



General Assembly

January Session, 2021

Raised Bill No. 266

LCO No. 1351



Referred to Committee on GENERAL LAW

Introduced by:
(GL)

**AN ACT CONCERNING NEW HOME CONSTRUCTION
CONTRACTORS AND HOME IMPROVEMENT CONTRACTORS.**

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

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 Section 20-417b of the general statutes is repealed and the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

3 (a) No person shall engage in the business of new home construction
4 or hold himself or herself out as a new home construction contractor
5 unless such person has been issued a certificate of registration by the
6 commissioner in accordance with the provisions of sections 20-417a to
7 20-417j, inclusive, as amended by this act. No new home construction
8 contractor shall be relieved of responsibility for the conduct and acts of
9 its agents, employees or officers by reason of such new home
10 construction contractor's compliance with the provisions of sections 20-
11 417a to 20-417j, inclusive, as amended by this act.

12 (b) Any person seeking a certificate of registration shall apply to the
13 commissioner, [in writing] online, on a form provided by the
14 commissioner. The application shall include (1) the applicant's name,
15 business street address and business telephone number, (2) the identity

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

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

35 (d) All certificates issued under the provisions of sections 20-417a to
36 20-417j, inclusive, as amended by this act, shall expire [biennially]
37 annually. The fee for renewal of a certificate shall be the same as the fee
38 charged for an original application, except that no renewal fee is due if
39 a person seeking renewal of a certificate has paid the registration fee
40 under section 20-427, as amended by this act, during any year in which
41 such person's registration as a new home construction contractor would
42 be valid.

43 (e) All certificates issued under the provisions of this chapter shall
44 expire [biennially and may be renewed by the applicant not later than
45 six months after the expiration date of such certificate] annually on the
46 thirty-first day of March. The fee for renewal of a certificate shall be the
47 same as charged for the original application. [but shall be charged on a
48 pro rata basis, based upon the application date for such renewal.]

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

52 (g) The holder of a certificate of registration issued by the
53 commissioner in accordance with the provisions of sections 20-417a to
54 20-417j, inclusive, as amended by this act, may opt to engage in home
55 improvement, as defined in section 20-419, as amended by this act. If a
56 new home construction contractor does opt to engage in such home
57 improvement, such new home construction contractor shall first notify
58 the commissioner in writing and shall pay to the Department of
59 Consumer Protection all the Home Improvement Guaranty Fund fees
60 due pursuant to section 20-432, as amended by this act.

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

77 (2) Each change in the terms and conditions of a contract, as defined
78 in section 20-417a of the general statutes, shall be in writing and shall be
79 signed by the new home construction contractor and the consumer,
80 except that the commissioner may, by regulation, dispense with the
81 necessity for complying with the provisions of this subdivision.

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

85 (c) The commissioner may, by regulation, require the inclusion of
86 additional contractual provisions for contracts, as defined in section 20-
87 417a of the general statutes.

88 (d) Each contract, as defined in section 20-417a of the general statutes,
89 in which the consumer agrees to repay the new home construction
90 contractor an amount loaned or advanced to the consumer by the
91 contractor for the purposes of paying for the goods and services or real
92 estate provided in such contract, or which contains a finance charge, (1)
93 shall set forth the information required to be disclosed pursuant to the
94 Truth-in-Lending Act, sections 36a-675 to 36a-685, inclusive, of the
95 general statutes, (2) shall allow the consumer to pay off in advance the
96 full amount due and obtain a partial refund of any unearned finance
97 charge, and (3) may contain a finance charge set at a rate of not more
98 than the rate allowed for loans pursuant to section 37-4 of the general
99 statutes. As used in this subsection, "finance charge" means the amount
100 in excess of the cash price for goods, services and real estate under the
101 new home construction contract to be paid by the consumer for the
102 privilege of paying the contract price in installments over a period of
103 time.

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

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

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

114 (b) Each person who receives a certificate pursuant to sections 20-
115 417a to 20-417j, inclusive, as amended by this act, shall pay a fee of [four]
116 three hundred [eighty] forty dollars [biennially] annually to the [fund]
117 New Home Construction Guaranty Fund. Such [fee] fees shall be
118 payable with the fee for an application for a certificate or renewal of a
119 certificate.

120 (c) (1) For fiscal years commencing on or after July 1, 2003, payments
121 received under subsection (b) of this section shall be credited to the New
122 Home Construction Guaranty Fund until the balance in the fund equals
123 seven hundred fifty thousand dollars. Annually, if the balance in the
124 fund exceeds seven hundred fifty thousand dollars, the first three
125 hundred thousand dollars of the excess shall be deposited in the
126 consumer protection enforcement account established in section 21a-8a.
127 On June 1, 2004, and each June first thereafter, if the balance in the fund
128 exceeds seven hundred fifty thousand dollars, the excess shall be
129 deposited in the General Fund.

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

134 (d) Beginning October 1, 2000, whenever a consumer obtains a
135 binding arbitration decision, a court judgment, order or decree against
136 or regarding any new home construction contractor holding a certificate
137 or who has held a certificate under sections 20-417a to 20-417j, inclusive,
138 as amended by this act, within [the past] two years of the date of
139 entering into the contract with the consumer, for loss or damages
140 sustained by reason of any violation of the provisions of sections 20-417a
141 to 20-417j, inclusive, as amended by this act, by a person holding a
142 certificate under said sections, such consumer may, upon the final
143 determination of, or expiration of time for taking, an appeal in
144 connection with any such decision, judgment, order or decree, apply to
145 the commissioner for an order directing payment out of the New Home
146 Construction Guaranty Fund of the amount, not exceeding thirty

147 thousand dollars, unpaid upon the decision, judgment, order or decree
148 for actual damages and costs taxed by the court against such contractor,
149 exclusive of punitive damages. The application shall be made on forms
150 provided by the commissioner and shall be accompanied by a copy of
151 the decision, court judgment, order or decree obtained against the new
152 home construction contractor together with a [notarized affidavit,]
153 statement signed and sworn to by the consumer, affirming that the
154 consumer has: (1) Complied with all the requirements of this subsection;
155 (2) obtained a decision, judgment, order or decree stating the amount of
156 the decision, judgment, order or decree and the amount owing on the
157 decision, judgment, order or decree at the date of application; and (3)
158 made a good faith effort to satisfy any such decision, judgment, order or
159 decree in accordance with the provisions of chapter 906 which effort
160 may include causing to be issued a writ of execution upon such decision,
161 judgment, order or decree but the officer executing the same has made
162 a return showing that no bank accounts or personal property of such
163 contractor liable to be levied upon in satisfaction of the decision,
164 judgment, order or decree could be found, or that the amount realized
165 on the sale of them or of such of them as were found, under the
166 execution, was insufficient to satisfy the actual damage portion of the
167 decision, judgment, order or decree or stating the amount realized and
168 the balance remaining due on the decision, judgment, order or decree
169 after application on the decision, judgment, order or decree of the
170 amount realized, except that the requirements of this subdivision shall
171 not apply to a judgment, order or decree obtained by the consumer in
172 small claims court. A true and attested copy of such executing officer's
173 return, when required, shall be attached to such application. [and
174 affidavit.] Whenever the consumer satisfies the commissioner or the
175 commissioner's designee that it is not practicable to comply with the
176 requirements of subdivision (3) of this subsection and that the consumer
177 has taken all reasonable steps to collect the amount of the decision,
178 judgment, order or decree or the unsatisfied part of the decision,
179 judgment, order or decree and has been unable to collect the same, the
180 commissioner or the commissioner's designee may, in the
181 commissioner's or the commissioner's designee's discretion, dispense

182 with the necessity for complying with such requirement. No application
183 for an order directing payment out of the fund shall be made later than
184 two years from the final determination of, or expiration of time for
185 taking, an appeal of such decision, court judgment, order or decree and
186 no such application shall be for an amount in excess of thirty thousand
187 dollars.

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

200 (f) Beginning October 1, 2000, whenever a consumer is awarded an
201 order of restitution against any new home construction contractor for
202 loss or damages sustained as a result of any violation of the provisions
203 of sections 20-417a to 20-417j, inclusive, as amended by this act, by a
204 person holding a certificate or who has held a certificate under said
205 sections within [the past] two years of the date of entering into the
206 contract with the consumer, in (1) a proceeding brought by the
207 commissioner pursuant to subsection (h) of this section or subsection (d)
208 of section 42-110d, (2) a proceeding brought by the Attorney General
209 pursuant to subsection (a) of section 42-110m or subsection (d) of section
210 42-110d, or (3) a criminal proceeding pursuant to section 20-417e, such
211 consumer may, upon the final determination of, or expiration of time for
212 taking, an appeal in connection with any such order of restitution, apply
213 to the commissioner for an order directing payment out of the New
214 Home Construction Guaranty Fund of the amount not exceeding thirty
215 thousand dollars unpaid upon the order of restitution. The

216 commissioner may issue such order upon a determination that the
217 consumer has not been paid.

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

242 (h) The commissioner or the commissioner's designee may proceed
243 against any new home construction contractor holding a certificate or
244 who has held a certificate under sections 20-417a to 20-417j, inclusive, as
245 amended by this act, within [the past] two years of the effective date of
246 entering into the contract with the consumer, for an order of restitution
247 arising from loss or damages sustained by any consumer as a result of
248 any violation of the provisions of said sections 20-417a to 20-417j,
249 inclusive, as amended by this act. Any such proceeding shall be held in

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

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

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

278 (k) If the money deposited in the New Home Construction Guaranty
279 Fund is insufficient to satisfy any duly authorized claim or portion of a
280 claim, the commissioner shall, when sufficient money has been
281 deposited in the fund, satisfy such unpaid claims or portions of claims
282 not exceeding thirty thousand dollars, in the order that such claims or

283 portions of claims were originally determined.

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

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

299 (n) If the commissioner orders the payment of an amount as a result
300 of a claim against a new home construction contractor, the
301 commissioner may, after notice and hearing in accordance with the
302 provisions of chapter 54, revoke the certificate of such contractor and
303 such contractor shall not be eligible to receive a new or renewed
304 certificate until such contractor has repaid such amount in full, plus
305 interest from the time such payment is made from the New Home
306 Construction Guaranty Fund, at a rate to be in accordance with section
307 37-3b, except that the commissioner may, in the commissioner's sole
308 discretion, permit a new home construction contractor to receive a new
309 or renewed certificate after such contractor has entered into an
310 agreement with the commissioner whereby such contractor agrees to
311 repay the fund in full in the form of periodic payments over a set period
312 of time. Any such agreement shall include a provision providing for the
313 summary suspension of any and all certificates held by the new home
314 construction contractor if payment is not made in accordance with the
315 terms of the agreement.

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

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

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

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

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

330 (4) "Home improvement" includes, but is not limited to, the repair,
331 replacement, remodeling, alteration, conversion, modernization,
332 improvement, rehabilitation or sandblasting of, or addition to any land
333 or building or that portion thereof which is used or designed to be used
334 as a private residence, dwelling place or residential rental property, or
335 the construction, replacement, installation or improvement of alarm
336 systems not requiring electrical work as defined by section 20-330,
337 driveways, swimming pools, porches, garages, roofs, siding, insulation,
338 sunrooms, flooring, patios, landscaping, fences, doors and windows,
339 waterproofing, water, fire or storm restoration or mold remediation in
340 connection with such land or building or that portion thereof which is
341 used or designed to be used as a private residence, dwelling place or
342 residential rental property or the removal or replacement of a residential
343 underground heating oil storage tank system, in which the total price
344 for all work agreed upon between the contractor and owner or proposed
345 or offered by the contractor exceeds two hundred dollars. "Home
346 improvement" does not include: (A) The construction of a new home;
347 (B) the sale of goods by a seller who neither arranges to perform nor

348 performs, directly or indirectly, any work or labor in connection with
349 the installation or application of the goods or materials; (C) the sale of
350 goods or services furnished for commercial or business use or for resale,
351 provided commercial or business use does not include use as residential
352 rental property; (D) the sale of appliances, such as stoves, refrigerators,
353 freezers, room air conditioners and others which are designed for and
354 are easily removable from the premises without material alteration
355 thereof; [and] (E) tree cutting or the grinding of tree stumps or shrubs;
356 and (F) any work performed without compensation by the owner on his
357 own private residence or residential rental property.

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

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

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

367 (8) "Private residence" means a single family dwelling, a multifamily
368 dwelling consisting of not more than six units, or a unit, common
369 element or limited common element in a condominium, as defined in
370 section 47-68a, or in a common interest community, as defined in section
371 47-202, or any number of condominium units for which a condominium
372 association acts as an agent for such unit owners.

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

378 (10) "Residential rental property" means a single family dwelling, a

379 multifamily dwelling consisting of not more than six units, or a unit,
380 common element or limited common element in a condominium, as
381 defined in section 47-68a, or in a common interest community, as
382 defined in section 47-202, which is not owner-occupied.

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

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

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

394 (a) No corporation shall perform or offer to perform home
395 improvements in this state unless such corporation has been issued a
396 certificate of registration by the commissioner. No such corporation
397 shall be relieved of responsibility for the conduct and acts of its agents,
398 employees or officers by reason of its compliance with the provisions of
399 this section, nor shall any individual contractor be relieved of
400 responsibility for home improvements performed by reason of his
401 employment or relationship with such corporation.

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

411 commissioner may require.

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

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

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

436 Sec. 6. Subsection (a) of section 20-421 of the general statutes is
437 repealed and the following is substituted in lieu thereof (*Effective July 1,*
438 *2022*):

439 (a) Any person seeking a certificate of registration shall apply to the
440 commissioner [in writing] online, on a form provided by the
441 commissioner. The application shall include the applicant's name,
442 residence address, business address, business telephone number, proof

443 that the applicant has obtained general liability insurance coverage in
444 an amount not less than XXX dollars, demonstrated by providing the
445 policy number and business name of the insurance provider, and such
446 other information as the commissioner may require.

447 Sec. 7. Subsection (e) of section 20-427 of the general statutes is
448 repealed and the following is substituted in lieu thereof (*Effective July 1,*
449 *2022*):

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

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

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

458 (b) Each salesman who receives a certificate pursuant to this chapter
459 shall pay a fee of forty dollars annually. Each contractor who receives a
460 certificate pursuant to this chapter shall pay a fee of one hundred dollars
461 annually to the guaranty fund. Such fee shall be payable with the fee for
462 an application for a certificate or renewal thereof. The annual fee for a
463 contractor who receives a certificate of registration as a home
464 improvement contractor acting solely as the contractor of record for a
465 corporation shall be waived, provided the contractor of record shall use
466 such registration for the sole purpose of directing, supervising or
467 performing home improvements for such corporation.

468 (c) Payments received under subsection (b) of this section shall be
469 credited to the guaranty fund until the balance in such fund equals
470 seven hundred fifty thousand dollars. Annually, if the balance in the
471 fund exceeds seven hundred fifty thousand dollars, the first four
472 hundred thousand dollars of the excess shall be deposited into the
473 consumer protection enforcement account established in section 21a-8a.

474 Any excess thereafter shall be deposited in the General Fund. Any
475 money in the guaranty fund may be invested or reinvested in the same
476 manner as funds of the state employees retirement system, and the
477 interest arising from such investments shall be credited to the guaranty
478 fund.

479 (d) Whenever an owner obtains a binding arbitration decision, a court
480 judgment, order or decree against any contractor holding a certificate or
481 who has held a certificate under this chapter within [the past] two years
482 of the effective date of entering into the contract with the owner, for loss
483 or damages sustained by reason of performance of or offering to
484 perform a home improvement within this state by a contractor holding
485 a certificate under this chapter, such owner may, upon the final
486 determination of, or expiration of time for, taking an appeal in
487 connection with any such decision, judgment, order or decree, apply to
488 the commissioner for an order directing payment out of said guaranty
489 fund of the amount unpaid upon the decision, judgment, order or
490 decree, for actual damages and costs taxed by the court against the
491 contractor, exclusive of punitive damages. The application shall be
492 made on forms provided by the commissioner and shall be
493 accompanied by a copy of the decision, court judgment, order or decree
494 obtained against the contractor, [together with a notarized affidavit,
495 signed and sworn to by the owner, affirming that: (1) He or she has
496 complied with all the requirements of this subsection; (2) he or she has
497 obtained a judgment, order or decree, stating the amount thereof and
498 the amount owing thereon at the date of application; and (3) he or she
499 has caused to be issued a writ of execution upon said judgment, order
500 or decree and the officer executing the same has made a return showing
501 that no bank accounts or personal property of the contractor liable to be
502 levied upon in satisfaction of the judgment, order or decree could be
503 found, or that the amount realized on the sale of them or of such of them
504 as were found, under the execution, was insufficient to satisfy the actual
505 damage portion of the judgment, order or decree or stating the amount
506 realized and the balance remaining due on the judgment, order or
507 decree after application thereon of the amount realized, except that the

508 requirements of this subdivision shall not apply to a judgment, order or
509 decree obtained by the owner in small claims court.] A true and attested
510 copy of said executing officer's return, when required, shall be attached
511 to such application, [and affidavit.] No application for an order directing
512 payment out of the guaranty fund shall be made later than two years
513 after the final determination of, or expiration of time for, taking an
514 appeal of said decision, court judgment, order or decree.

515 (e) Upon receipt of said application together with said copy of the
516 decision, court judgment, order or decree, [notarized affidavit] and true
517 and attested copy of the executing officer's return, the commissioner or
518 his designee shall inspect such documents for their veracity and upon a
519 determination that such documents are complete and authentic, and a
520 determination that the owner has not been paid, the commissioner shall
521 order payment out of the guaranty fund of the amount unpaid upon the
522 decision, judgment, order or decree for actual damages and costs taxed
523 by the court against the contractor, exclusive of punitive damages.

524 (f) Whenever an owner is awarded an order of restitution against any
525 contractor for loss or damages sustained by reason of performance of or
526 offering to perform a home improvement in this state by a contractor
527 holding a certificate or who has held a certificate under this chapter
528 within [the past] two years of the date of entering into the contract with
529 the owner, in a proceeding brought by the commissioner pursuant to
530 this section or subsection (d) of section 42-110d, or in a proceeding
531 brought by the Attorney General pursuant to subsection (a) of section
532 42-110m or subsection (d) of section 42-110d, or a criminal proceeding
533 pursuant to section 20-427, as amended by this act, such owner may,
534 upon the final determination of, or expiration of time for, taking an
535 appeal in connection with any such order of restitution, apply to the
536 commissioner for an order directing payment out of said guaranty fund
537 of the amount unpaid upon the order of restitution. The commissioner
538 may issue said order upon a determination that the owner has not been
539 paid.

540 (g) Before the commissioner may issue any order directing payment

541 out of the guaranty fund to an owner pursuant to subsections (e) or (f)
542 of this section, the commissioner shall first notify the contractor of the
543 owner's application for an order directing payment out of the guaranty
544 fund and of the contractor's right to a hearing to contest the
545 disbursement in the event that the contractor has already paid the owner
546 or is complying with a payment schedule in accordance with a court
547 judgment, order or decree. Such notice shall be given to the contractor
548 not later than fifteen days after receipt by the commissioner of the
549 owner's application for an order directing payment out of the guaranty
550 fund. If the contractor requests a hearing, in writing, by certified mail
551 not later than fifteen days after receiving the notice from the
552 commissioner, the commissioner shall grant such request and shall
553 conduct a hearing in accordance with the provisions of chapter 54. If the
554 commissioner does not receive a request by certified mail from the
555 contractor for a hearing not later than fifteen days after the contractor's
556 receipt of such notice, the commissioner shall determine that the owner
557 has not been paid, and the commissioner shall issue an order directing
558 payment out of the guaranty fund for the amount unpaid upon the
559 judgment, order or decree for actual damages and costs taxed by the
560 court against the contractor, exclusive of punitive damages, or for the
561 amount unpaid upon the order of restitution.

562 (h) The commissioner or his designee may proceed against any
563 contractor holding a certificate or who has held a certificate under this
564 chapter within the past two years of the effective date of entering into
565 the contract with the owner, for an order of restitution arising from loss
566 or damages sustained by any person by reason of such contractor's
567 performance of or offering to perform a home improvement in this state.
568 Any such proceeding shall be held in accordance with the provisions of
569 chapter 54. In the course of such proceeding, the commissioner or his
570 designee shall decide whether to exercise his powers pursuant to section
571 20-426; whether to order restitution arising from loss or damages
572 sustained by any person by reason of such contractor's performance or
573 offering to perform a home improvement in this state; and whether to
574 order payment out of the guaranty fund. Notwithstanding the

575 provisions of chapter 54, the decision of the commissioner or his
576 designee shall be final with respect to any proceeding to order payment
577 out of the guaranty fund and the commissioner and his designee shall
578 not be subject to the requirements of chapter 54 as they relate to appeal
579 from any such decision. The commissioner or his designee may hear
580 complaints of all owners submitting claims against a single contractor
581 in one proceeding.

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

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

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

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

605 (m) Whenever the commissioner has caused any sum to be paid from
606 the guaranty fund to an owner, the commissioner shall be subrogated to

607 all of the rights of the owner up to the amount paid plus reasonable
608 interest, and prior to receipt of any payment from the guaranty fund,
609 the owner shall assign all of this right, title and interest in the claim up
610 to such amount to the commissioner, and any amount and interest
611 recovered by the commissioner on the claim shall be deposited to the
612 guaranty fund.

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

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

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

636 The commissioner may revoke, suspend, [or] refuse to issue or renew,
637 or place conditions upon the renewal of any certificate issued pursuant
638 to sections 20-417a to 20-417j, inclusive, as amended by this act, or place

639 a registrant on probation or issue a letter of reprimand after notice and
640 hearing in accordance with the provisions of chapter 54 concerning
641 contested cases if it is shown that the holder of such certificate has: (1)
642 Failed to comply with any provision of sections 20-417a to 20-417j,
643 inclusive, as amended by this act, or any regulation adopted pursuant
644 to said sections; (2) obtained the certificate through fraud or
645 misrepresentation; (3) engaged in conduct of a character likely to
646 mislead, deceive or defraud the public or the commissioner; (4) engaged
647 in any untruthful or misleading advertising; (5) failed to reimburse the
648 New Home Construction Guaranty Fund established pursuant to
649 section 20-417i, as amended by this act, for any moneys paid to a
650 consumer pursuant to said section; (6) engaged in an unfair or deceptive
651 business practice under subsection (a) of section 42-110b; (7) failed to
652 timely complete any task, as specified in a written contract of sale; (8)
653 failed to remedy any violation of any provision of sections 47-116 to 47-
654 121, inclusive, or any regulation adopted pursuant to said sections; (9)
655 failed to remedy any violation of any provision of the State Building
656 Code; or (10) if applicable, failed to maintain its certificate of good
657 standing issued by the office of the Secretary of the State.

658 Sec. 10. Section 20-417j of the general statutes is repealed and the
659 following is substituted in lieu thereof (*Effective July 1, 2022*):

660 (a) Sections 20-417a to 20-417i, inclusive, as amended by this act, do
661 not apply to any of the following persons or organizations: (1) Any
662 person holding a current license as a real estate broker or salesperson
663 issued pursuant to chapter 392, provided such person engages only in
664 work for which such person is licensed under chapter 392; (2) any
665 person licensed or otherwise authorized under chapter 412 to sell or
666 place a mobile manufactured home, as defined in section 21-64, upon a
667 mobile manufactured home park or mobile manufactured space or lot,
668 both as defined in section 21-64, provided such person engages only in
669 work for which such person is licensed or otherwise authorized under
670 chapter 412; (3) any other person holding a professional or occupational
671 license, registration or certificate issued pursuant to the general statutes,
672 provided such person engages only in the work for which such person

673 is licensed, registered or certified; and (4) any new home construction
674 contractor who enters into one or more new home construction
675 contracts related to the same new home when such contract or contracts
676 in the aggregate with respect to that home has a total price for work or
677 services that is less than three thousand five hundred dollars.

678 (b) The commissioner shall reimburse the amount of the fees paid for
679 a certificate issued under section 20-417b, as amended by this act, and
680 the amount of fees paid into the New Home Construction Guaranty
681 Fund pursuant to section 20-417i, as amended by this act, if such person
682 for whom reimbursement is requested (1) is a person exempt from
683 registration as a new home construction contractor pursuant to
684 subsection (a) of this section, and (2) makes such request in writing to
685 the Department of Consumer Protection on a form supplied by the
686 department and such request is received by the department on or before
687 June 30, 2001.

688 Sec. 11. Section 20-420 of the general statutes is repealed and the
689 following is substituted in lieu thereof (*Effective July 1, 2022*):

690 (a) No person shall hold himself or herself out to be a contractor or
691 salesperson without first obtaining a certificate of registration from the
692 commissioner as provided in this chapter, except that an individual or
693 partner, or officer or director of a corporation registered as a contractor
694 shall not be required to obtain a salesperson's certificate, except as
695 provided in subsection (e) of this section. No certificate shall be given to
696 any person who holds himself or herself out to be a contractor that
697 performs radon mitigation unless such contractor provides evidence,
698 satisfactory to the commissioner, that the contractor is certified as a
699 radon mitigator by the National Radon Safety Board or the National
700 Environmental Health Association. No certificate shall be given to any
701 person who holds himself or herself out to be a contractor that performs
702 removal or replacement of any residential underground heating oil
703 storage tank system unless such contractor provides evidence,
704 satisfactory to the commissioner, that the contractor (1) has completed a
705 hazardous material training program approved by the Department of

706 Energy and Environmental Protection, and (2) has presented evidence
707 of liability insurance coverage of one million dollars.

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

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

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

717 (e) A retail establishment shall apply for a certificate of registration if
718 it employs or otherwise compensates one or more salespersons whose
719 sales are made pursuant to negotiations initiated by prospective buyers
720 at or with a retail establishment that operates from a fixed location
721 where goods or services are offered for sale. Such application for a
722 certificate of registration shall include the name, residence address,
723 business address, business telephone number and such other
724 information as the commissioner may require, for each such
725 salesperson. The application fee shall be one hundred twenty dollars per
726 salesperson listed on the application.

727 Sec. 12. (NEW) (*Effective from passage*) While the holder of a limited
728 license issued pursuant to chapter 393 of the general statutes is enrolled
729 in an unlimited license apprenticeship program, such limited license
730 holder shall be considered a journeyman or contractor for purposes of
731 section 20-332b of the general statutes and any regulation of Connecticut
732 state agencies adopted pursuant to said section.

733 Sec. 13. Subsection (b) of section 20-691 of the general statutes is
734 repealed and the following is substituted in lieu thereof (*Effective July 1,*
735 *2021*):

736 (b) (1) A person seeking registration as a locksmith shall apply to the
737 commissioner on a form provided by the commissioner. The application
738 shall include the applicant's name, residence address, business address,
739 business telephone number, a question as to whether the applicant has
740 been convicted of a felony in any state or jurisdiction, and such other
741 information as the commissioner may require. The applicant shall
742 submit to a request by the commissioner for a recent criminal history
743 records check. No registration shall be issued unless the commissioner
744 has received the results of a such records check. In accordance with the
745 provisions of section 46a-80 and after a hearing held pursuant to chapter
746 54, the commissioner may revoke, refuse to issue or refuse to renew a
747 registration when an applicant's criminal history records check reveals
748 the applicant has been convicted of a crime of dishonesty, fraud, theft,
749 assault, other violent offense or a crime related to the performance of
750 locksmithing.

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

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

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

763 (5) The following persons shall be exempt from registration as a
764 locksmith, but only if the person performing the service does not hold
765 himself or herself out to the public as a locksmith: (A) Persons employed
766 by a state, municipality or other political subdivision, or by any agency
767 or department of the government of the United States, acting in their

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

795 Sec. 14. Subsection (d) of section 51-15 of the general statutes is
796 repealed and the following is substituted in lieu thereof (*Effective July 1,*
797 *2022*):

798 (d) The procedure for the hearing and determination of small claims
799 as the same may be prescribed, from time to time, by the judges of the
800 Superior Court shall be used in all small claims sessions of the court. The
801 small claims procedure shall be applicable to all actions, except actions

802 of libel and slander, claiming money damages not in excess of five
 803 thousand dollars, and to no other actions, except actions claiming loss
 804 or damages not in excess of fifteen thousand dollars sustained by reason
 805 of performance of or offering to perform home improvement by a
 806 contractor holding a certificate under chapter 400 or pursuant to a
 807 contract for new home construction with a new home construction
 808 contractor holding a certificate under chapter 399a. If an action is
 809 brought in the small claims session by a tenant pursuant to subsection
 810 (g) of section 47a-21 to reclaim any part of a security deposit which may
 811 be due, the judicial authority hearing the action may award to the tenant
 812 the damages authorized by subsection (d) of said section and, if
 813 authorized by the rental agreement or any provision of the general
 814 statutes, costs, notwithstanding that the amount of such damages and
 815 costs, in the aggregate, exceeds the jurisdictional monetary limit
 816 established by this subsection. If a motion is filed to transfer a small
 817 claims matter to the regular docket in the court, the moving party shall
 818 pay the fee prescribed by section 52-259. The Attorney General or an
 819 assistant attorney general, or the head of any state agency or his or her
 820 authorized representative, while acting in his or her official capacity
 821 shall not be required to pay any small claims court fee. There shall be no
 822 charge for copies of service on defendants in small claims matters.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2022</i>	20-417b
Sec. 2	<i>July 1, 2022</i>	New section
Sec. 3	<i>July 1, 2022</i>	20-417i
Sec. 4	<i>July 1, 2022</i>	20-419
Sec. 5	<i>July 1, 2022</i>	20-420a
Sec. 6	<i>July 1, 2022</i>	20-421(a)
Sec. 7	<i>July 1, 2022</i>	20-427(e)
Sec. 8	<i>July 1, 2022</i>	20-432
Sec. 9	<i>July 1, 2022</i>	20-417c
Sec. 10	<i>July 1, 2022</i>	20-417j
Sec. 11	<i>July 1, 2022</i>	20-420
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>July 1, 2021</i>	20-691(b)

Sec. 14	July 1, 2022	51-15(d)
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Statement of Purpose:

To protect consumers by effectively regulating new home construction contractors and home improvement contractors.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]