it: (A) Is in writing, (B) is signed by the new home construction contractor and the consumer, (C) contains the entire agreement between the new home construction contractor and the consumer, (D) contains the date of the transaction, (E) contains the name and address of the new home construction contractor and the contractor's registration number, (F) contains a starting date and completion date, (G) is entered into by a registered new home construction contractor, and (H) includes a provision disclosing each corporation, limited liability company, partnership, sole proprietorship or other legal entity, which is or has been a new home construction contractor pursuant to the provisions of chapter 399a of the general statutes, in which the owner or owners of the new home construction contractor are or have been a shareholder, member, partner or owner during the previous five years.

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(2) Each change in the terms and conditions of a contract shall be in writing and shall be signed by the new home construction contractor and the consumer, except that the commissioner may, by regulation adopted in accordance with the provisions of chapter 54 of the general statutes, dispense with the necessity for complying with the provisions of this subdivision.

(b) The new home construction contractor shall provide and deliver to the consumer, without charge, a completed copy of the new home construction contract at the time such contract is executed.

(c) The commissioner may, by regulation adopted in accordance with the provisions of chapter 54 of the general statutes, require the inclusion of additional contractual provisions for contracts.

(d) Nothing in this section shall preclude a new home construction contractor who has complied with subparagraphs (A), (B), (F) and (G) of subdivision (1) of subsection (a) of this section from the recovery of payment for work performed based on the reasonable value of services which were requested by the consumer, provided the court determines that it would be inequitable to deny such recovery.

Sec. 3. Section 20-417i of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

(a) The commissioner shall establish and maintain the New Home Construction Guaranty Fund.

(b) Each person who receives a certificate pursuant to sections 20-417a to 20-417j, inclusive, shall pay a fee of [four] two hundred [eighty] forty dollars [biennially] annually to the [fund] New Home Construction Guaranty Fund. Such [fee] fees shall be payable with the fee for an application for a certificate or renewal of a certificate.

(c) (1) For fiscal years commencing on or after July 1, 2003, payments

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received under subsection (b) of this section shall be credited to the New Home Construction Guaranty Fund until the balance in the fund equals seven hundred fifty thousand dollars. Annually, if the balance in the fund exceeds seven hundred fifty thousand dollars, the first three hundred thousand dollars of the excess shall be deposited in the consumer protection enforcement account established in section 21a-8a. On June 1, 2004, and each June first thereafter, if the balance in the fund exceeds seven hundred fifty thousand dollars, the excess shall be deposited in the General Fund.

(2) Any money in the New Home Construction Guaranty Fund may be invested or reinvested in the same manner as funds of the state employees retirement system and the interest arising from such investments shall be credited to the fund.

(d) [Beginning October 1, 2000, whenever] Whenever a consumer obtains a binding arbitration decision, a court judgment, order or decree against or regarding any new home construction contractor holding a certificate or who has held a certificate under sections 20-417a to 20-417j, inclusive, within [the past] two years of the date of entering into the contract with the consumer, for loss or damages sustained by reason of any violation of the provisions of sections 20-417a to 20-417j, inclusive, by a person holding a certificate under said sections, such consumer may, upon the final determination of, or expiration of time for taking, an appeal in connection with any such decision, judgment, order or decree, apply to the commissioner for an order directing payment out of the New Home Construction Guaranty Fund of the amount, not exceeding thirty thousand dollars, unpaid upon the decision, judgment, order or decree for actual damages and costs taxed by the court against such contractor, exclusive of punitive damages. The application shall be made on forms provided by the commissioner and shall be accompanied by a copy of the decision, court judgment, order or decree obtained against the new home construction contractor together with a

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[notarized affidavit,] statement signed and sworn to by the consumer, affirming that the consumer has: (1) Complied with all the requirements of this subsection; (2) obtained a decision, judgment, order or decree stating the amount of the decision, judgment, order or decree and the amount owing on the decision, judgment, order or decree at the date of application; and (3) made a good faith effort to satisfy any such decision, judgment, order or decree in accordance with the provisions of chapter 906 which effort may include causing to be issued a writ of execution upon such decision, judgment, order or decree but the officer executing the same has made a return showing that no bank accounts or personal property of such contractor liable to be levied upon in satisfaction of the decision, judgment, order or decree could be found, or that the amount realized on the sale of them or of such of them as were found, under the execution, was insufficient to satisfy the actual damage portion of the decision, judgment, order or decree or stating the amount realized and the balance remaining due on the decision, judgment, order or decree after application on the decision, judgment, order or decree of the amount realized, except that the requirements of this subdivision shall not apply to a judgment, order or decree obtained by the consumer in small claims court. A true and attested copy of such executing officer's return, when required, shall be attached to such application. [and affidavit.] Whenever the consumer satisfies the commissioner or the commissioner's designee that it is not practicable to comply with the requirements of subdivision (3) of this subsection and that the consumer has taken all reasonable steps to collect the amount of the decision, judgment, order or decree or the unsatisfied part of the decision, judgment, order or decree and has been unable to collect the same, the commissioner or the commissioner's designee may, in the commissioner's or the commissioner's designee's discretion, dispense with the necessity for complying with such requirement. No application for an order directing payment out of the fund shall be made later than two years from the final determination of, or expiration of time for taking, an appeal of such decision, court judgment, order or decree and

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no such application shall be for an amount in excess of thirty thousand dollars.

(e) Upon receipt of such application together with such copy of the decision, court judgment, order or decree, [notarized affidavit] statement and, except as otherwise provided in subsection (d) of this section, true and attested copy of the executing officer's return, the commissioner or the commissioner's designee shall inspect such documents for their veracity and upon a determination that such documents are complete and authentic and that the consumer has not been paid, the commissioner shall order payment out of the New Home Construction Guaranty Fund of the amount not exceeding thirty thousand dollars unpaid upon the decision, judgment, order or decree for actual damages and costs taxed by the court against the contractor, exclusive of punitive damages.

(f) Beginning October 1, 2000, whenever a consumer is awarded an order of restitution against any new home construction contractor for loss or damages sustained as a result of any violation of the provisions of sections 20-417a to 20-417j, inclusive, by a person holding a certificate or who has held a certificate under said sections within [the past] two years of the date of entering into the contract with the consumer, in (1) a proceeding brought by the commissioner pursuant to subsection (h) of this section or subsection (d) of section 42-110d, (2) a proceeding brought by the Attorney General pursuant to subsection (a) of section 42-110m or subsection (d) of section 42-110d, or (3) a criminal proceeding pursuant to section 20-417e, such consumer may, upon the final determination of, or expiration of time for taking, an appeal in connection with any such order of restitution, apply to the commissioner for an order directing payment out of the New Home Construction Guaranty Fund of the amount not exceeding thirty thousand dollars unpaid upon the order of restitution. The commissioner may issue such order upon a determination that the

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consumer has not been paid.

(g) Before the commissioner may issue any order directing payment out of the New Home Construction Guaranty Fund to a consumer pursuant to subsection (e) or (f) of this section, the commissioner shall first notify the new home construction contractor of the consumer's application for an order directing payment out of the fund and of the new home construction contractor's right to a hearing to contest the disbursement in the event that such contractor has already paid the consumer. Such notice shall be given to the new home construction contractor not later than fifteen days after receipt by the commissioner of the consumer's application for an order directing payment out of the fund. If the new home construction contractor requests a hearing, in writing, by certified mail not later than fifteen days after receiving the notice from the commissioner, the commissioner shall grant such request and shall conduct a hearing in accordance with the provisions of chapter 54. If the commissioner does not receive a written request for a hearing by certified mail from the new home construction contractor on or before the fifteenth day from the contractor's receipt of such notice, the commissioner shall conclude that the consumer has not been paid, and the commissioner shall issue an order directing payment out of the fund for the amount not exceeding thirty thousand dollars unpaid upon the judgment, order or decree for actual damages and costs taxed by the court against the new home construction contractor, exclusive of punitive damages, or for the amount not exceeding thirty thousand dollars unpaid upon the order of restitution.

(h) The commissioner or the commissioner's designee may proceed against any new home construction contractor holding a certificate or who has held a certificate under sections 20-417a to 20-417j, inclusive, within [the past] two years of the effective date of entering into the contract with the consumer, for an order of restitution arising from loss or damages sustained by any consumer as a result of any violation of

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the provisions of said sections 20-417a to 20-417j, inclusive. Any such proceeding shall be held in accordance with the provisions of chapter 54. In the course of such proceeding, the commissioner or the commissioner's designee shall decide whether to (1) exercise the powers specified in section 20-417c, as amended by this act, (2) order restitution arising from loss or damages sustained by any consumer as a result of any violation of the provisions of sections 20-417a to 20-417j, inclusive, and (3) order payment out of the New Home Construction Guaranty Fund. Notwithstanding the provisions of chapter 54, the decision of the commissioner or the commissioner's designee shall be final with respect to any proceeding to order payment out of the fund and the commissioner and the commissioner's designee shall not be subject to the requirements of chapter 54 as such requirements relate to an appeal from any such decision. The commissioner or the commissioner's designee may hear complaints of all consumers submitting claims against a single new home construction contractor in one proceeding.

(i) No application for an order directing payment out of the New Home Construction Guaranty Fund shall be made later than two years from the final determination of, or expiration of time for, an appeal in connection with any judgment, order or decree of restitution, and no such application shall be for an amount in excess of thirty thousand dollars.

(j) In order to preserve the integrity of the New Home Construction Guaranty Fund, the commissioner, in the commissioner's sole discretion, may order payment out of the fund of an amount less than the actual loss or damages incurred by the consumer or less than the order of restitution awarded by the commissioner or the Superior Court. In no event shall any payment out of the fund be in excess of thirty thousand dollars for any single claim by a consumer.

(k) If the money deposited in the New Home Construction Guaranty Fund is insufficient to satisfy any duly authorized claim or portion of a

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claim, the commissioner shall, when sufficient money has been deposited in the fund, satisfy such unpaid claims or portions of claims not exceeding thirty thousand dollars, in the order that such claims or portions of claims were originally determined.

(l) Whenever the commissioner has caused any sum to be paid from the New Home Construction Guaranty Fund to a consumer, the commissioner shall be subrogated to all of the rights of the consumer up to the amount paid plus reasonable interest, and prior to receipt of any payment from the fund, the consumer shall assign all of the consumer's right, title and interest in the claim up to such amount to the commissioner, and any amount and interest recovered by the commissioner on the claim shall be deposited in the fund.

(m) If the commissioner orders the payment of any amount as a result of a claim against a new home construction contractor, the commissioner shall determine if such contractor is possessed of assets liable to be sold or applied in satisfaction of the claim on the New Home Construction Guaranty Fund. If the commissioner discovers any such assets, the commissioner may request that the Attorney General take any action necessary for the reimbursement of the fund.

(n) If the commissioner orders the payment of an amount as a result of a claim against a new home construction contractor, the commissioner may, after notice and hearing in accordance with the provisions of chapter 54, revoke the certificate of such contractor and such contractor shall not be eligible to receive a new or renewed certificate until such contractor has repaid such amount in full, plus interest from the time such payment is made from the New Home Construction Guaranty Fund, at a rate to be in accordance with section 37-3b, except that the commissioner may, in the commissioner's sole discretion, permit a new home construction contractor to receive a new or renewed certificate after such contractor has entered into an agreement with the commissioner whereby such contractor agrees to

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repay the fund in full in the form of periodic payments over a set period of time. Any such agreement shall include a provision providing for the summary suspension of any and all certificates held by the new home construction contractor if payment is not made in accordance with the terms of the agreement.

Sec. 4. Section 20-419 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

As used in this chapter, unless the context otherwise requires:

(1) "Certificate" means a certificate of registration issued under section 20-422.

(2) "Commissioner" means the Commissioner of Consumer Protection or any person designated by the commissioner to administer and enforce this chapter.

(3) "Contractor" means any person who owns and operates a home improvement business or who undertakes, offers to undertake or agrees to perform any home improvement. "Contractor" does not include a person for whom the total price of all of his home improvement contracts with all of his customers does not exceed one thousand dollars during any period of twelve consecutive months.

(4) "Home improvement" includes, but is not limited to, the repair, replacement, remodeling, alteration, conversion, modernization, improvement, rehabilitation or sandblasting of, or addition to any land or building or that portion thereof which is used or designed to be used as a private residence, dwelling place or residential rental property, or the construction, replacement, installation or improvement of alarm systems not requiring electrical work, as defined in section 20-330, driveways, swimming pools, porches, garages, roofs, siding, insulation, sunrooms, flooring, patios, landscaping, fences, doors and windows, waterproofing, water, fire or storm restoration or mold remediation in

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connection with such land or building or that portion thereof which is used or designed to be used as a private residence, dwelling place or residential rental property or the removal or replacement of a residential underground heating oil storage tank system, in which the total price for all work agreed upon between the contractor and owner or proposed or offered by the contractor exceeds two hundred dollars. "Home improvement" does not include: (A) The construction of a new home; (B) the sale of goods by a seller who neither arranges to perform nor performs, directly or indirectly, any work or labor in connection with the installation or application of the goods or materials; (C) the sale of goods or services furnished for commercial or business use or for resale, provided commercial or business use does not include use as residential rental property; (D) the sale of appliances, such as stoves, refrigerators, freezers, room air conditioners and others which are designed for and are easily removable from the premises without material alteration thereof; [and] (E) tree or shrub cutting or the grinding of tree stumps; and (F) any work performed without compensation by the owner on his own private residence or residential rental property.

(5) "Home improvement contract" means an agreement between a contractor and an owner for the performance of a home improvement.

(6) "Owner" means a person who owns or resides in a private residence and includes any agent thereof, including, but not limited to, a condominium association. An owner of a private residence shall not be required to reside in such residence to be deemed an owner under this subdivision.

(7) "Person" means an individual, partnership, limited liability company or corporation.

(8) "Private residence" means a single family dwelling, a multifamily dwelling consisting of not more than six units, or a unit, common element or limited common element in a condominium, as defined in

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section 47-68a, or in a common interest community, as defined in section 47-202, or any number of condominium units for which a condominium association acts as an agent for such unit owners.

(9) "Salesman" means any individual who (A) negotiates or offers to negotiate a home improvement contract with an owner, or (B) solicits or otherwise endeavors to procure by any means whatsoever, directly or indirectly, a home improvement contract from an owner on behalf of a contractor.

(10) "Residential rental property" means a single family dwelling, a multifamily dwelling consisting of not more than six units, or a unit, common element or limited common element in a condominium, as defined in section 47-68a, or in a common interest community, as defined in section 47-202, which is not owner-occupied.

(11) "Residential underground heating oil storage tank system" means an underground storage tank system used with or without ancillary components in connection with real property composed of four or less residential units.

(12) "Underground storage tank system" means an underground tank or combination of tanks, with any underground pipes or ancillary equipment or containment systems connected to such tank or tanks, used to contain an accumulation of petroleum, which volume is ten per cent or more beneath the surface of the ground.

Sec. 5. Section 20-420a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

(a) No corporation shall perform or offer to perform home improvements in this state unless such corporation has been issued a certificate of registration by the commissioner. No such corporation shall be relieved of responsibility for the conduct and acts of its agents, employees or officers by reason of its compliance with the provisions of

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this section, nor shall any individual contractor be relieved of responsibility for home improvements performed by reason of his employment or relationship with such corporation.

(b) A qualifying corporation desiring a certificate of registration shall apply to the commissioner, [in writing] online, on a form provided by the commissioner. The application shall (1) state the name and address of such corporation, the city or town and the street and number where such corporation is to maintain its principal place of business in this state [,] and the names and addresses of officers; [,] and (2) contain a statement that one or more individuals who shall direct, supervise or perform home improvements for such corporation are registered home improvement contractors and such other information as the commissioner may require.

(c) Any certificate issued by the commissioner pursuant to this section may be revoked, [or] suspended, or have conditions placed upon the holder of the certificate by the commissioner after notice and hearing in accordance with the provisions of chapter 54 concerning contested cases, if it is shown that the holder of such certificate has not conformed to the requirements of this chapter, that the certificate was obtained through fraud or misrepresentation or that the contractor of record employed by or acting on behalf of such corporation has had his certificate of registration suspended or revoked by the commissioner. The commissioner may refuse to issue or renew a certificate if any facts exist which would entitle the commissioner to suspend or revoke an existing certificate.

(d) Each such corporation shall file with the commissioner upon application or renewal thereof a designation of an individual or individuals registered to perform home improvements in this state who shall direct or supervise the performance of home improvements by such corporation in this state. Such corporation shall notify the commissioner of any change in such designation within thirty days after

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such change becomes effective.

(e) Each such corporation shall file with the commissioner upon application or renewal thereof a certificate of good standing issued by the office of the Secretary of the State. Such corporation shall notify the commissioner of any change in corporate good standing within thirty days after such change becomes effective.

Sec. 6. Subsection (a) of section 20-421 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

(a) Any person seeking a certificate of registration shall apply to the commissioner [in writing] online, on a form provided by the commissioner. The application shall include the applicant's name, residence address, business address, business telephone number, proof that the applicant has obtained general liability insurance coverage in an amount not less than twenty thousand dollars, demonstrated by providing the policy number and business name of the insurance provider, and such other information as the commissioner may require.

Sec. 7. Subsection (e) of section 20-427 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

(e) Certificates issued to home improvement contractors or salesmen shall not be transferable or assignable, except when the holder of the certificate changes only the name or type of business entity of such business.

Sec. 8. Section 20-432 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

(a) The commissioner shall establish and maintain the Home Improvement Guaranty Fund.

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(b) Each salesman who receives a certificate pursuant to this chapter shall pay a fee of forty dollars annually. Each contractor (1) who receives a certificate pursuant to this chapter, or (2) receives a certificate pursuant to chapter 399a and has opted to engage in home improvement pursuant to subsection (g) of section 20-417b, as amended by this act, shall pay a fee of one hundred dollars annually to the guaranty fund. Such fee shall be payable with the fee for an application for a certificate or renewal thereof. The annual fee for a contractor who receives a certificate of registration as a home improvement contractor acting solely as the contractor of record for a corporation shall be waived, provided the contractor of record shall use such registration for the sole purpose of directing, supervising or performing home improvements for such corporation.

(c) Payments received under subsection (b) of this section shall be credited to the guaranty fund until the balance in such fund equals seven hundred fifty thousand dollars. Annually, if the balance in the fund exceeds seven hundred fifty thousand dollars, the first four hundred thousand dollars of the excess shall be deposited into the consumer protection enforcement account established in section 21a-8a. Any excess thereafter shall be deposited in the General Fund. Any money in the guaranty fund may be invested or reinvested in the same manner as funds of the state employees retirement system, and the interest arising from such investments shall be credited to the guaranty fund.

(d) Whenever an owner obtains a binding arbitration decision, a court judgment, order or decree against any contractor holding a certificate or who has held a certificate under this chapter within [the past] two years of the effective date of entering into the contract with the owner, for loss or damages sustained by reason of performance of or offering to perform a home improvement within this state by a contractor holding a certificate under this chapter, such owner may, upon the final

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determination of, or expiration of time for, taking an appeal in connection with any such decision, judgment, order or decree, apply to the commissioner for an order directing payment out of said guaranty fund of the amount unpaid upon the decision, judgment, order or decree, for actual damages and costs taxed by the court against the contractor, exclusive of punitive damages. The application shall be made on forms provided by the commissioner and shall be accompanied by a copy of the decision, court judgment, order or decree obtained against the contractor. [together with a notarized affidavit, signed and sworn to by the owner, affirming that: (1) He or she has complied with all the requirements of this subsection; (2) he or she has obtained a judgment, order or decree, stating the amount thereof and the amount owing thereon at the date of application; and (3) he or she has caused to be issued a writ of execution upon said judgment, order or decree and the officer executing the same has made a return showing that no bank accounts or personal property of the contractor liable to be levied upon in satisfaction of the judgment, order or decree could be found, or that the amount realized on the sale of them or of such of them as were found, under the execution, was insufficient to satisfy the actual damage portion of the judgment, order or decree or stating the amount realized and the balance remaining due on the judgment, order or decree after application thereon of the amount realized, except that the requirements of this subdivision shall not apply to a judgment, order or decree obtained by the owner in small claims court. A true and attested copy of said executing officer's return, when required, shall be attached to such application and affidavit.] No application for an order directing payment out of the guaranty fund shall be made later than two years after the final determination of, or expiration of time for, taking an appeal of said decision, court judgment, order or decree.

(e) Upon receipt of said application together with said copy of the decision, court judgment, order or decree, [notarized affidavit] and true and attested copy of the executing officer's return, the commissioner or

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his designee shall inspect such documents for their veracity and upon a determination that such documents are complete and authentic, and a determination that the owner has not been paid, the commissioner shall order payment out of the guaranty fund of the amount unpaid upon the decision, judgment, order or decree for actual damages and costs taxed by the court against the contractor, exclusive of punitive damages.

(f) Whenever an owner is awarded an order of restitution against any contractor for loss or damages sustained by reason of performance of or offering to perform a home improvement in this state by a contractor holding a certificate or who has held a certificate under this chapter within [the past] two years of the date of entering into the contract with the owner, in a proceeding brought by the commissioner pursuant to this section or subsection (d) of section 42-110d, or in a proceeding brought by the Attorney General pursuant to subsection (a) of section 42-110m or subsection (d) of section 42-110d, or a criminal proceeding pursuant to section 20-427, as amended by this act, such owner may, upon the final determination of, or expiration of time for, taking an appeal in connection with any such order of restitution, apply to the commissioner for an order directing payment out of said guaranty fund of the amount unpaid upon the order of restitution. The commissioner may issue said order upon a determination that the owner has not been paid.

(g) Before the commissioner may issue any order directing payment out of the guaranty fund to an owner pursuant to subsections (e) or (f) of this section, the commissioner shall first notify the contractor of the owner's application for an order directing payment out of the guaranty fund and of the contractor's right to a hearing to contest the disbursement in the event that the contractor has already paid the owner or is complying with a payment schedule in accordance with a court judgment, order or decree. Such notice shall be given to the contractor not later than fifteen days after receipt by the commissioner of the

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owner's application for an order directing payment out of the guaranty fund. If the contractor requests a hearing, in writing, by certified mail not later than fifteen days after receiving the notice from the commissioner, the commissioner shall grant such request and shall conduct a hearing in accordance with the provisions of chapter 54. If the commissioner does not receive a request by certified mail from the contractor for a hearing not later than fifteen days after the contractor's receipt of such notice, the commissioner shall determine that the owner has not been paid, and the commissioner shall issue an order directing payment out of the guaranty fund for the amount unpaid upon the judgment, order or decree for actual damages and costs taxed by the court against the contractor, exclusive of punitive damages, or for the amount unpaid upon the order of restitution.

(h) The commissioner or his designee may proceed against any contractor holding a certificate or who has held a certificate under this chapter within the past two years of the effective date of entering into the contract with the owner, for an order of restitution arising from loss or damages sustained by any person by reason of such contractor's performance of or offering to perform a home improvement in this state. Any such proceeding shall be held in accordance with the provisions of chapter 54. In the course of such proceeding, the commissioner or his designee shall decide whether to exercise his powers pursuant to section 20-426; whether to order restitution arising from loss or damages sustained by any person by reason of such contractor's performance or offering to perform a home improvement in this state; and whether to order payment out of the guaranty fund. Notwithstanding the provisions of chapter 54, the decision of the commissioner or his designee shall be final with respect to any proceeding to order payment out of the guaranty fund and the commissioner and his designee shall not be subject to the requirements of chapter 54 as they relate to appeal from any such decision. The commissioner or his designee may hear complaints of all owners submitting claims against a single contractor

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in one proceeding.

(i) No application for an order directing payment out of the guaranty fund shall be made later than two years from the final determination of, or expiration of time for, appeal in connection with any decision, judgment, order or decree of restitution.

(j) Whenever the owner satisfies the commissioner or his designee that it is not practicable to comply with the requirements of [subdivision (3) of] subsection (d) of this section and that the owner has taken all reasonable steps to collect the amount of the decision, judgment, order or decree or the unsatisfied part thereof and has been unable to collect the same, the commissioner or his designee may in his discretion dispense with the necessity for complying with such requirement.

(k) In order to preserve the integrity of the guaranty fund, the commissioner, in the commissioner's sole discretion, may order payment out of said fund of an amount less than the actual loss or damages incurred by the owner or less than the order of restitution awarded by the commissioner or the Superior Court. In no event shall any payment out of said guaranty fund be in excess of [~~fifteen~~] twenty-five thousand dollars for any single claim by an owner.

(l) If the money deposited in the guaranty fund is insufficient to satisfy any duly authorized claim or portion thereof, the commissioner shall, when sufficient money has been deposited in the fund, satisfy such unpaid claims or portions thereof, in the order that such claims or portions thereof were originally determined.

(m) Whenever the commissioner has caused any sum to be paid from the guaranty fund to an owner, the commissioner shall be subrogated to all of the rights of the owner up to the amount paid plus reasonable interest, and prior to receipt of any payment from the guaranty fund, the owner shall assign all of this right, title and interest in the claim up

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to such amount to the commissioner, and any amount and interest recovered by the commissioner on the claim shall be deposited to the guaranty fund.

(n) If the commissioner orders the payment of any amount as a result of a claim against a contractor, the commissioner shall determine if the contractor is possessed of assets liable to be sold or applied in satisfaction of the claim on the guaranty fund. If the commissioner discovers any such assets, he may request that the Attorney General take any action necessary for the reimbursement of the guaranty fund.

(o) If the commissioner orders the payment of an amount as a result of a claim against a contractor, the commissioner may, after notice and hearing in accordance with the provisions of chapter 54, revoke the certificate of the contractor and the contractor shall not be eligible to receive a new or renewed certificate until he has repaid such amount in full, plus interest from the time said payment is made from the guaranty fund, at a rate to be in accordance with section 37-3b, except that the commissioner may, in his sole discretion, permit a contractor to receive a new or renewed certificate after that contractor has entered into an agreement with the commissioner whereby the contractor agrees to repay the guaranty fund in full in the form of periodic payments over a set period of time. Any such agreement shall include a provision providing for the summary suspension of any and all certificates held by the contractor if payment is not made in accordance with the terms of the agreement.

Sec. 9. Section 20-417c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

The commissioner may revoke, suspend, [or] refuse to issue or renew, or place conditions upon the renewal of any certificate issued pursuant to sections 20-417a to 20-417j, inclusive, or place a registrant on probation or issue a letter of reprimand after notice and hearing in

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accordance with the provisions of chapter 54 concerning contested cases if it is shown that the holder of such certificate has: (1) Failed to comply with any provision of sections 20-417a to 20-417j, inclusive, or any regulation adopted pursuant to said sections; (2) obtained the certificate through fraud or misrepresentation; (3) engaged in conduct of a character likely to mislead, deceive or defraud the public or the commissioner; (4) engaged in any untruthful or misleading advertising; (5) failed to reimburse the New Home Construction Guaranty Fund established pursuant to section 20-417i, as amended by this act, for any moneys paid to a consumer pursuant to said section; (6) engaged in an unfair or deceptive business practice under subsection (a) of section 42-110b; (7) failed to timely complete any task, as specified in a written contract of sale; (8) failed to remedy any violation of any provision of sections 47-116 to 47-121, inclusive, or any regulation adopted pursuant to said sections; (9) failed to remedy any violation of any provision of the State Building Code; or (10) if applicable, failed to maintain its certificate of good standing issued by the office of the Secretary of the State.

Sec. 10. Section 20-420 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

(a) No person shall hold himself or herself out to be a contractor or salesperson without first obtaining a certificate of registration from the commissioner as provided in this chapter, except (1) that an individual or partner, or officer or director of a corporation registered as a contractor shall not be required to obtain a salesperson's certificate, and (2) as provided in subsections (e) and (f) of this section. No certificate shall be given to any person who holds himself or herself out to be a contractor that performs radon mitigation unless such contractor provides evidence, satisfactory to the commissioner, that the contractor is certified as a radon mitigator by the National Radon Safety Board or the National Environmental Health Association. No certificate shall be

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given to any person who holds himself or herself out to be a contractor that performs removal or replacement of any residential underground heating oil storage tank system unless such contractor provides evidence, satisfactory to the commissioner, that the contractor [(1)] (A) has completed a hazardous material training program approved by the Department of Energy and Environmental Protection, and [(2)] (B) has presented evidence of liability insurance coverage of one million dollars.

(b) No contractor shall employ any salesman to procure business from an owner unless the salesman is registered under this chapter.

(c) No individual shall act as a home improvement salesman for an unregistered contractor.

(d) On and after July 1, 2008, a home improvement contractor shall not perform gas hearth product work, as defined in subdivision (22) of section 20-330, unless such home improvement contractor holds a limited contractor or journeyman gas hearth installer license pursuant to section 20-334f.

(e) A retail establishment, which is a business that operates from a fixed location where goods or services are offered for sale, may apply annually for a certificate of registration as a salesperson on behalf of its employees if it employs or otherwise compensates one or more salespersons whose solicitation, negotiation and completion of sales are conducted entirely at the retail establishment or virtually or by phone. The retail establishment shall: (1) Apply for such registration on a form prescribed by the commissioner, (2) maintain a list of all salespersons intended to be covered by the retailer's certificate of registration, and (3) pay a fee equal to the amount that would be due if each person were to apply individually for a certificate of registration, including the amount that would be due under the guaranty fund. The list of salespersons covered by the retailer's certificate of registration shall be made available to the department upon request. If any person covered by the

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retail establishment's salesperson certificate of registration conducts activity covered by the salesperson credential at a place other than the retail establishment or virtually or by phone, such person shall apply for an individual salesperson certificate of registration using the form prescribed by the commissioner for such registrations and shall pay the corresponding application fee.

(f) Certificates of registration for salespersons issued to retail establishments shall not be transferable or assignable, except a retail establishment that is a holder of a salesperson certificate may remove an existing or former employee currently listed on the certification of registration and replace such person with a new or existing employee employed as a salesperson. If the retail establishment adds or removes salespeople, there shall be no refund or supplemental payment. The fee shall be based on the number of salespeople at the time of each renewal.

Sec. 11. (NEW) (*Effective from passage*) While the holder of a limited license issued pursuant to chapter 393 of the general statutes is enrolled in an unlimited license apprenticeship program, such limited license holder shall continue to be considered a journeyman or contractor for limited work performance in such area for purposes of section 20-332b of the general statutes and any regulation of Connecticut state agencies adopted pursuant to said section. The limited license of the registered apprentice in an unlimited category shall not be used to calculate the number of apprentices that may be hired by a contractor in accordance with section 20-332b of the general statutes.

Sec. 12. Subsection (b) of section 20-691 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2021*):

(b) (1) A person seeking registration as a locksmith shall apply to the commissioner on a form provided by the commissioner. The application shall include the applicant's name, residence address, business address,

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business telephone number, a question as to whether the applicant has been convicted of a felony in any state or jurisdiction, and such other information as the commissioner may require. The applicant shall submit to a request by the commissioner for a recent criminal history records check. No registration shall be issued unless the commissioner has received the results of a such records check. In accordance with the provisions of section 46a-80 and after a hearing held pursuant to chapter 54, the commissioner may revoke, refuse to issue or refuse to renew a registration when an applicant's criminal history records check reveals the applicant has been convicted of a crime of dishonesty, fraud, theft, assault, other violent offense or a crime related to the performance of locksmithing.

(2) The application fee for registration as a locksmith and the biennial renewal fee for such registration shall be two hundred dollars.

(3) The department shall establish and maintain a registry of locksmiths. The registry shall contain the names and addresses of registered locksmiths and such other information as the commissioner may require. Such registry shall be updated at least annually by the department, be made available to the public upon request and be published on the department's Internet web site.

(4) No person shall engage in locksmithing, use the title locksmith or display or use any words, letters, figures, title, advertisement or other method to indicate said person is a locksmith unless such person has obtained a registration as provided in this section.

(5) The following persons shall be exempt from registration as a locksmith, but only if the person performing the service does not hold himself or herself out to the public as a locksmith: (A) Persons employed by a state, municipality or other political subdivision, or by any agency or department of the government of the United States, acting in their official capacity; (B) automobile service dealers who service, install,

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repair or rebuild automobile locks; (C) retail merchants selling locks or similar security accessories or installing, programming, repairing, maintaining, reprogramming, rebuilding or servicing electronic garage door devices; (D) members of the building trades who install or remove complete locks or locking devices in the course of residential or commercial new construction or remodeling; (E) employees of towing services, repossessioners, or an automobile club representative or employee opening automotive locks in the normal course of his or her business. The provisions of this section shall not prohibit an employee of a towing service from opening motor vehicles to enable a vehicle to be moved without towing, provided the towing service does not hold itself out to the public, by directory advertisement, through a sign at the facilities of the towing service or by any other form of advertisement, as a locksmith; (F) students in a course of study in locksmith programs approved by the department; (G) warranty services by a lock manufacturer or its employees on the manufacturer's own products; (H) maintenance employees of a property owner or property management companies at multifamily residential buildings, who service, install, repair or open locks for tenants; [and] (I) persons employed as security personnel at schools or institutions of higher education who open locks while acting in the course of their employment; and (J) persons who service, install or repair electronic locks, access control devices or other similar locking devices that connect to an electronic security system, provided such persons maintain an electrical contractor or journeyperson licensed to perform such work as required pursuant to chapter 393.

Sec. 13. Subsection (d) of section 51-15 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

(d) The procedure for the hearing and determination of small claims as the same may be prescribed, from time to time, by the judges of the

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Superior Court shall be used in all small claims sessions of the court. The small claims procedure shall only be applicable to (1) all actions [, except actions of libel and slander,] claiming money damages not in excess of five thousand dollars, [and to no other actions] except such procedure shall not be applicable to actions of libel and slander, and (2) actions claiming loss or damages not in excess of fifteen thousand dollars sustained by reason of (A) performance of, or offer to perform, home improvement, as defined in section 20-419, as amended by this act, by a contractor holding a certificate under chapter 400, or (B) a contract for new home construction with a new home construction contractor holding a certificate under chapter 399a. If an action is brought in the small claims session by a tenant pursuant to subsection (g) of section 47a-21 to reclaim any part of a security deposit which may be due, the judicial authority hearing the action may award to the tenant the damages authorized by subsection (d) of said section and, if authorized by the rental agreement or any provision of the general statutes, costs, notwithstanding that the amount of such damages and costs, in the aggregate, exceeds the jurisdictional monetary limit established by subdivision (1) of this subsection. If a motion is filed to transfer a small claims matter to the regular docket in the court, the moving party shall pay the fee prescribed by section 52-259. The Attorney General or an assistant attorney general, or the head of any state agency or his or her authorized representative, while acting in his or her official capacity shall not be required to pay any small claims court fee. There shall be no charge for copies of service on defendants in small claims matters.

Sec. 14. Subsection (c) of section 22-351a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

(c) In addition to any economic damages awarded pursuant to subsection (b) of this section, and except as provided in subsection (d) of this section, the court may award punitive damages in an amount not

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to exceed the jurisdictional monetary limit established by subdivision (1) of subsection (d) of section 51-15, as amended by this act, together with a reasonable attorney's fee.

Approved July 13, 2021