## CHAPTER 34

**AN ACT** concerning home elevation contractors, supplementing P.L.1975, c.217 (C.52:27D-119 et seq.), and amending and supplementing P.L.2004, c.16.

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

C.56:8-138.2 Home elevation contractors, rules, regulations; fees; penalties.

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

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

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

d. In addition to any other action that may be authorized by law, the director may suspend or revoke the home improvement contractor registration and home elevation contractor registration of any person who violates any provision of P.L.2014, c.34 (C.56:8-138.2 et al.).

C.52:27D-123.16 Rules, regulations relative to home elevations.

2. a. The Department of Community Affairs shall promulgate rules and regulations setting forth standards, methods, procedures and other requirements that must be followed in performing home elevations. A home elevation contractor, as defined in section 2 of P.L.2004, c.16 (C.56:8-137), shall comply with the standards, methods, procedures and any other requirements for home elevation projects as specified in rules and regulations promulgated by the Department of Community Affairs.

b. No home elevation contractor shall perform a home elevation unless the contractor or a person the contractor employs has a minimum of five years of experience in home elevation. For the purposes of this subsection, experience in home elevation shall include both experience in working directly on home elevation projects and training in the operation of home elevation equipment.

c. At the time the home elevation contractor applies for a permit to perform a home elevation, the home elevation contractor shall certify that the home elevation contractor is in compliance with P.L.2014, c.34 (C.56:8-138.2 et al.) and any regulations promulgated

thereunder, which certification shall be submitted with the permit application in a form prescribed by the Department of Community Affairs.

d. Notwithstanding the provisions of the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the contrary, the Division of Codes and Standards in the Department of Community Affairs may adopt immediately upon filing with the Office of Administrative Law any rules and regulations deemed necessary to implement the provisions of subsection a. of this section, which shall be effective for a period not to exceed 270 days following the date of enactment of P.L.2014, c.34 (C.56:8-138.2 et al.), and may thereafter be amended, adopted, or readopted, by the division in accordance with the requirements of the "Administrative Procedure Act."

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

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

2. As used in this act:

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

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

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

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

"Home elevation contractor" means a contractor who engages in the practice of home elevation.

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

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

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

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

C.56:8-142 Proof of commercial general liability insurance, cargo, other insurance, posting of bond; requirements.

7. a. On or after December 31, 2005, every registered contractor who is engaged in home improvements shall secure, maintain and file with the director proof of a certificate of commercial general liability insurance in a minimum amount of $500,000 per occurrence.

b. Every registered contractor engaged in home improvements whose commercial general liability insurance policy is cancelled or nonrenewed shall submit to the director a copy of the certificate of commercial general liability insurance for a new or replacement policy which meets the requirements of subsection a. of this section before the former policy is no longer effective.

c. Every home elevation contractor engaged in performing home elevations, in addition to the insurance required pursuant to subsection a. of this section, shall secure and maintain cargo or other insurance that specifically covers home elevation activities, in a minimum amount of $1,000,000 per occurrence to cover damages or other losses to the homeowner, lessee, tenant or other party resulting from a home elevation, except as otherwise provided in this subsection. The Director of the Division of Consumer Affairs in consultation with the Department of Banking and Insurance may promulgate rules and regulations to implement this subsection, which rules and regulations also may require that home elevation contractors secure and maintain additional insurance of such kind and in such amounts as the director may determine in consultation with the Department of Banking and Insurance. In addition to or as an alternative to the insurance required by this subsection, the director may also require the posting of a bond in favor of the owner, lessee, tenant or other party to the home improvement contract for home elevation. Every bond and insurance policy required to be maintained under this subsection shall provide that the issuer of that bond or policy shall give the director written notice of cancellation or non-renewal of the bond or policy within 10 days of the cancellation or non-renewal.

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

5. This act shall take effect on the first day of the second month after the date of enactment, but the State may take such anticipatory administrative action in advance thereof as shall be necessary for the implementation of this act.

Approved August 15, 2014.