



General Assembly

February Session, 2006

**Raised Bill No. 5693**

LCO No. 2604

\*02604\_\_\_\_\_GL\_\*

Referred to Committee on General Law

Introduced by:  
(GL)

**AN ACT CONCERNING HOMEOWNERS AND HOME IMPROVEMENT CONTRACTORS.**

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

1 Section 1. Section 20-427 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 (a) Each person engaged in making home improvements shall (1)  
4 exhibit his certificate of registration upon request by any interested  
5 party, (2) state in any advertisement the fact that he is registered, and  
6 (3) include his registration number in any advertisement.

7 (b) No person shall: (1) Present or attempt to present, as such  
8 person's own, the certificate of another, (2) knowingly give false  
9 evidence of a material nature to the commissioner for the purpose of  
10 procuring a certificate, (3) represent himself or herself falsely as, or  
11 impersonate, a registered home improvement contractor or salesman,  
12 (4) use or attempt to use a certificate which has expired or which has  
13 been suspended or revoked, (5) offer to make or make any home  
14 improvement without having a current certificate of registration under  
15 this chapter, (6) represent in any manner that such person's

16 registration constitutes an endorsement of the quality of such person's  
17 workmanship or of such person's competency by the commissioner, (7)  
18 employ or allow any person to act as a salesman on such person's  
19 behalf unless such person is registered as a home improvement  
20 salesman, or (8) fail to refund the amount paid for a home  
21 improvement within ten days of a written request mailed or delivered  
22 to the contractor's last known address, if (A) the owner has complied  
23 with the terms of the written contract through the time of the request,  
24 (B) no substantial portion of the contracted work has been performed  
25 at the time of the request, [and] (C) more than thirty days has elapsed  
26 since the estimated starting date specified in the written contract, or  
27 more than thirty days has elapsed since the date of the contract if such  
28 contract does not specify [a] an estimated starting date, and (D) the  
29 contractor has failed to provide a reasonable explanation to the owner  
30 concerning the contractor's failure to perform a substantial portion of  
31 the contracted work. For purposes of this subsection, "substantial  
32 portion of the contracted work" includes, but is not limited to, work  
33 performed by the contractor to (i) secure permits and approvals, (ii)  
34 redraft plans or obtain engineer, architect, surveyor or other approvals  
35 for changes requested by the owner or made necessary by site  
36 conditions discovered after the starting date of the contract, (iii)  
37 schedule site work or make arrangements for other contractors to  
38 perform services related to the improvement of the owner's home, and  
39 (iv) perform any other work referred to in the contract as "substantial  
40 portion of the contracted work".

41 (c) In addition to any other remedy provided for in this chapter, (1)  
42 any person who violates any provision of subsection (b) of this section,  
43 except subdivision (8), shall be guilty of a class B misdemeanor and (2)  
44 any person who violates the provisions of subdivision (8) of subsection  
45 (b) of this section shall be guilty of a class B misdemeanor if the home  
46 improvement that is offered or made has a total cash price of ten  
47 thousand dollars or less and shall be guilty of a class A misdemeanor if  
48 the home improvement that is offered or made has a total cash price of

49 more than ten thousand dollars. Notwithstanding subsection (d) of  
50 section 53a-29, as amended, or section 54-56e, as amended, if the court  
51 determines that a contractor cannot fully repay his victims within the  
52 period of probation established in subsection (d) of section 53a-29, as  
53 amended, or section 54-56e, as amended, the court may impose  
54 probation for a period of not more than five years. A violation of any  
55 of the provisions of this chapter shall be deemed an unfair or deceptive  
56 trade practice under subsection (a) of section 42-110b.

57 (d) The commissioner may, after notice and hearing in accordance  
58 with the provisions of chapter 54, impose a civil penalty on any person  
59 who engages in or practices the work or occupation for which a  
60 certificate of registration is required by this chapter without having  
61 first obtained such a certificate of registration or who wilfully employs  
62 or supplies for employment a person who does not have such a  
63 certificate of registration or who wilfully and falsely pretends to  
64 qualify to engage in or practice such work or occupation, or who  
65 engages in or practices any of the work or occupations for which a  
66 certificate of registration is required by this chapter after the expiration  
67 of such person's certificate of registration or who violates any of the  
68 provisions of this chapter or the regulations adopted pursuant thereto.  
69 Such penalty shall be in an amount not more than five hundred dollars  
70 for a first violation of this subsection, not more than seven hundred  
71 fifty dollars for a second violation of this subsection occurring not  
72 more than three years after a prior violation, not more than one  
73 thousand five hundred dollars for a third or subsequent violation of  
74 this subsection occurring not more than three years after a prior  
75 violation and, in the case of radon mitigation work, such penalty shall  
76 be not less than two hundred fifty dollars. Any civil penalty collected  
77 pursuant to this subsection shall be deposited in the consumer  
78 protection enforcement account established in section 21a-8a.

79 (e) Certificates issued to home improvement contractors or salesmen  
80 shall not be transferable or assignable.

81 (f) All certificates issued under the provisions of this chapter shall  
82 expire annually. The fee for renewal of a certificate shall be the same as  
83 the fee charged for an original application.

84 (g) The renewal fee for a certificate of registration as a home  
85 improvement contractor acting solely as the contractor of record for a  
86 registration as a home improvement contractor acting solely as the  
87 contractor of record for a corporation, shall be waived, if such  
88 contractor uses such registration for the sole purpose of directing,  
89 supervising or performing home improvements for such corporation.

90 (h) Failure to receive a notice of expiration or a renewal application  
91 shall not exempt a contractor or salesman from the obligation to  
92 renew.

93 (i) No contractor shall commence work unless each applicable  
94 building or construction permit has been obtained as may be required  
95 under the general statutes or local ordinances.

96 Sec. 2. Section 20-429 of the general statutes is repealed and the  
97 following is substituted in lieu thereof (*Effective October 1, 2006*):

98 (a) No home improvement contract shall be valid or enforceable  
99 against an owner unless it: (1) Is in writing, (2) is signed by the owner  
100 and the contractor, (3) contains the entire agreement between the  
101 owner and the contractor, (4) contains the date of the transaction, (5)  
102 contains the name and address of the contractor and the contractor's  
103 registration number, (6) contains a notice of the owner's cancellation  
104 rights in accordance with the provisions of chapter 740, (7) contains [a]  
105 an estimated starting date and completion date, and (8) is entered into  
106 by a registered salesman or registered contractor. Each change in the  
107 terms and conditions of a contract shall be in writing and shall be  
108 signed by the owner and contractor, except that the commissioner  
109 may, by regulation, dispense with the necessity for complying with the  
110 requirement that each change in a home improvement contract shall be  
111 in writing and signed by the owner and contractor. The estimated

112 starting and completion date shall not be binding on the contractor if  
113 matters beyond the contractor's control cause delays requiring starting  
114 or completing the contracted work at a later date. Such matters beyond  
115 the contractor's control include, but are not limited to, weather related  
116 delays, governmental delays in issuing required permits or approvals,  
117 delays caused by redrafted plans or change orders requested by the  
118 owner after a contract is executed by the contractor and the owner, or  
119 additional work made necessary by site or building conditions  
120 discovered after the contract is executed.

121 (b) No home improvement contract shall be valid if it includes any  
122 provision obligating the owner to instruct the home improvement  
123 contractor, by a date determined by such contractor, that periodic  
124 home improvements are not to be performed unless it also includes a  
125 provision requiring the contractor to remind the owner of that  
126 obligation by means of a card or letter mailed to the owner and  
127 postmarked not earlier than twenty days, and not later than ten days,  
128 prior to such date.

129 (c) The contractor shall provide and deliver to the owner, without  
130 charge, a completed copy of the home improvement contract at the  
131 time such contract is executed.

132 (d) The commissioner may, by regulation, require the inclusion of  
133 additional contractual provisions.

134 (e) Each home improvement contract entered into shall be  
135 considered a home solicitation sale pursuant to chapter 740 and shall  
136 be subject to the requirements of said chapter regardless of the location  
137 of the transaction or of the signing of the contract. Each home  
138 improvement contract in which the owner agrees to repay the  
139 contractor an amount loaned or advanced to the owner by the  
140 contractor for the purposes of paying for the goods and services  
141 provided in such contract, or which contains a finance charge, (1) shall  
142 set forth the information required to be disclosed pursuant to the

143 Truth-in-Lending Act, sections 36a-675 to 36a-685, inclusive, as  
144 amended, (2) shall allow the owner to pay off in advance the full  
145 amount due and obtain a partial refund of any unearned finance  
146 charge, and (3) may contain a finance charge set at a rate of not more  
147 than the rate allowed for loans pursuant to section 37-4. As used in this  
148 subsection, "finance charge" means the amount in excess of the cash  
149 price for goods and services under the home improvement contract to  
150 be paid by the owner for the privilege of paying the contract price in  
151 installments over a period of time.

152 (f) Nothing in this section shall preclude a contractor who has  
153 complied with subdivisions (1), (2), (6), (7) and (8) of subsection (a) of  
154 this section from the recovery of payment for work performed based  
155 on the reasonable value of services which were requested by the  
156 owner, provided the court determines that it would be inequitable to  
157 deny such recovery.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	20-427
Sec. 2	<i>October 1, 2006</i>	20-429

**Statement of Purpose:**

To implement fair and reasonable conditions regarding the enforceability and refund of home improvement contracts.

*[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.]*