AN ACT CONCERNING NEW HOME CONSTRUCTION CONTRACTORS AND HOME IMPROVEMENT CONTRACTORS.

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

Section 1. Section 20-417b of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2021):

(a) No person shall engage in the business of new home construction or hold himself or herself out as a new home construction contractor unless such person has been issued a certificate of registration by the commissioner in accordance with the provisions of sections 20-417a to 20-417j, inclusive, as amended by this act. No new home construction contractor shall be relieved of responsibility for the conduct and acts of its agents, employees or officers by reason of such new home construction contractor's compliance with the provisions of sections 20-417a to 20-417j, inclusive, as amended by this act.

(b) Any person seeking a certificate of registration shall apply to the commissioner, in writing online, on a form provided by the commissioner. The application shall include (1) the applicant's name, business street address and business telephone number, (2) the identity of the insurer that provides the applicant with insurance coverage for liability, (3) if such applicant is required by any provision of the general statutes to have workers' compensation coverage, the identity of the insurer that provides the applicant with such workers' compensation coverage, and (4) if such applicant is required by any provision of the general statutes to have an agent for service of process, the name and address of such agent. Each such application shall be accompanied by a
fee of [two] one hundred [forty] twenty dollars, except that no such application fee shall be required if such person has paid the registration fee required under section 20-421, as amended by this act, during any year in which such person’s registration as a new home construction contractor would be valid.

(c) Certificates issued to new home construction contractors shall not be transferable or assignable, except when the holder of a certificate, who is engaged in the business, changes the name or form of such business.

(d) All certificates issued under the provisions of sections 20-417a to 20-417j, inclusive, as amended by this act, shall expire [biennially] annually. The fee for renewal of a certificate shall be the same as the fee charged for an original application, except that no renewal fee is due if a person seeking renewal of a certificate has paid the registration fee under section 20-427, as amended by this act, during any year in which such person’s registration as a new home construction contractor would be valid.

(e) All certificates issued under the provisions of this chapter shall expire [biennially and may be renewed by the applicant not later than six months after the expiration date of such certificate] annually on the thirty-first day of March. The fee for renewal of a certificate shall be the same as charged for the original application, [but shall be charged on a pro rata basis, based upon the application date for such renewal.]

(f) Failure to receive a notice of expiration or a renewal application shall not exempt a new home construction contractor from the obligation to renew.

(g) The holder of a certificate of registration issued by the commissioner in accordance with the provisions of sections 20-417a to 20-417j, inclusive, as amended by this act, may opt to engage in home improvement, as defined in section 20-419, as amended by this act. If a new home construction contractor does opt to engage in such home improvement, such new home construction contractor shall first notify
the commissioner in writing and shall pay to the Department of Consumer Protection all the Home Improvement Guaranty Fund fees due pursuant to section 20-432, as amended by this act.

Sec. 2. (NEW) (Effective July 1, 2021) (a) (1) A contract, as defined in section 20-417a of the general statutes, shall not be valid or enforceable against a consumer unless it: (A) Is in writing, (B) is signed by the new home construction contractor and the consumer, (C) contains the entire agreement between the new home construction contractor and the consumer, (D) contains the date of the transaction, (E) contains the name and address of the new home construction contractor and the contractor's registration number, (F) contains a starting date and completion date, (G) is entered into by a registered new home construction contractor, and (H) includes a provision disclosing each corporation, limited liability company, partnership, sole proprietorship or other legal entity, which is or has been a new home construction contractor pursuant to the provisions of chapter 399a of the general statutes, in which the owner or owners of the new home construction contractor are or have been a shareholder, member, partner or owner during the previous five years.

(2) Each change in the terms and conditions of a contract, as defined in section 20-417a of the general statutes, shall be in writing and shall be signed by the new home construction contractor and the consumer, except that the commissioner may, by regulation, dispense with the necessity for complying with the provisions of this subdivision.

(b) The new home construction contractor shall provide and deliver to the consumer, without charge, a completed copy of the new home construction contract at the time such contract is executed.

c) The commissioner may, by regulation, require the inclusion of additional contractual provisions for contracts, as defined in section 20-417a of the general statutes.

d) Each contract, as defined in section 20-417a of the general statutes, in which the consumer agrees to repay the new home construction
contractor an amount loaned or advanced to the consumer by the contractor for the purposes of paying for the goods and services or real estate provided in such contract, or which contains a finance charge, (1) shall set forth the information required to be disclosed pursuant to the Truth-in-Lending Act, sections 36a-675 to 36a-685, inclusive, of the general statutes, (2) shall allow the consumer to pay off in advance the full amount due and obtain a partial refund of any unearned finance charge, and (3) may contain a finance charge set at a rate of not more than the rate allowed for loans pursuant to section 37-4 of the general statutes. As used in this subsection, "finance charge" means the amount in excess of the cash price for goods, services and real estate under the new home construction contract to be paid by the consumer for the privilege of paying the contract price in installments over a period of time.

(e) Nothing in this section shall preclude a new home construction contractor who has complied with subparagraphs (A), (B), (F) and (G) of subdivision (1) of subsection (a) of this section from the recovery of payment for work performed based on the reasonable value of services which were requested by the consumer, provided the court determines that it would be inequitable to deny such recovery.

Sec. 3. Section 20-417i of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2021):

(a) The commissioner shall establish and maintain the New Home Construction Guaranty Fund.

(b) Each person who receives a certificate pursuant to sections 20-417a to 20-417j, inclusive, as amended by this act, shall pay a fee of [four] three hundred [eighty] forty dollars [biennially] annually to the [fund] New Home Construction Guaranty Fund. Such [fee] fees shall be payable with the fee for an application for a certificate or renewal of a certificate.

(c) (1) For fiscal years commencing on or after July 1, 2003, payments received under subsection (b) of this section shall be credited to the New
Proposed Substitute Bill No. 182

Home Construction Guaranty Fund until the balance in the fund equals seven hundred fifty thousand dollars. Annually, if the balance in the fund exceeds seven hundred fifty thousand dollars, the first three hundred thousand dollars of the excess shall be deposited in the consumer protection enforcement account established in section 21a-8a. On June 1, 2004, and each June first thereafter, if the balance in the fund exceeds seven hundred fifty thousand dollars, the excess shall be deposited in the General Fund.

(2) Any money in the New Home Construction Guaranty Fund may be invested or reinvested in the same manner as funds of the state employees retirement system and the interest arising from such investments shall be credited to the fund.

(d) Beginning October 1, 2000, whenever a consumer obtains a binding arbitration decision, a court judgment, order or decree against or regarding any new home construction contractor holding a certificate or who has held a certificate under sections 20-417a to 20-417j, inclusive, as amended by this act, within [the past] two years of the date of entering into the contract with the consumer, for loss or damages sustained by reason of any violation of the provisions of sections 20-417a to 20-417j, inclusive, as amended by this act, by a person holding a certificate under said sections, such consumer may, upon the final determination of, or expiration of time for taking, an appeal in connection with any such decision, judgment, order or decree, apply to the commissioner for an order directing payment out of the New Home Construction Guaranty Fund of the amount, not exceeding thirty thousand dollars, unpaid upon the decision, judgment, order or decree for actual damages and costs taxed by the court against such contractor, exclusive of punitive damages. The application shall be made on forms provided by the commissioner and shall be accompanied by a copy of the decision, court judgment, order or decree obtained against the new home construction contractor together with a [notarized affidavit,] statement signed and sworn to by the consumer, affirming that the consumer has: (1) Complied with all the requirements of this subsection; (2) obtained a decision, judgment, order or decree stating the amount of
the decision, judgment, order or decree and the amount owing on the
decision, judgment, order or decree at the date of application; and (3)
made a good faith effort to satisfy any such decision, judgment, order or
decree in accordance with the provisions of chapter 906 which effort
may include causing to be issued a writ of execution upon such decision,
judgment, order or decree but the officer executing the same has made
a return showing that no bank accounts or personal property of such
contractor liable to be levied upon in satisfaction of the decision,
judgment, order or decree could be found, or that the amount realized
on the sale of them or of such of them as were found, under the
execution, was insufficient to satisfy the actual damage portion of the
decision, judgment, order or decree or stating the amount realized and
the balance remaining due on the decision, judgment, order or decree
after application on the decision, judgment, order or decree of the
amount realized, except that the requirements of this subdivision shall
not apply to a judgment, order or decree obtained by the consumer in
small claims court. A true and attested copy of such executing officer's
return, when required, shall be attached to such application. [and
affidavit.] Whenever the consumer satisfies the commissioner or the
commissioner's designee that it is not practicable to comply with the
requirements of subdivision (3) of this subsection and that the consumer
has taken all reasonable steps to collect the amount of the decision,
judgment, order or decree or the unsatisfied part of the decision,
judgment, order or decree and has been unable to collect the same, the
commissioner or the commissioner's designee may, in the
commissioner's or the commissioner's designee's discretion, dispense
with the necessity for complying with such requirement. No application
for an order directing payment out of the fund shall be made later than
two years from the final determination of, or expiration of time for
taking, an appeal of such decision, court judgment, order or decree and
no such application shall be for an amount in excess of thirty thousand
dollars.

(e) Upon receipt of such application together with such copy of the
decision, court judgment, order or decree, [notarized affidavit]
statement and, except as otherwise provided in subsection (d) of this
section, true and attested copy of the executing officer's return, the
commissioner or the commissioner's designee shall inspect such
documents for their veracity and upon a determination that such
documents are complete and authentic and that the consumer has not
been paid, the commissioner shall order payment out of the New Home
Construction Guaranty Fund of the amount not exceeding thirty
thousand dollars unpaid upon the decision, judgment, order or decree
for actual damages and costs taxed by the court against the contractor,
exclusive of punitive damages.

(f) Beginning October 1, 2000, whenever a consumer is awarded an
order of restitution against any new home construction contractor for
loss or damages sustained as a result of any violation of the provisions
of sections 20-417a to 20-417j, inclusive, as amended by this act, by a
person holding a certificate or who has held a certificate under said
sections within [the past] two years of the date of entering into the
contract with the consumer, in (1) a proceeding brought by the
commissioner pursuant to subsection (h) of this section or subsection (d)
of section 42-110d, (2) a proceeding brought by the Attorney General
pursuant to subsection (a) of section 42-110m or subsection (d) of section
42-110d, or (3) a criminal proceeding pursuant to section 20-417e, such
consumer may, upon the final determination of, or expiration of time for
taking, an appeal in connection with any such order of restitution, apply
to the commissioner for an order directing payment out of the New
Home Construction Guaranty Fund of the amount not exceeding thirty
thousand dollars unpaid upon the order of restitution. The
commissioner may issue such order upon a determination that the
consumer has not been paid.

(g) Before the commissioner may issue any order directing payment
out of the New Home Construction Guaranty Fund to a consumer
pursuant to subsection (e) or (f) of this section, the commissioner shall
first notify the new home construction contractor of the consumer's
application for an order directing payment out of the fund and of the
new home construction contractor's right to a hearing to contest the
disbursement in the event that such contractor has already paid the
consumer. Such notice shall be given to the new home construction contractor not later than fifteen days after receipt by the commissioner of the consumer's application for an order directing payment out of the fund. If the new home construction contractor requests a hearing, in writing, by certified mail not later than fifteen days after receiving the notice from the commissioner, the commissioner shall grant such request and shall conduct a hearing in accordance with the provisions of chapter 54. If the commissioner does not receive a written request for a hearing by certified mail from the new home construction contractor on or before the fifteenth day from the contractor's receipt of such notice, the commissioner shall conclude that the consumer has not been paid, and the commissioner shall issue an order directing payment out of the fund for the amount not exceeding thirty thousand dollars unpaid upon the judgment, order or decree for actual damages and costs taxed by the court against the new home construction contractor, exclusive of punitive damages, or for the amount not exceeding thirty thousand dollars unpaid upon the order of restitution.

(h) The commissioner or the commissioner's designee may proceed against any new home construction contractor holding a certificate or who has held a certificate under sections 20-417a to 20-417j, inclusive, as amended by this act, within [the past] two years of the effective date of entering into the contract with the consumer, for an order of restitution arising from loss or damages sustained by any consumer as a result of any violation of the provisions of said sections 20-417a to 20-417j, inclusive, as amended by this act. Any such proceeding shall be held in accordance with the provisions of chapter 54. In the course of such proceeding, the commissioner or the commissioner's designee shall decide whether to (1) exercise the powers specified in section 20-417c, as amended by this act, (2) order restitution arising from loss or damages sustained by any consumer as a result of any violation of the provisions of sections 20-417a to 20-417j, inclusive, as amended by this act, and (3) order payment out of the New Home Construction Guaranty Fund. Notwithstanding the provisions of chapter 54, the decision of the commissioner or the commissioner's designee shall be final with respect to any proceeding to order payment out of the fund and the
commissioner and the commissioner's designee shall not be subject to
the requirements of chapter 54 as such requirements relate to an appeal
from any such decision. The commissioner or the commissioner's
designee may hear complaints of all consumers submitting claims
against a single new home construction contractor in one proceeding.

(i) No application for an order directing payment out of the New
Home Construction Guaranty Fund shall be made later than two years
from the final determination of, or expiration of time for, an appeal in
connection with any judgment, order or decree of restitution, and no
such application shall be for an amount in excess of thirty thousand
dollars.

(j) In order to preserve the integrity of the New Home Construction
Guaranty Fund, the commissioner, in the commissioner's sole
discretion, may order payment out of the fund of an amount less than
the actual loss or damages incurred by the consumer or less than the
order of restitution awarded by the commissioner or the Superior Court.
In no event shall any payment out of the fund be in excess of thirty
thousand dollars for any single claim by a consumer.

(k) If the money deposited in the New Home Construction Guaranty
Fund is insufficient to satisfy any duly authorized claim or portion of a
claim, the commissioner shall, when sufficient money has been
deposited in the fund, satisfy such unpaid claims or portions of claims
not exceeding thirty thousand dollars, in the order that such claims or
portions of claims were originally determined.

(l) Whenever the commissioner has caused any sum to be paid from
the New Home Construction Guaranty Fund to a consumer, the
commissioner shall be subrogated to all of the rights of the consumer up
to the amount paid plus reasonable interest, and prior to receipt of any
payment from the fund, the consumer shall assign all of the consumer's
right, title and interest in the claim up to such amount to the
commissioner, and any amount and interest recovered by the
commissioner on the claim shall be deposited in the fund.
(m) If the commissioner orders the payment of any amount as a result of a claim against a new home construction contractor, the commissioner shall determine if such contractor is possessed of assets liable to be sold or applied in satisfaction of the claim on the New Home Construction Guaranty Fund. If the commissioner discovers any such assets, the commissioner may request that the Attorney General take any action necessary for the reimbursement of the fund.

(n) If the commissioner orders the payment of an amount as a result of a claim against a new home construction contractor, the commissioner may, after notice and hearing in accordance with the provisions of chapter 54, revoke the certificate of such contractor and such contractor shall not be eligible to receive a new or renewed certificate until such contractor has repaid such amount in full, plus interest from the time such payment is made from the New Home Construction Guaranty Fund, at a rate to be in accordance with section 37-3b, except that the commissioner may, in the commissioner's sole discretion, permit a new home construction contractor to receive a new or renewed certificate after such contractor has entered into an agreement with the commissioner whereby such contractor agrees to repay the fund in full in the form of periodic payments over a set period of time. Any such agreement shall include a provision providing for the summary suspension of any and all certificates held by the new home construction contractor if payment is not made in accordance with the terms of the agreement.

Sec. 4. Section 20-419 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2021):

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.

(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 alarm systems not requiring electrical work as defined by section 20-330, driveways, swimming pools, porches, garages, roofs, siding, insulation, sunrooms, flooring, patios, landscaping, fences, doors and windows, 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) tree cutting or the grinding of tree stumps or shrubs; and (F) 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, 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 per cent or more beneath the surface of the ground.

Sec. 5. Section 20-420a of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2021):

(a) No corporation shall perform or offer to perform home improvements in this state unless such corporation has been issued a certificate of registration by the commissioner. No such corporation shall be relieved of responsibility for the conduct and acts of its agents, employees or officers by reason of its compliance with the provisions of this section, nor shall any individual contractor be relieved of responsibility for home improvements performed by reason of his employment or relationship with such corporation.

(b) A qualifying corporation desiring a certificate of registration shall apply to the commissioner, [in writing] online, on a form provided by the commissioner. The application shall (1) state the name and address of such corporation, the city or town and the street and number where such corporation is to maintain its principal place of business in this state [.] and the names and addresses of officers; [.] and (2) contain a statement that one or more individuals who shall direct, supervise or perform home improvements for such corporation are registered home improvement contractors and such other information as the commissioner may require.

(c) Any certificate issued by the commissioner pursuant to this section may be revoked, [or] suspended, or have conditions placed upon the holder of the certificate by the commissioner after notice and hearing in accordance with the provisions of chapter 54 concerning contested cases, if it is shown that the holder of such certificate has not conformed to the requirements of this chapter, that the certificate was obtained through fraud or misrepresentation or that the contractor of record employed by or acting on behalf of such corporation has had his certificate of registration suspended or revoked by the commissioner. The commissioner may refuse to issue or renew a certificate if any facts
exist which would entitle the commissioner to suspend or revoke an existing certificate.

(d) Each such corporation shall file with the commissioner upon application or renewal thereof a designation of an individual or individuals registered to perform home improvements in this state who shall direct or supervise the performance of home improvements by such corporation in this state. Such corporation shall notify the commissioner of any change in such designation within thirty days after such change becomes effective.

(e) Each such corporation shall file with the commissioner upon application or renewal thereof a certificate of good standing issued by the office of the Secretary of the State. Such corporation shall notify the commissioner of any change in corporate good standing within thirty days after such change becomes effective.

Sec. 6. Subsection (a) of section 20-421 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2021):

(a) Any person seeking a certificate of registration shall apply to the commissioner [in writing] online, on a form provided by the commissioner. The application shall include the applicant's name, residence address, business address, business telephone number and such other information as the commissioner may require.

Sec. 7. Subsection (e) of section 20-427 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2021):

(e) Certificates issued to home improvement contractors or salesmen shall not be transferable or assignable, except when the holder of the certificate changes only the name or type of business entity of such business.

Sec. 8. Section 20-432 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2021):
(a) The commissioner shall establish and maintain the Home Improvement Guaranty Fund.

(b) Each salesman who receives a certificate pursuant to this chapter shall pay a fee of forty dollars annually. Each contractor who receives a certificate pursuant to this chapter shall pay a fee of one hundred dollars annually to the guaranty fund. Such fee shall be payable with the fee for an application for a certificate or renewal thereof. The annual fee for a contractor who receives a certificate of registration as a home improvement contractor acting solely as the contractor of record for a corporation shall be waived, provided the contractor of record shall use such registration for the sole purpose of directing, supervising or performing home improvements for such corporation.

(c) Payments received under subsection (b) of this section shall be credited to the guaranty fund until the balance in such fund equals seven hundred fifty thousand dollars. Annually, if the balance in the fund exceeds seven hundred fifty thousand dollars, the first four hundred thousand dollars of the excess shall be deposited into the consumer protection enforcement account established in section 21a-8a. Any excess thereafter shall be deposited in the General Fund. Any money in the guaranty fund may be invested or reinvested in the same manner as funds of the state employees retirement system, and the interest arising from such investments shall be credited to the guaranty fund.

(d) Whenever an owner obtains a binding arbitration decision, a court judgment, order or decree against any contractor holding a certificate or who has held a certificate under this chapter within [the past] two years of the effective date of entering into the contract with the owner, for loss or damages sustained by reason of performance of or offering to perform a home improvement within this state by a contractor holding a certificate under this chapter, such owner may, upon the final determination of, or expiration of time for, taking an appeal in connection with any such decision, judgment, order or decree, apply to the commissioner for an order directing payment out of said guaranty
fund of the amount unpaid upon the decision, judgment, order or decree, for actual damages and costs taxed by the court against the contractor, exclusive of punitive damages. The application shall be made on forms provided by the commissioner and shall be accompanied by a copy of the decision, court judgment, order or decree obtained against the contractor; [together with a notarized affidavit, signed and sworn to by the owner, affirming that: (1) He or she has complied with all the requirements of this subsection; (2) he or she has obtained a judgment, order or decree, stating the amount thereof and the amount owing thereon at the date of application; and (3) he or she has caused to be issued a writ of execution upon said judgment, order or decree and the officer executing the same has made a return showing that no bank accounts or personal property of the contractor liable to be levied upon in satisfaction of the judgment, order or decree could be found, or that the amount realized on the sale of them or of such of them as were found, under the execution, was insufficient to satisfy the actual damage portion of the judgment, order or decree or stating the amount realized and the balance remaining due on the judgment, order or decree after application thereon of the amount realized, except that the requirements of this subdivision shall not apply to a judgment, order or decree obtained by the owner in small claims court.] A true and attested copy of said executing officer's return, when required, shall be attached to such application; [and affidavit.] No application for an order directing payment out of the guaranty fund shall be made later than two years after the final determination of, or expiration of time for, taking an appeal of said decision, court judgment, order or decree.

(e) Upon receipt of said application together with said copy of the decision, court judgment, order or decree, [notarized affidavit] and true and attested copy of the executing officer's return, the commissioner or his designee shall inspect such documents for their veracity and upon a determination that such documents are complete and authentic, and a determination that the owner has not been paid, the commissioner shall order payment out of the guaranty fund of the amount unpaid upon the decision, judgment, order or decree for actual damages and costs taxed by the court against the contractor, exclusive of punitive damages.
(f) Whenever an owner is awarded an order of restitution against any contractor for loss or damages sustained by reason of performance of or offering to perform a home improvement in this state by a contractor holding a certificate or who has held a certificate under this chapter within [the past] two years of the date of entering into the contract with the owner, in a proceeding brought by the commissioner pursuant to this section or subsection (d) of section 42-110d, or in a proceeding brought by the Attorney General pursuant to subsection (a) of section 42-110m or subsection (d) of section 42-110d, or a criminal proceeding pursuant to section 20-427, as amended by this act, such owner may, upon the final determination of, or expiration of time for, taking an appeal in connection with any such order of restitution, apply to the commissioner for an order directing payment out of said guaranty fund of the amount unpaid upon the order of restitution. The commissioner may issue said order upon a determination that the owner has not been paid.

(g) Before the commissioner may issue any order directing payment out of the guaranty fund to an owner pursuant to subsections (e) or (f) of this section, the commissioner shall first notify the contractor of the owner's application for an order directing payment out of the guaranty fund and of the contractor's right to a hearing to contest the disbursement in the event that the contractor has already paid the owner or is complying with a payment schedule in accordance with a court judgment, order or decree. Such notice shall be given to the contractor not later than fifteen days after receipt by the commissioner of the owner's application for an order directing payment out of the guaranty fund. If the contractor requests a hearing, in writing, by certified mail not later than fifteen days after receiving the notice from the commissioner, the commissioner shall grant such request and shall conduct a hearing in accordance with the provisions of chapter 54. If the contractor does not receive a request by certified mail from the contractor for a hearing not later than fifteen days after the contractor's receipt of such notice, the commissioner shall determine that the owner has not been paid, and the commissioner shall issue an order directing payment out of the guaranty fund for the amount unpaid upon the
judgment, order or decree for actual damages and costs taxed by the
court against the contractor, exclusive of punitive damages, or for the
amount unpaid upon the order of restitution.

(h) The commissioner or his designee may proceed against any
contractor holding a certificate or who has held a certificate under this
chapter within the past two years of the effective date of entering into
the contract with the owner, for an order of restitution arising from loss
or damages sustained by any person by reason of such contractor's
performance of or offering to perform a home improvement in this state.
Any such proceeding shall be held in accordance with the provisions of
chapter 54. In the course of such proceeding, the commissioner or his
designee shall decide whether to exercise his powers pursuant to section
20-426; whether to order restitution arising from loss or damages
sustained by any person by reason of such contractor's performance or
offering to perform a home improvement in this state; and whether to
order payment out of the guaranty fund. Notwithstanding the
provisions of chapter 54, the decision of the commissioner or his
designee shall be final with respect to any proceeding to order payment
out of the guaranty fund and the commissioner and his designee shall
not be subject to the requirements of chapter 54 as they relate to appeal
from any such decision. The commissioner or his designee may hear
complaints of all owners submitting claims against a single contractor
in one proceeding.

(i) No application for an order directing payment out of the guaranty
fund shall be made later than two years from the final determination of,
or expiration of time for, appeal in connection with any decision,
judgment, order or decree of restitution.

(j) Whenever the owner satisfies the commissioner or his designee
that it is not practicable to comply with the requirements of [subdivision
(3) of] subsection (d) of this section and that the owner has taken all
reasonable steps to collect the amount of the decision, judgment, order
or decree or the unsatisfied part thereof and has been unable to collect
the same, the commissioner or his designee may in his discretion
dispense with the necessity for complying with such requirement.

(k) In order to preserve the integrity of the guaranty fund, the commissioner, in the commissioner's sole discretion, may order payment out of said fund of an amount less than the actual loss or damages incurred by the owner or less than the order of restitution awarded by the commissioner or the Superior Court. In no event shall any payment out of said guaranty fund be in excess of [fifteen] twenty-five thousand dollars for any single claim by an owner.

(l) If the money deposited in the guaranty fund is insufficient to satisfy any duly authorized claim or portion thereof, the commissioner shall, when sufficient money has been deposited in the fund, satisfy such unpaid claims or portions thereof, in the order that such claims or portions thereof were originally determined.

(m) Whenever the commissioner has caused any sum to be paid from the guaranty fund to an owner, the commissioner shall be subrogated to all of the rights of the owner up to the amount paid plus reasonable interest, and prior to receipt of any payment from the guaranty fund, the owner shall assign all of this right, title and interest in the claim up to such amount to the commissioner, and any amount and interest recovered by the commissioner on the claim shall be deposited to the guaranty fund.

(n) If the commissioner orders the payment of any amount as a result of a claim against a contractor, the commissioner shall determine if the contractor is possessed of assets liable to be sold or applied in satisfaction of the claim on the guaranty fund. If the commissioner discovers any such assets, he may request that the Attorney General take any action necessary for the reimbursement of the guaranty fund.

(o) If the commissioner orders the payment of an amount as a result of a claim against a contractor, the commissioner may, after notice and hearing in accordance with the provisions of chapter 54, revoke the certificate of the contractor and the contractor shall not be eligible to receive a new or renewed certificate until he has repaid such amount in
Proposed Substitute Bill No. 182

Sec. 9. Section 20-417c of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2021):

The commissioner may revoke, suspend, [or] refuse to issue or renew, or place conditions upon the renewal of any certificate issued pursuant to sections 20-417a to 20-417j, inclusive, as amended by this act, or place a registrant on probation or issue a letter of reprimand after notice and hearing in accordance with the provisions of chapter 54 concerning contested cases if it is shown that the holder of such certificate has: (1) Failed to comply with any provision of sections 20-417a to 20-417j, inclusive, as amended by this act, or any regulation adopted pursuant to said sections; (2) obtained the certificate through fraud or misrepresentation; (3) engaged in conduct of a character likely to mislead, deceive or defraud the public or the commissioner; (4) engaged in any untruthful or misleading advertising; (5) failed to reimburse the New Home Construction Guaranty Fund established pursuant to section 20-417i, as amended by this act, for any moneys paid to a consumer pursuant to said section; (6) engaged in an unfair or deceptive business practice under subsection (a) of section 42-110b; (7) failed to timely complete any task, as specified in a written contract of sale; (8) failed to remedy any violation of any provision of sections 47-116 to 47-121, inclusive, or any regulation adopted pursuant to said sections; (9) failed to remedy any violation of any provision of the State Building Code; or (10) if applicable, failed to maintain its certificate of good standing issued by the office of the Secretary of the State.
Sec. 10. Section 20-417j of the general statutes is repealed and the
following is substituted in lieu thereof (Effective July 1, 2021):

(a) Sections 20-417a to 20-417i, inclusive, as amended by this act, do
not apply to any of the following persons or organizations: (1) Any
person holding a current license as a real estate broker or salesperson
issued pursuant to chapter 392, provided such person engages only in
work for which such person is licensed under chapter 392; (2) any
person licensed or otherwise authorized under chapter 412 to sell or
place a mobile manufactured home, as defined in section 21-64, upon a
mobile manufactured home park or mobile manufactured space or lot,
both as defined in section 21-64, provided such person engages only in
work for which such person is licensed or otherwise authorized under
chapter 412; (3) any other person holding a professional or occupational
license, registration or certificate issued pursuant to the general statutes,
provided such person engages only in the work for which such person
is licensed, registered or certified; and (4) any new home construction
contractor who enters into one or more new home construction
contracts related to the same new home when such contract or contracts
in the aggregate with respect to that home has a total price for work or
services that is less than three thousand five hundred dollars.

(b) The commissioner shall reimburse the amount of the fees paid for
a certificate issued under section 20-417b, as amended by this act, and
the amount of fees paid into the New Home Construction Guaranty
Fund pursuant to section 20-417i, as amended by this act, if such person
for whom reimbursement is requested (1) is a person exempt from
registration as a new home construction contractor pursuant to
subsection (a) of this section, and (2) makes such request in writing to
the Department of Consumer Protection on a form supplied by the
department and such request is received by the department on or before

Sec. 11. Section 20-420 of the general statutes is repealed and the
following is substituted in lieu thereof (Effective July 1, 2021):

(a) No person shall hold himself or herself out to be a contractor or
salesperson without first obtaining a certificate of registration from the commissioner as provided in this chapter, except that an individual or partner, or officer or director of a corporation registered as a contractor shall not be required to obtain a salesperson's certificate, except as provided in subsection (e) of this section. No certificate shall be given to any person who holds himself or herself out to be a contractor that performs radon mitigation unless such contractor provides evidence, satisfactory to the commissioner, that the contractor is certified as a radon mitigator by the National Radon Safety Board or the National Environmental Health Association. No certificate shall be given to any person who holds himself or herself out to be a contractor that performs removal or replacement of any residential underground heating oil storage tank system unless such contractor provides evidence, satisfactory to the commissioner, that the contractor (1) has completed a hazardous material training program approved by the Department of Energy and Environmental Protection, and (2) has presented evidence of liability insurance coverage of one million dollars.

(b) No contractor shall employ any salesman to procure business from an owner unless the salesman is registered under this chapter.

(c) No individual shall act as a home improvement salesman for an unregistered contractor.

(d) On and after July 1, 2008, a home improvement contractor shall not perform gas hearth product work, as defined in subdivision (22) of section 20-330, unless such home improvement contractor holds a limited contractor or journeyman gas hearth installer license pursuant to section 20-334f.

(e) A retail establishment shall apply for a certificate of registration if it employs or otherwise compensates one or more salespersons whose sales are made pursuant to negotiations initiated by prospective buyers at or with a retail establishment that operates from a fixed location where goods or services are offered for sale. Such application for a certificate of registration shall include the name, residence address, business address, business telephone number and such other
information as the commissioner may require, for each such salesperson. The application fee shall be one hundred twenty dollars per salesperson listed on the application.

Sec. 12. (NEW) (Effective from passage) While the holder of a limited license issued pursuant to chapter 393 of the general statutes is enrolled in an unlimited license apprenticeship program, such limited license holder shall be considered a journeyman or contractor for purposes of section 20-332b of the general statutes and any regulation of Connecticut state agencies adopted pursuant to said section.

Sec. 13. Subsection (b) of section 20-691 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2020):

(b) (1) A person seeking registration as a locksmith shall apply to the commissioner on a form provided by the commissioner. The application shall include the applicant's name, residence address, business address, business telephone number, a question as to whether the applicant has been convicted of a felony in any state or jurisdiction, and such other information as the commissioner may require. The applicant shall submit to a request by the commissioner for a recent criminal history records check. No registration shall be issued unless the commissioner has received the results of a such records check. In accordance with the provisions of section 46a-80 and after a hearing held pursuant to chapter 54, the commissioner may revoke, refuse to issue or refuse to renew a registration when an applicant's criminal history records check reveals the applicant has been convicted of a crime of dishonesty, fraud, theft, assault, other violent offense or a crime related to the performance of locksmithing.

(2) The application fee for registration as a locksmith and the biennial renewal fee for such registration shall be two hundred dollars.

(3) The department shall establish and maintain a registry of locksmiths. The registry shall contain the names and addresses of registered locksmiths and such other information as the commissioner
may require. Such registry shall be updated at least annually by the
department, be made available to the public upon request and be
published on the department's Internet web site.

(4) No person shall engage in locksmithing, use the title locksmith or
display or use any words, letters, figures, title, advertisement or other
method to indicate said person is a locksmith unless such person has
obtained a registration as provided in this section.

(5) The following persons shall be exempt from registration as a
locksmith, but only if the person performing the service does not hold
himself or herself out to the public as a locksmith: (A) Persons employed
by a state, municipality or other political subdivision, or by any agency
or department of the government of the United States, acting in their
official capacity; (B) automobile service dealers who service, install,
repair or rebuild automobile locks; (C) retail merchants selling locks or
similar security accessories or installing, programming, repairing,
maintaining, reprogramming, rebuilding or servicing electronic garage
door devices; (D) members of the building trades who install or remove
complete locks or locking devices in the course of residential or
commercial new construction or remodeling; (E) employees of towing
services, repossession, or an automobile club representative or
employee opening automotive locks in the normal course of his or her
business. The provisions of this section shall not prohibit an employee
of a towing service from opening motor vehicles to enable a vehicle to
be moved without towing, provided the towing service does not hold
itself out to the public, by directory advertisement, through a sign at the
facilities of the towing service or by any other form of advertisement, as
a locksmith; (F) students in a course of study in locksmith programs
approved by the department; (G) warranty services by a lock
manufacturer or its employees on the manufacturer's own products; (H)
maintenance employees of a property owner or property management
companies at multifamily residential buildings, who service, install,
repair or open locks for tenants; [and] (I) persons employed as security
personnel at schools or institutions of higher education who open locks
while acting in the course of their employment; and (J) persons who
service, install or repair electronic locks, access control devices or other
similar locking devices that connect to an electronic security system,
provided such persons maintain an electrical contractor or
journeyperson licensed to perform such work as required pursuant to
chapter 393.

Sec. 14. Subsection (d) of section 51-15 of the general statutes is
repealed and the following is substituted in lieu thereof (Effective July 1,
2021):

(d) The procedure for the hearing and determination of small claims
as the same may be prescribed, from time to time, by the judges of the
Superior Court shall be used in all small claims sessions of the court. The
small claims procedure shall be applicable to all actions, except actions
of libel and slander, claiming money damages not in excess of five
thousand dollars, and to no other actions, except actions claiming loss
or damages not in excess of fifteen thousand dollars sustained by reason
of performance of or offering to perform home improvement by a
contractor holding a certificate under chapter 400 or pursuant to a
contract for new home construction with a new home construction
contractor holding a certificate under chapter 399a. If an action is
brought in the small claims session by a tenant pursuant to subsection
(g) of section 47a-21 to reclaim any part of a security deposit which may
be due, the judicial authority hearing the action may award to the tenant
the damages authorized by subsection (d) of said section and, if
authorized by the rental agreement or any provision of the general
statutes, costs, notwithstanding that the amount of such damages and
costs, in the aggregate, exceeds the jurisdictional monetary limit
established by this subsection. If a motion is filed to transfer a small
claims matter to the regular docket in the court, the moving party shall
pay the fee prescribed by section 52-259. The Attorney General or an
assistant attorney general, or the head of any state agency or his or her
authorized representative, while acting in his or her official capacity
shall not be required to pay any small claims court fee. There shall be no
charge for copies of service on defendants in small claims matters.
This act shall take effect as follows and shall amend the following sections:

<table>
<thead>
<tr>
<th>Section</th>
<th>Effect Date</th>
<th>Section Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1</td>
<td>July 1, 2021</td>
<td>20-417b</td>
</tr>
<tr>
<td>Sec. 2</td>
<td>July 1, 2021</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 3</td>
<td>July 1, 2021</td>
<td>20-417i</td>
</tr>
<tr>
<td>Sec. 4</td>
<td>July 1, 2021</td>
<td>20-419</td>
</tr>
<tr>
<td>Sec. 5</td>
<td>July 1, 2021</td>
<td>20-420a</td>
</tr>
<tr>
<td>Sec. 6</td>
<td>July 1, 2021</td>
<td>20-421(a)</td>
</tr>
<tr>
<td>Sec. 7</td>
<td>July 1, 2021</td>
<td>20-427(e)</td>
</tr>
<tr>
<td>Sec. 8</td>
<td>July 1, 2021</td>
<td>20-432</td>
</tr>
<tr>
<td>Sec. 9</td>
<td>July 1, 2021</td>
<td>20-417c</td>
</tr>
<tr>
<td>Sec. 10</td>
<td>July 1, 2021</td>
<td>20-417j</td>
</tr>
<tr>
<td>Sec. 11</td>
<td>July 1, 2021</td>
<td>20-420</td>
</tr>
<tr>
<td>Sec. 12</td>
<td>from passage</td>
<td>New section</td>
</tr>
<tr>
<td>Sec. 13</td>
<td>July 1, 2020</td>
<td>20-691(b)</td>
</tr>
<tr>
<td>Sec. 14</td>
<td>July 1, 2021</td>
<td>51-15(d)</td>
</tr>
</tbody>
</table>