



HOME BUILDERS ASSOCIATION OF CONNECTICUT, INC.
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*Your Home
Is Our
Business*

February 25, 2010

To: Senator Tom Colapietro and Representative Jim Shapiro, Co-Chairs, and members of the General Law Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: RB 188, An Act Establishing Uniform Procedures Regarding New Home Construction Contractor and Home Improvement Contractor and Salesman Related Complaints

The HBA of Connecticut is a professional trade association with 1,100 member firms statewide, employing tens of thousands of Connecticut citizens. Our members are residential and commercial builders, land developers, home improvement contractors, trade contractors, suppliers and those businesses and professionals that provide services to our diverse industry. We estimate that our members build 70% to 80% of all new homes and apartments in the state.

We strongly support RB 188 as a long overdue fix to the consumer complaint handling process at DCP for home improvement contractors (HIC) and new home construction contractors (NHCC).

The process created by the bill will: 1. Provide consumers with much better and more reliable information about contractors they are thinking of hiring; 2. Provide assurance to both consumers and contractors that an effective and reasonable process is in place to resolve any complaints that are filed; and 3. Create a more fair complaint handling system for good, legitimate contractors so they do not suffer a competitive disadvantage due solely to illegitimate, false or misleading logging of consumer complaints within the agency.

DCP receives written complaints against NHCC and HIC, which can come from consumers or competitors. These are logged into the agency's internal complaint database. They are posted online in the state's e-licensing system when the complaint is closed. The e-licensing system is used by consumers to look up licensed or registered businesses. However, the e-license system is not user-friendly or always at first accurate in finding registered contractors. Moreover, consumers may easily miss the notation on the DCP Consumer Complaints page regarding calling the agency if they fail to find a contractor using the e-licensing system if they go directly to the e-licensing page.

The DCP complaint system needs to be fixed for a variety of reasons to better serve both consumers and contractors. **First**, more detailed complaint information should be provided to consumers so they can better judge the importance and relevance of closed complaints they see posted online. For example, currently if a contractor has a closed complaint noted against it, assuming you can find the contractor in the e-licensing system, the notation of the complaint may be very cryptic noting only the following information:

From an actual online notation on a specific contractor (#s changed to protect identity):

Complaints

Case Number	Date Created	Registration
2005-1234	08/22/2005	Case not attached to credential

This information tells a consumer nothing relevant but the very existence of it may lead a consumer to avoid this contractor. Neither consumers nor contractors are served well.

Second, the agency should more quickly dismiss complaints that are not credible, not verified, or for a variety of reasons should not be logged against a contractor. Logging such complaints does a disservice to falsely or wrongly accused contractors and to consumers who may see online or be told by DCP staff that a contractor has complaints filed against it, but with little other detail for consumers to use to make any value judgment. Given the tremendous competition that exists in the industry, particularly with home improvement, most consumers will simply move on to another contractor.

Third, it is our understanding that only a small percentage of complaints actually get investigated by the agency. This is very likely a resource issue, but the failure to investigate all complaints heightens the necessity of having a complaint database with more credible and complete information so consumers can make better value judgments.

Fourth, a real gut kick to good, legitimate (i.e., registered) contractors is that the online complaints are tied into the e-licensing system. So, if a consumer files a complaint against an unregistered contractor, the next consumer cannot find that complaint online. They may not find the contractor at all if they are unregistered but, then, may not call the agency to try to get additional information and just go ahead and hire them to do work on their home.

RB 188 outlines a better complaint system so that when consumers go online or call DCP, a consistent, uniform set of information is available to consumers. It should be easy for the agency to create such a system, using common software, such as MS Excel or Access, and migrating it, if necessary, to the web. We applaud the Commissioner and DCP staff for meeting with us and listening to our concerns and are very willing to continue to work with them to resolve these issues. RB 188 is a great place to start.

We note a correction to the bill. At line 32, the reference to "subsection (b)" should be "subsection (c)" to properly reference the subsection dealing with a contractor's response to complaints.

We urge you to pass RB 188 with our suggested change, and thank you for the opportunity to comment on this legislation.