



House Bill No. 5327

Public Act No. 16-35

AN ACT REQUIRING CERTAIN RESIDENTIAL RESTORATION SERVICE PROVIDERS TO REGISTER AS HOME IMPROVEMENT CONTRACTORS.

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

Section 1. Section 20-419 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2017*):

As used in this chapter, unless the context otherwise requires:

(1) "Certificate" means a certificate of registration issued under section 20-422.

(2) "Commissioner" means the Commissioner of Consumer Protection or any person designated by the commissioner to administer and enforce this chapter.

(3) "Contractor" means any person who owns and operates a home improvement business or who undertakes, offers to undertake or agrees to perform any home improvement. "Contractor" does not include a person for whom the total price of all of his home improvement contracts with all of his customers does not exceed one thousand dollars during any period of twelve consecutive months.

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(4) "Home improvement" includes, but is not limited to, the repair, replacement, remodeling, alteration, conversion, modernization, improvement, rehabilitation or sandblasting of, or addition to any land or building or that portion thereof which is used or designed to be used as a private residence, dwelling place or residential rental property, or the construction, replacement, installation or improvement of driveways, swimming pools, porches, garages, roofs, siding, insulation, sunrooms, flooring, patios, landscaping, fences, doors and windows, [and] waterproofing, water, fire or storm restoration or mold remediation in connection with such land or building or that portion thereof which is used or designed to be used as a private residence, dwelling place or residential rental property or the removal or replacement of a residential underground heating oil storage tank system, in which the total price for all work agreed upon between the contractor and owner or proposed or offered by the contractor exceeds two hundred dollars. "Home improvement" does not include: (A) The construction of a new home; (B) the sale of goods by a seller who neither arranges to perform nor performs, directly or indirectly, any work or labor in connection with the installation or application of the goods or materials; (C) the sale of goods or services furnished for commercial or business use or for resale, provided commercial or business use does not include use as residential rental property; (D) the sale of appliances, such as stoves, refrigerators, freezers, room air conditioners and others which are designed for and are easily removable from the premises without material alteration thereof; and (E) any work performed without compensation by the owner on his own private residence or residential rental property.

(5) "Home improvement contract" means an agreement between a contractor and an owner for the performance of a home improvement.

(6) "Owner" means a person who owns or resides in a private residence and includes any agent thereof, including, but not limited to,

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a condominium association. An owner of a private residence shall not be required to reside in such residence to be deemed an owner under this subdivision.

(7) "Person" means an individual, partnership, limited liability company or corporation.

(8) "Private residence" means a single family dwelling, a multifamily dwelling consisting of not more than six units, or a unit, common element or limited common element in a condominium, as defined in section 47-68a, or in a common interest community, as defined in section 47-202, or any number of condominium units for which a condominium association acts as an agent for such unit owners.

(9) "Salesman" means any individual who (A) negotiates or offers to negotiate a home improvement contract with an owner or (B) solicits or otherwise endeavors to procure by any means whatsoever, directly or indirectly, a home improvement contract from an owner on behalf of a contractor.

(10) "Residential rental property" means a single family dwelling, a multifamily dwelling consisting of not more than six units, or a unit, common element or limited common element in a condominium, as defined in section 47-68a, or in a common interest community, as defined in section 47-202, which is not owner-occupied.

(11) "Residential underground heating oil storage tank system" means an underground storage tank system used with or without ancillary components in connection with real property composed of four or less residential units.

(12) "Underground storage tank system" means an underground tank or combination of tanks, with any underground pipes or ancillary equipment or containment systems connected to such tank or tanks, used to contain an accumulation of petroleum, which volume is ten

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per cent or more beneath the surface of the ground.

Sec. 2. Section 38a-313a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2017*):

(a) (1) Prior to commencing any repair, remediation or mitigation pursuant to a loss occurring on or after [October 1, 2013] January 1, 2017, under a personal risk insurance policy, as defined in section 38a-663, or a commercial risk policy, as defined in section 38a-663, the person who will perform the repair, remediation or mitigation shall:

(A) Provide an insured with a written notice that indicates the scope of the work to be completed and the estimated total price. Such notice shall not be required for [(i)] any repair of an automobile that is subject to this chapter; [or (ii) any repair that is subject to chapter 400; and]

(B) Include, in any contract or document in connection with such repair, remediation or mitigation that authorizes an insurer to make a payment directly to the person performing such repair, remediation or mitigation, a provision that discloses to the signatory, in not less than twelve-point type immediately above the signature line, that the insured has the right to be named as a joint payee on the payment instrument; and

(C) Include, in any contract or document in connection with such repair, remediation or mitigation, if (i) such contract or document is subject to chapter 740, and (ii) such repair, remediation or mitigation is to be performed to meet a bona fide immediate personal emergency of the insured, a provision that discloses that the insured may waive the right to cancel within three business days pursuant to chapter 740 by providing to the person performing the repair, remediation or mitigation a separate dated and signed personal statement in the insured's handwriting describing the bona fide personal emergency requiring immediate remedy and expressly acknowledging and

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waiving the right to cancel within three business days.

(2) No such contract or document shall include any provision that creates a power of attorney or waives the signatory's or insured's legal rights against the person performing such repair, remediation or mitigation.

(b) If the person performing the repair, remediation or mitigation or a contract or document in connection with such repair, remediation or mitigation fails to comply with the requirements set forth in subsection (a) of this section, any contract between such person and such insured for, or document in connection with, such repair, remediation or mitigation shall be void.

(c) As used in this section, "remediation" includes, but is not limited to, cleaning services.

Sec. 3. Subsection (a) of section 20-429 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2017*):

(a) (1) (A) No home improvement contract shall be valid or enforceable against an owner unless it: [(1)] (i) Is in writing, [(2)] (ii) is signed by the owner and the contractor, [(3)] (iii) contains the entire agreement between the owner and the contractor, [(4)] (iv) contains the date of the transaction, [(5)] (v) contains the name and address of the contractor and the contractor's registration number, [(6)] (vi) contains a notice of the owner's cancellation rights in accordance with the provisions of chapter 740, [(7)] (vii) contains a starting date and completion date, [(8)] (viii) is entered into by a registered salesman or registered contractor, and [(9)] (ix) includes a provision disclosing each corporation, limited liability company, partnership, sole proprietorship or other legal entity, which is or has been a home improvement contractor pursuant to the provisions of this chapter or a new home

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construction contractor pursuant to the provisions of chapter 399a, in which the owner or owners of the home improvement contractor are or have been a shareholder, member, partner, or owner during the previous five years.

(B) Each change in the terms and conditions of a contract shall be in writing and shall be signed by the owner and contractor, except that the commissioner may, by regulation, dispense with the necessity for complying with the requirement that each change in a home improvement contract shall be in writing and signed by the owner and contractor.

(2) A contract for repair, remediation or mitigation as set forth in section 38a-313a, as amended by this act, shall conform to the requirements set forth in subparagraph (A) of subdivision (1) of this subsection and section 38a-313a, as amended by this act.

Approved May 27, 2016