



**HOME BUILDERS & REMODELERS ASSOCIATION
OF CONNECTICUT, INC.**

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*Your Home
Is Our
Business*

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February 21, 2013

To: Senator Paul Doyle, Co-Chairman
Representative David Baram, Co-Chairman
Members of the General Law Committee

From: Bill Ethier, CAE, Chief Executive Officer

Re: **SB 319, AAC the Home Improvement Act and the Home Solicitation
Sales Act**
**HB 5616, AAC the Home Improvement Act and the Home Solicitation
Sales Act**

The HBRA of Connecticut is a professional trade association with about nine hundred (900) member firms statewide employing tens of thousands of CT's citizens. Our members, all small businesses, are residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry and to consumers. While our membership has declined over the course of our seven-year Great Recession from its high of 1,500 members, we build between 70% to 80% of all new homes and apartments in the state each year and engage in countless home remodeling projects.

We oppose SB 319 and HB 5616 because they unnecessarily prevent common contract clauses that have been agreed to by two parties and the bills unfairly benefit only the consumer, denying the suggested relief to dissatisfied contractors.

Alternative dispute resolution (ADR), e.g., mediation and arbitration, clauses in contracts between home improvement contractors and consumers and in the contracts used by many other businesses that must comply with the home solicitation sales act, are accepted and common practice. However, ADR clauses are used by a minority, albeit a significant minority, of contractors in the home improvement business because most contractors report that mediators and arbitrators tend to favor and side with home owners. Nonetheless, ADR clauses can be a useful tool for both parties to resolve disputes while avoiding the expense and delays of litigation.

SB 319 and HB 5616 will virtually guarantee that these ADR clauses will cease to be used in all HIC contracts. As drafted, the bill is one-sided, benefiting only consumers who do not like the ADR result. And, the bills are also nonsensical if they impact mediation. By definition, if there's a mediated resolution, both parties agree to the result so how can you make it unenforceable against the homeowner? And, there is no such thing as a "potential homeowner" under the home improvement act, so the drafting of these bills makes us curious as to the back story and true intent.

While ADR clauses are used by a minority of contractors, there is no legitimate reason to essentially automatically void their use. We urge you to take no action on these bills, and thank you for the opportunity to comment on this legislation.