
OLR Bill Analysis

sSB 319

AN ACT PROHIBITING MANDATORY ALTERNATIVE DISPUTE RESOLUTION CLAUSES IN HOME IMPROVEMENT AND NEW HOME CONSTRUCTION CONTRACTS.

SUMMARY:

This bill makes a contract for new home construction or home improvement services that includes a clause mandating alternative dispute resolution invalid and unenforceable against the home owner. Alternative dispute resolution (ADR) describes a group of processes, including negotiation, mediation, and arbitration, that aim to help parties resolve disputes without resorting to judicial actions.

The bill also makes unenforceable against the owner certain home improvement contracts that are currently invalid.

The bill does not specify whether its ADR provisions apply to existing contracts.

The bill makes other conforming changes.

EFFECTIVE DATE: July 1, 2014

INVALID HOME IMPROVEMENT CONTRACTS

Under current law, a home improvement contract is invalid if it covers periodic home improvement services that the owner has to opt out of and the contractor does not have to remind the owner of upcoming servicing with a card or letter postmarked about two weeks before the servicing. The bill additionally makes such contracts unenforceable against the owner.

COMMITTEE ACTION

General Law Committee

Joint Favorable Substitute

Yea 14 Nay 4 (03/12/2013)