



# Senate

General Assembly

**File No. 189**

February Session, 2014

Substitute Senate Bill No. 207

*Senate, March 31, 2014*

The Committee on General Law reported through SEN. DOYLE of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT REQUIRING HOME IMPROVEMENT CONTRACTORS AND SALESMEN TO OBTAIN AND DISPLAY IDENTIFICATION BADGES.***

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

1 Section 1. Section 20-420 of the general statutes is amended by  
2 adding subsection (e) as follows (*Effective January 1, 2015*):

3 (NEW) (e) Each contractor or salesman who is issued a certificate of  
4 registration pursuant to section 20-422, as amended by this act, shall  
5 wear the personalized identification badge that is issued pursuant to  
6 subsection (b) of said section, in a conspicuous place, whenever the  
7 contractor or salesman is performing or engaging, or attempting to  
8 engage, in the business of making or selling home improvements.

9 Sec. 2. Section 20-422 of the general statutes is repealed and the  
10 following is substituted in lieu thereof (*Effective January 1, 2015*):

11 (a) Upon receipt of a completed application and fee, the  
12 commissioner shall: (1) Issue and deliver to the applicant a certificate

13 to engage in the business for which the application was made; or (2)  
14 refuse to issue the certificate. The commissioner may suspend, revoke  
15 or refuse to issue or renew any certificate issued under this chapter or  
16 may place a registrant on probation or issue a letter of reprimand or  
17 may require the posting of a bond meeting the specifications of section  
18 20-426a as a condition for the issuance, renewal or reinstatement of a  
19 certificate of registration for any of the reasons stated in section 20-426<sub>2</sub>  
20 as amended by this act. No application for the reinstatement of a  
21 certificate which has been revoked shall be accepted by the  
22 commissioner within one year after the date of such revocation.

23 (b) Upon the issuance of a certificate pursuant to subsection (a) of  
24 this section, the commissioner shall issue, or cause to be issued, a  
25 personalized identification badge to the contractor or salesman. The  
26 identification badge shall include a color photograph of the  
27 contractor's or salesman's face, the contractor's or salesman's name, the  
28 contractor's or salesman's registration number, the name of the  
29 contractor's or salesman's business and the Internet web site address  
30 for the state of Connecticut eLicensing Internet web site, or any  
31 subsequent corresponding electronic licensing Internet web site, and  
32 shall be designed in a manner that such names, number and Internet  
33 web site address will be plainly visible when the badge is worn by the  
34 contractor or salesman. The identification badge shall be made in such  
35 a manner and of such material that any attempt to alter the badge will  
36 result in it being immediately, permanently and noticeably destroyed.  
37 The photograph on the identification badge shall be taken not more  
38 than four weeks prior to the date upon which such badge is issued. A  
39 contractor or salesman shall apply for and obtain a new identification  
40 badge at least once every six years. The commissioner may charge the  
41 contractor or salesman a reasonable fee, not to exceed thirty dollars, to  
42 cover the costs of the identification badge issued pursuant to this  
43 subsection.

44 Sec. 3. Section 20-426 of the general statutes is repealed and the  
45 following is substituted in lieu thereof (*Effective January 1, 2015*):

46 (a) The commissioner may revoke, suspend or refuse to issue or  
 47 renew any certificate of registration as a home improvement contractor  
 48 or salesperson or place a registrant on probation or issue a letter of  
 49 reprimand for: (1) Conduct of a character likely to mislead, deceive or  
 50 defraud the public or the commissioner; (2) engaging in any untruthful  
 51 or misleading advertising; (3) failing to reimburse the guaranty fund  
 52 established pursuant to section 20-432 for any moneys paid to an  
 53 owner pursuant to subsection (o) of section 20-432; (4) unfair or  
 54 deceptive business practices; or (5) violation of any of the provisions of  
 55 the general statutes relating to home improvements or any regulation  
 56 adopted pursuant to any of such provisions. The commissioner may  
 57 refuse to issue or renew any certificate of registration as a home  
 58 improvement contractor or salesperson of any person subject to the  
 59 registration requirements of chapter 969.

60 (b) A contractor or salesman who has been issued an identification  
 61 badge pursuant to subsection (b) of section 20-422, as amended by this  
 62 act, and whose registration has been revoked or suspended or has not  
 63 been renewed shall, not later than three business days after such  
 64 revocation, suspension or nonrenewal, surrender such identification  
 65 badge to the commissioner.

66 [(b)] (c) The commissioner shall not revoke or suspend any  
 67 certificate of registration or require the posting of a bond except upon  
 68 notice and hearing in accordance with chapter 54.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2015	20-420
Sec. 2	January 1, 2015	20-422
Sec. 3	January 1, 2015	20-426

**Statement of Legislative Commissioners:**

Sections 1 and 2(b) were rewritten for accuracy and consistency with the general statutes.

**GL**      *Joint Favorable Subst. -LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 15 \$	FY 16 \$
Consumer Protection, Dept.	GF - Cost	153,552	77,104
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	14,132	28,266
Consumer Protection, Dept.	GF - Revenue Gain	See Below	See Below

**Municipal Impact:** None

**Explanation**

The bill results in a cost to the state of \$167,684 in FY 15 and \$105,370 in FY 16. These costs are attributable to implementing a program to provide badges to all home improvement contractors and salespersons. It is estimated that as many as 35,000 persons would be required to get such badges. The badges would be valid for six years.

The costs include \$153,552 to the Department of Consumer Protection (DCP) in FY 15 for two partial year Office Assistants (\$38,552) and badge printing equipment and related supplies (\$115,000). The cost to DCP in FY 16 would be \$77,104 for the two Office Assistants. It is assumed that the equipment purchased in FY 15 would last through FY 17 or possibly later. Additional costs for fringe benefits are \$14,132 in FY 15 and \$28,266 in FY 16.

Finally the bill allows the DCP to charge up to \$30 per badge to cover the cost of the program. However, it is uncertain as to how the

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 36.66% of payroll in FY 15 and FY 16.

offsetting cost per badge would be determined as the program would require larger costs initially due to the start-up costs of equipment.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the eventual need for new equipment to produce badges.

**OLR Bill Analysis****sSB 207****AN ACT REQUIRING HOME IMPROVEMENT CONTRACTORS AND SALESMEN TO OBTAIN AND DISPLAY IDENTIFICATION BADGES.****SUMMARY:**

This bill requires registered home improvement contractors and salesmen to wear conspicuous, state-issued, personalized identification badges when performing, engaging in, or attempting to engage in the business of making or selling home improvements.

The consumer protection commissioner must issue the badges when registering the contractors and salesmen. The bill allows him to charge a reasonable fee, up to \$30, to cover the badge's cost. A new badge must be obtained at least every six years.

Under the bill, an issued badge must be returned, within three business days, to the commissioner when a contractor's or salesman's registration is revoked, suspended, or not renewed.

EFFECTIVE DATE: January 1, 2015

**IDENTIFICATION BADGE*****Content of Badge***

The bill requires the identification badges to include the contractor's or salesman's:

1. name and registration number;
2. business name; and
3. face, as shown in a color photograph taken within four weeks of

the badge's issuance.

They must also include the website address for the state's eLicensing website or any subsequent electronic licensing website.

The badge must be designed so that the name, number, and website address are plainly visible when a contractor or salesman wears it. It must also be made in a way and of such a material that trying to alter it renders it immediately, noticeably, and permanently destroyed.

**COMMITTEE ACTION**

General Law Committee

Joint Favorable

Yea 13    Nay 4    (03/13/2014)