



General Assembly

Substitute Bill No. 5137

February Session, 2010

* _____HB05137GL_____030910_____*

AN ACT CONCERNING HOME IMPROVEMENT SUBCONTRACTOR LIENS.

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

1 Section 1. Section 20-429 of the 2010 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2010*):

4 (a) No home improvement contract shall be valid or enforceable
5 against an owner unless it: (1) Is in writing, (2) is signed by the owner
6 and the contractor, (3) contains the entire agreement between the
7 owner and the contractor, (4) contains the date of the transaction, (5)
8 contains the name and address of the contractor and the contractor's
9 registration number, (6) contains a notice of the owner's cancellation
10 rights in accordance with the provisions of chapter 740, (7) contains a
11 starting date and completion date, (8) is entered into by a registered
12 salesman or registered contractor, [and] (9) includes a provision
13 disclosing each corporation, limited liability company, partnership,
14 sole proprietorship or other legal entity, which is or has been a home
15 improvement contractor pursuant to the provisions of this chapter or a
16 new home construction contractor pursuant to the provisions of
17 chapter 399a, in which the owner or owners of the home improvement
18 contractor are or have been a shareholder, member, partner, or owner
19 during the previous five years, and (10) includes a provision requiring

20 the home improvement contractor to provide the owner with valid,
21 signed lien waivers, prior to such contractor receiving final payment
22 under the contract, from all subcontractors of such home improvement
23 contractor who have provided services, materials or improvements to
24 the property that is the subject of the home improvement contract.

25 Each change in the terms and conditions of a contract shall be in
26 writing and shall be signed by the owner and contractor, except that
27 the commissioner may, by regulation, dispense with the necessity for
28 complying with the requirement that each change in a home
29 improvement contract shall be in writing and signed by the owner and
30 contractor.

31 (b) No home improvement contract shall be valid if it includes any
32 provision obligating the owner to instruct the home improvement
33 contractor, by a date determined by such contractor, that periodic
34 home improvements are not to be performed unless it also includes a
35 provision requiring the contractor to remind the owner of that
36 obligation by means of a card or letter mailed to the owner and
37 postmarked not earlier than twenty days, and not later than ten days,
38 prior to such date.

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

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

44 (e) Each home improvement contract entered into shall be
45 considered a home solicitation sale pursuant to chapter 740 and shall
46 be subject to the requirements of said chapter regardless of the location
47 of the transaction or of the signing of the contract. Each home
48 improvement contract in which the owner agrees to repay the
49 contractor an amount loaned or advanced to the owner by the
50 contractor for the purposes of paying for the goods and services
51 provided in such contract, or which contains a finance charge, (1) shall

52 set forth the information required to be disclosed pursuant to the
 53 Truth-in-Lending Act, sections 36a-675 to 36a-685, inclusive, (2) shall
 54 allow the owner to pay off in advance the full amount due and obtain
 55 a partial refund of any unearned finance charge, and (3) may contain a
 56 finance charge set at a rate of not more than the rate allowed for loans
 57 pursuant to section 37-4. As used in this subsection, "finance charge"
 58 means the amount in excess of the cash price for goods and services
 59 under the home improvement contract to be paid by the owner for the
 60 privilege of paying the contract price in installments over a period of
 61 time.

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

68 (g) Any owner who institutes an action for failure of a home
 69 improvement contractor to provide lien waivers pursuant to
 70 subdivision (10) of subsection (a) of this section shall be entitled to
 71 recover court costs and reasonable attorney's fees if such owner
 72 prevails in such action.

73 Sec 2. (NEW) (Effective October 1, 2010) If the court discharges a
 74 mechanic's lien because a valid lien waiver has been provided to an
 75 owner pursuant to subdivision (10) of subsection (a) of section 20-429
 76 of the general statutes, as amended by this act, the court shall award
 77 the applicant for the discharge of the mechanic's lien court costs and
 78 reasonable attorney's fees.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2010	20-429
Sec 2	October 1, 2010	New section

GL *Joint Favorable Subst.*