

General Law Committee JOINT FAVORABLE REPORT

Bill No.: SB-266

AN ACT CONCERNING NEW HOME CONSTRUCTION CONTRACTORS AND

Title: HOME IMPROVEMENT CONTRACTORS.

Vote Date: 2/16/2021

Vote Action: Joint Favorable Substitute

PH Date: 1/28/2021

File No.: 14

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SPONSORS OF BILL:

General Law Committee

REASONS FOR BILL:

To specify what constitutes home improvement and locksmith work. Make various changes governing registered new home construction contractors, increase the guaranty fund contribution so that consumers will be able to litigate the small claims process in Superior Court. raise the maximum payout from the guaranty fund and provide consumers access to the guaranty funds.

JFS Language:

Removed the requirement in section 2 about notifying customers about financing charges.

Removed section 10.

Old section 11 became section and changes were made to the new umbrella salesperson license.

Section 12 became 11 and the JFS language further clarified how the hiring ration calculation should be made.

RESPONSE FROM ADMINISTRATION/AGENCY:

None submitted

NATURE AND SOURCES OF SUPPORT:

Chris Link, Link Mechanical Services, Inc. testified in support of the bill. The bill when passed will benefit contracting business and recent trade school graduates by creating more great paying jobs in the licensed trades. There is a massive shortage of licensed trade workers and even though trade schools have plenty of graduates we are unable to hire them. Link Mechanical consistently advertises for new employees but are unable to hire because of current restrictions. Section 12 of the bill will allow our company to count D2 mechanic/S2 apprentice towards hiring.

Holly Borgmann, ADT Security Services supports the bill. The bill builds on existing exemptions within the Locksmith Law for other members of the building trades. The bill will bring Connecticut in line with other states recognizing that connected locks are an important part of an alarm system.

Matt Briand, President, Edgerton, Inc. submitted testimony in support of the bill. The passage of the bill supports local contracting businesses. Passing this bill will allow us to hire, train and deploy technicians to all residential, commercial and industrial properties therefore creating unlimited new career opportunities.

CASIA, Connecticut Alarm and System Integrators Association strongly supports the bill. Section 13 clarifies that a separate locksmith registration is not required for installing and servicing a "smart lock" for an alarm system. This will take away the duplicative licensing.

David Wilson, President, Berkshire Alarm supports the current language in Section 13 of the bill. This section would exempt the duly licensed electrical contractor for the requirement to become a certified locksmith. We are not locksmiths and do not need that license to properly install or service a pre-set lock set that connects to an alarm system.

Home Builders & Remodelers Association of Connecticut supports with bill with some concerns and suggestions.

Section 1 makes mandatory contractors maintain general liability insurance but does not specify the amount. A mandated \$600,000 minimum is agreeable as it is an industry standard. We also suggest that this section be amended to address the concern of having to maintain insurance when not building.

Section 2 adds new restrictions and we suggest that (a)(1)(F) be removed and we have concerns with (c).

Section 3 includes changes to the New Home Guaranty Fund but Sec. 20-417 (i)(c)(1) should be amended to eliminate or expand the cap to the fund.

Section 5 and 9 grant the commissioner additional authorities and these should be itemized in statute.

Section 11 would be a financial and administrative burden to our members with showrooms.

Section 14 needs clarification that increased amount includes a contractor filing against the consumer.

Mark Strickland, Owner, Precision Mechanical supports the bill. As a new business there is a shortage of qualified technicians and we need to get more young people enrolled in programs. The current ration of journeymen to apprentice needs to be updated.

Kevin Moriarty, General Manager, Harp Home Services supports the bill. We have affiliated companies in other states are we are able to train our technicians to work alone in

one year. The passing of this bill will help shorten the apprentice hours to test for licensing adding to our employees.

Eric George, President, Insurance Association of Connecticut supports the bill. The bill sets a base threshold of general liability insurance coverage for home improvement contractors. This bill provides an incentive to protect both the homeowner and the state.

NATURE AND SOURCES OF OPPOSITION:

Connecticut Association of Public Insurance Adjusters opposes the bill. Darren Toth and Ken Ursaki both submitted testimony against the bill. The bill needs to be amended with a provision that makes it clear that representation and negotiation must involve a licensed public adjuster. Only licensed public adjusters are authorized to negotiate.

Bill Finch, National Electrical Contractors Association opposes the bill. We support the spirit of the bill but a few of the sections of the bill may not be in keeping with the purpose of the bill. Section 4 lines 335 and 336 defines "home improvement" as alarm systems that do not require electrical work. Wireless installations often become "wired" when the homeowner makes changes. The bill allows these installations by unlicensed electricians. We also need clarification on Section 12 and though we appreciate the intent of Section 13 we would not support installation by an unlicensed individual.

Kimberly Glassman, Foundation for Fair Contracting of Connecticut opposes the bill and asks to have section 12 removed from the bill. The bill seems to arbitrarily upgrade a limited licensee to an unlimited licensee.

Brian Knies, President/Owner, Tile America opposes the bill. Section 11 would create a financial and administrative burden. The high turnover of employees will exceed the number of positions throughout the year.

Mechanical Contractors Association of Connecticut has significant concerns with section 12 of the bill. This bill would circumvent a process established and agreed to by the construction industry and codified in law. The current law is fair and does not need changes.

Associated Sheet Metal & Roofing Contractors of Connecticut opposes the bill. The Apprentice, Journeymen and Contractor Working Group already provides these services. This group makes recommendations regarding the apprentice to journeyman ratio as established in Conn. Gen. Stat. sec. 20-332b. The current process is fair and reasonable.

Cameron Champlin, Plumbers and Pipe Fitters opposes the bill and section 12. This section should be removed.

Kurt Nichols, Owner, Ductworks HVAC Services submitted testimony in opposition of the bill. Time and money are invested in training apprentices in the hopes of them continuing to work for the company. If all the heating and cooling business throughout the state could hire one more apprentice we would have hundreds of young people in the trades.

Richard Wildermuth, HAHB Certified Green Professional opposes the bill Section 2 must contain a start and end date. This section is consumer unfriendly and as a 41 year old company we enter in to may contracts and do not have control of all the materials. You are looking to protect the consumer but this bill could result in an increase of costs.

Matthew Sando, President, Modern Heating & Air Conditioning submitted testimony that the bill would impact his business in a negative way.

Reported by: Pamela Bianca

March 10, 2021