

**Proposed Substitute
Bill No. 266**

LCO No. 3415

**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:

1 Section 1. Section 20-417b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2022*):

3 (a) No person shall engage in the business of new home construction
4 or hold himself or herself out as a new home construction contractor
5 unless such person has been issued a certificate of registration by the
6 commissioner in accordance with the provisions of sections 20-417a to
7 20-417j, inclusive, as amended by this act. No new home construction
8 contractor shall be relieved of responsibility for the conduct and acts of
9 its agents, employees or officers by reason of such new home
10 construction contractor's compliance with the provisions of sections 20-
11 417a to 20-417j, inclusive, as amended by this act.

12 (b) Any person seeking a certificate of registration shall apply to the
13 commissioner, [in writing] online, on a form provided by the
14 commissioner. The application shall include (1) the applicant's name,
15 business street address and business telephone number, (2) the identity
16 of the insurer that provides the applicant with insurance coverage for
17 liability, (3) if such applicant is required by any provision of the general
18 statutes to have workers' compensation coverage, the identity of the

19 insurer that provides the applicant with such workers' compensation
20 coverage, [and] (4) if such applicant is required by any provision of the
21 general statutes to have an agent for service of process, the name and
22 address of such agent, and (5) proof of general liability insurance
23 coverage in an amount not less than XXX dollars, demonstrated by
24 providing the policy number and business name of the insurance
25 provider. Each such application shall be accompanied by a fee of [two]
26 one hundred [forty] twenty dollars, except that no such application fee
27 shall be required if such person has paid the registration fee required
28 under section 20-421, as amended by this act, during any year in which
29 such person's registration as a new home construction contractor would
30 be valid.

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

35 (d) All certificates issued under the provisions of sections 20-417a to
36 20-417j, inclusive, as amended by this act, shall expire [biennially]
37 annually. The fee for renewal of a certificate shall be the same as the fee
38 charged for an original application, except that no renewal fee is due if
39 a person seeking renewal of a certificate has paid the registration fee
40 under section 20-427, as amended by this act, during any year in which
41 such person's registration as a new home construction contractor would
42 be valid.

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

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

51 obligation to renew.

52 (g) The holder of a certificate of registration issued by the
53 commissioner in accordance with the provisions of sections 20-417a to
54 20-417j, inclusive, as amended by this act, may opt to engage in home
55 improvement, as defined in section 20-419, as amended by this act. If a
56 new home construction contractor does opt to engage in such home
57 improvement, such new home construction contractor shall first notify
58 the commissioner in writing and shall pay to the Department of
59 Consumer Protection all the Home Improvement Guaranty Fund fees
60 due pursuant to section 20-432, as amended by this act.

61 Sec. 2. (NEW) (*Effective July 1, 2022*) (a) (1) A contract, as defined in
62 section 20-417a of the general statutes, shall not be valid or enforceable
63 against a consumer unless it: (A) Is in writing, (B) is signed by the new
64 home construction contractor and the consumer, (C) contains the entire
65 agreement between the new home construction contractor and the
66 consumer, (D) contains the date of the transaction, (E) contains the name
67 and address of the new home construction contractor and the
68 contractor's registration number, (F) contains a starting date and
69 completion date, (G) is entered into by a registered new home
70 construction contractor, and (H) includes a provision disclosing each
71 corporation, limited liability company, partnership, sole proprietorship
72 or other legal entity, which is or has been a new home construction
73 contractor pursuant to the provisions of chapter 399a of the general
74 statutes, in which the owner or owners of the new home construction
75 contractor are or have been a shareholder, member, partner or owner
76 during the previous five years.

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

82 (b) The new home construction contractor shall provide and deliver

83 to the consumer, without charge, a completed copy of the new home
84 construction contract at the time such contract is executed.

85 (c) The commissioner may, by regulation, require the inclusion of
86 additional contractual provisions for contracts, as defined in section 20-
87 417a of the general statutes.

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

94 Sec. 3. Section 20-417i of the general statutes is repealed and the
95 following is substituted in lieu thereof (*Effective July 1, 2022*):

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

98 (b) Each person who receives a certificate pursuant to sections 20-
99 417a to 20-417j, inclusive, as amended by this act, shall pay a fee of [four]
100 three hundred [eighty] forty dollars [biennially] annually to the [fund]
101 New Home Construction Guaranty Fund. Such [fee] fees shall be
102 payable with the fee for an application for a certificate or renewal of a
103 certificate.

104 (c) (1) For fiscal years commencing on or after July 1, 2003, payments
105 received under subsection (b) of this section shall be credited to the New
106 Home Construction Guaranty Fund until the balance in the fund equals
107 seven hundred fifty thousand dollars. Annually, if the balance in the
108 fund exceeds seven hundred fifty thousand dollars, the first three
109 hundred thousand dollars of the excess shall be deposited in the
110 consumer protection enforcement account established in section 21a-8a.
111 On June 1, 2004, and each June first thereafter, if the balance in the fund
112 exceeds seven hundred fifty thousand dollars, the excess shall be

113 deposited in the General Fund.

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

118 (d) Beginning October 1, 2000, whenever a consumer obtains a
119 binding arbitration decision, a court judgment, order or decree against
120 or regarding any new home construction contractor holding a certificate
121 or who has held a certificate under sections 20-417a to 20-417j, inclusive,
122 as amended by this act, within [the past] two years of the date of
123 entering into the contract with the consumer, for loss or damages
124 sustained by reason of any violation of the provisions of sections 20-417a
125 to 20-417j, inclusive, as amended by this act, by a person holding a
126 certificate under said sections, such consumer may, upon the final
127 determination of, or expiration of time for taking, an appeal in
128 connection with any such decision, judgment, order or decree, apply to
129 the commissioner for an order directing payment out of the New Home
130 Construction Guaranty Fund of the amount, not exceeding thirty
131 thousand dollars, unpaid upon the decision, judgment, order or decree
132 for actual damages and costs taxed by the court against such contractor,
133 exclusive of punitive damages. The application shall be made on forms
134 provided by the commissioner and shall be accompanied by a copy of
135 the decision, court judgment, order or decree obtained against the new
136 home construction contractor together with a [notarized affidavit,]
137 statement signed and sworn to by the consumer, affirming that the
138 consumer has: (1) Complied with all the requirements of this subsection;
139 (2) obtained a decision, judgment, order or decree stating the amount of
140 the decision, judgment, order or decree and the amount owing on the
141 decision, judgment, order or decree at the date of application; and (3)
142 made a good faith effort to satisfy any such decision, judgment, order or
143 decree in accordance with the provisions of chapter 906 which effort
144 may include causing to be issued a writ of execution upon such decision,
145 judgment, order or decree but the officer executing the same has made

146 a return showing that no bank accounts or personal property of such
147 contractor liable to be levied upon in satisfaction of the decision,
148 judgment, order or decree could be found, or that the amount realized
149 on the sale of them or of such of them as were found, under the
150 execution, was insufficient to satisfy the actual damage portion of the
151 decision, judgment, order or decree or stating the amount realized and
152 the balance remaining due on the decision, judgment, order or decree
153 after application on the decision, judgment, order or decree of the
154 amount realized, except that the requirements of this subdivision shall
155 not apply to a judgment, order or decree obtained by the consumer in
156 small claims court. A true and attested copy of such executing officer's
157 return, when required, shall be attached to such application, [and
158 affidavit.] Whenever the consumer satisfies the commissioner or the
159 commissioner's designee that it is not practicable to comply with the
160 requirements of subdivision (3) of this subsection and that the consumer
161 has taken all reasonable steps to collect the amount of the decision,
162 judgment, order or decree or the unsatisfied part of the decision,
163 judgment, order or decree and has been unable to collect the same, the
164 commissioner or the commissioner's designee may, in the
165 commissioner's or the commissioner's designee's discretion, dispense
166 with the necessity for complying with such requirement. No application
167 for an order directing payment out of the fund shall be made later than
168 two years from the final determination of, or expiration of time for
169 taking, an appeal of such decision, court judgment, order or decree and
170 no such application shall be for an amount in excess of thirty thousand
171 dollars.

172 (e) Upon receipt of such application together with such copy of the
173 decision, court judgment, order or decree, [notarized affidavit]
174 statement and, except as otherwise provided in subsection (d) of this
175 section, true and attested copy of the executing officer's return, the
176 commissioner or the commissioner's designee shall inspect such
177 documents for their veracity and upon a determination that such
178 documents are complete and authentic and that the consumer has not
179 been paid, the commissioner shall order payment out of the New Home

180 Construction Guaranty Fund of the amount not exceeding thirty
181 thousand dollars unpaid upon the decision, judgment, order or decree
182 for actual damages and costs taxed by the court against the contractor,
183 exclusive of punitive damages.

184 (f) Beginning October 1, 2000, whenever a consumer is awarded an
185 order of restitution against any new home construction contractor for
186 loss or damages sustained as a result of any violation of the provisions
187 of sections 20-417a to 20-417j, inclusive, as amended by this act, by a
188 person holding a certificate or who has held a certificate under said
189 sections within [the past] two years of the date of entering into the
190 contract with the consumer, in (1) a proceeding brought by the
191 commissioner pursuant to subsection (h) of this section or subsection (d)
192 of section 42-110d, (2) a proceeding brought by the Attorney General
193 pursuant to subsection (a) of section 42-110m or subsection (d) of section
194 42-110d, or (3) a criminal proceeding pursuant to section 20-417e, such
195 consumer may, upon the final determination of, or expiration of time for
196 taking, an appeal in connection with any such order of restitution, apply
197 to the commissioner for an order directing payment out of the New
198 Home Construction Guaranty Fund of the amount not exceeding thirty
199 thousand dollars unpaid upon the order of restitution. The
200 commissioner may issue such order upon a determination that the
201 consumer has not been paid.

202 (g) Before the commissioner may issue any order directing payment
203 out of the New Home Construction Guaranty Fund to a consumer
204 pursuant to subsection (e) or (f) of this section, the commissioner shall
205 first notify the new home construction contractor of the consumer's
206 application for an order directing payment out of the fund and of the
207 new home construction contractor's right to a hearing to contest the
208 disbursement in the event that such contractor has already paid the
209 consumer. Such notice shall be given to the new home construction
210 contractor not later than fifteen days after receipt by the commissioner
211 of the consumer's application for an order directing payment out of the
212 fund. If the new home construction contractor requests a hearing, in

213 writing, by certified mail not later than fifteen days after receiving the
214 notice from the commissioner, the commissioner shall grant such
215 request and shall conduct a hearing in accordance with the provisions
216 of chapter 54. If the commissioner does not receive a written request for
217 a hearing by certified mail from the new home construction contractor
218 on or before the fifteenth day from the contractor's receipt of such notice,
219 the commissioner shall conclude that the consumer has not been paid,
220 and the commissioner shall issue an order directing payment out of the
221 fund for the amount not exceeding thirty thousand dollars unpaid upon
222 the judgment, order or decree for actual damages and costs taxed by the
223 court against the new home construction contractor, exclusive of
224 punitive damages, or for the amount not exceeding thirty thousand
225 dollars unpaid upon the order of restitution.

226 (h) The commissioner or the commissioner's designee may proceed
227 against any new home construction contractor holding a certificate or
228 who has held a certificate under sections 20-417a to 20-417j, inclusive, as
229 amended by this act, within [the past] two years of the effective date of
230 entering into the contract with the consumer, for an order of restitution
231 arising from loss or damages sustained by any consumer as a result of
232 any violation of the provisions of said sections 20-417a to 20-417j,
233 inclusive, as amended by this act. Any such proceeding shall be held in
234 accordance with the provisions of chapter 54. In the course of such
235 proceeding, the commissioner or the commissioner's designee shall
236 decide whether to (1) exercise the powers specified in section 20-417c,
237 as amended by this act, (2) order restitution arising from loss or
238 damages sustained by any consumer as a result of any violation of the
239 provisions of sections 20-417a to 20-417j, inclusive, as amended by this
240 act, and (3) order payment out of the New Home Construction Guaranty
241 Fund. Notwithstanding the provisions of chapter 54, the decision of the
242 commissioner or the commissioner's designee shall be final with respect
243 to any proceeding to order payment out of the fund and the
244 commissioner and the commissioner's designee shall not be subject to
245 the requirements of chapter 54 as such requirements relate to an appeal
246 from any such decision. The commissioner or the commissioner's

247 designee may hear complaints of all consumers submitting claims
248 against a single new home construction contractor in one proceeding.

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

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

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

268 (l) Whenever the commissioner has caused any sum to be paid from
269 the New Home Construction Guaranty Fund to a consumer, the
270 commissioner shall be subrogated to all of the rights of the consumer up
271 to the amount paid plus reasonable interest, and prior to receipt of any
272 payment from the fund, the consumer shall assign all of the consumer's
273 right, title and interest in the claim up to such amount to the
274 commissioner, and any amount and interest recovered by the
275 commissioner on the claim shall be deposited in the fund.

276 (m) If the commissioner orders the payment of any amount as a result
277 of a claim against a new home construction contractor, the

278 commissioner shall determine if such contractor is possessed of assets
279 liable to be sold or applied in satisfaction of the claim on the New Home
280 Construction Guaranty Fund. If the commissioner discovers any such
281 assets, the commissioner may request that the Attorney General take
282 any action necessary for the reimbursement of the fund.

283 (n) If the commissioner orders the payment of an amount as a result
284 of a claim against a new home construction contractor, the
285 commissioner may, after notice and hearing in accordance with the
286 provisions of chapter 54, revoke the certificate of such contractor and
287 such contractor shall not be eligible to receive a new or renewed
288 certificate until such contractor has repaid such amount in full, plus
289 interest from the time such payment is made from the New Home
290 Construction Guaranty Fund, at a rate to be in accordance with section
291 37-3b, except that the commissioner may, in the commissioner's sole
292 discretion, permit a new home construction contractor to receive a new
293 or renewed certificate after such contractor has entered into an
294 agreement with the commissioner whereby such contractor agrees to
295 repay the fund in full in the form of periodic payments over a set period
296 of time. Any such agreement shall include a provision providing for the
297 summary suspension of any and all certificates held by the new home
298 construction contractor if payment is not made in accordance with the
299 terms of the agreement.

300 Sec. 4. Section 20-419 of the general statutes is repealed and the
301 following is substituted in lieu thereof (*Effective July 1, 2022*):

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

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

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

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

314 (4) "Home improvement" includes, but is not limited to, the repair,
315 replacement, remodeling, alteration, conversion, modernization,
316 improvement, rehabilitation or sandblasting of, or addition to any land
317 or building or that portion thereof which is used or designed to be used
318 as a private residence, dwelling place or residential rental property, or
319 the construction, replacement, installation or improvement of alarm
320 systems not requiring electrical work as defined by section 20-330,
321 driveways, swimming pools, porches, garages, roofs, siding, insulation,
322 sunrooms, flooring, patios, landscaping, fences, doors and windows,
323 waterproofing, water, fire or storm restoration or mold remediation in
324 connection with such land or building or that portion thereof which is
325 used or designed to be used as a private residence, dwelling place or
326 residential rental property or the removal or replacement of a residential
327 underground heating oil storage tank system, in which the total price
328 for all work agreed upon between the contractor and owner or proposed
329 or offered by the contractor exceeds two hundred dollars. "Home
330 improvement" does not include: (A) The construction of a new home;
331 (B) the sale of goods by a seller who neither arranges to perform nor
332 performs, directly or indirectly, any work or labor in connection with
333 the installation or application of the goods or materials; (C) the sale of
334 goods or services furnished for commercial or business use or for resale,
335 provided commercial or business use does not include use as residential
336 rental property; (D) the sale of appliances, such as stoves, refrigerators,
337 freezers, room air conditioners and others which are designed for and
338 are easily removable from the premises without material alteration
339 thereof; [and] (E) tree cutting or the grinding of tree stumps or shrubs;
340 and (F) any work performed without compensation by the owner on his
341 own private residence or residential rental property.

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

344 (6) "Owner" means a person who owns or resides in a private
345 residence and includes any agent thereof, including, but not limited to,
346 a condominium association. An owner of a private residence shall not
347 be required to reside in such residence to be deemed an owner under
348 this subdivision.

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

351 (8) "Private residence" means a single family dwelling, a multifamily
352 dwelling consisting of not more than six units, or a unit, common
353 element or limited common element in a condominium, as defined in
354 section 47-68a, or in a common interest community, as defined in section
355 47-202, or any number of condominium units for which a condominium
356 association acts as an agent for such unit owners.

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

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

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

371 (12) "Underground storage tank system" means an underground tank

372 or combination of tanks, with any underground pipes or ancillary
373 equipment or containment systems connected to such tank or tanks,
374 used to contain an accumulation of petroleum, which volume is ten per
375 cent or more beneath the surface of the ground.

376 Sec. 5. Section 20-420a of the general statutes is repealed and the
377 following is substituted in lieu thereof (*Effective July 1, 2022*):

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

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

396 (c) Any certificate issued by the commissioner pursuant to this
397 section may be revoked, [or] suspended, or have conditions placed upon
398 the holder of the certificate by the commissioner after notice and hearing
399 in accordance with the provisions of chapter 54 concerning contested
400 cases, if it is shown that the holder of such certificate has not conformed
401 to the requirements of this chapter, that the certificate was obtained
402 through fraud or misrepresentation or that the contractor of record
403 employed by or acting on behalf of such corporation has had his

404 certificate of registration suspended or revoked by the commissioner.
405 The commissioner may refuse to issue or renew a certificate if any facts
406 exist which would entitle the commissioner to suspend or revoke an
407 existing certificate.

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

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

420 Sec. 6. Subsection (a) of section 20-421 of the general statutes is
421 repealed and the following is substituted in lieu thereof (*Effective July 1,*
422 *2022*):

423 (a) Any person seeking a certificate of registration shall apply to the
424 commissioner [in writing] online, on a form provided by the
425 commissioner. The application shall include the applicant's name,
426 residence address, business address, business telephone number, proof
427 that the applicant has obtained general liability insurance coverage in
428 an amount not less than XXX dollars, demonstrated by providing the
429 policy number and business name of the insurance provider, and such
430 other information as the commissioner may require.

431 Sec. 7. Subsection (e) of section 20-427 of the general statutes is
432 repealed and the following is substituted in lieu thereof (*Effective July 1,*
433 *2022*):

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

438 Sec. 8. Section 20-432 of the general statutes is repealed and the
439 following is substituted in lieu thereof (*Effective July 1, 2022*):

440 (a) The commissioner shall establish and maintain the Home
441 Improvement Guaranty Fund.

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

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

463 (d) Whenever an owner obtains a binding arbitration decision, a court
464 judgment, order or decree against any contractor holding a certificate or

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

499 (e) Upon receipt of said application together with said copy of the
500 decision, court judgment, order or decree, [notarized affidavit] and true
501 and attested copy of the executing officer's return, the commissioner or
502 his designee shall inspect such documents for their veracity and upon a
503 determination that such documents are complete and authentic, and a
504 determination that the owner has not been paid, the commissioner shall
505 order payment out of the guaranty fund of the amount unpaid upon the
506 decision, judgment, order or decree for actual damages and costs taxed
507 by the court against the contractor, exclusive of punitive damages.

508 (f) Whenever an owner is awarded an order of restitution against any
509 contractor for loss or damages sustained by reason of performance of or
510 offering to perform a home improvement in this state by a contractor
511 holding a certificate or who has held a certificate under this chapter
512 within [the past] two years of the date of entering into the contract with
513 the owner, in a proceeding brought by the commissioner pursuant to
514 this section or subsection (d) of section 42-110d, or in a proceeding
515 brought by the Attorney General pursuant to subsection (a) of section
516 42-110m or subsection (d) of section 42-110d, or a criminal proceeding
517 pursuant to section 20-427, as amended by this act, such owner may,
518 upon the final determination of, or expiration of time for, taking an
519 appeal in connection with any such order of restitution, apply to the
520 commissioner for an order directing payment out of said guaranty fund
521 of the amount unpaid upon the order of restitution. The commissioner
522 may issue said order upon a determination that the owner has not been
523 paid.

524 (g) Before the commissioner may issue any order directing payment
525 out of the guaranty fund to an owner pursuant to subsections (e) or (f)
526 of this section, the commissioner shall first notify the contractor of the
527 owner's application for an order directing payment out of the guaranty
528 fund and of the contractor's right to a hearing to contest the
529 disbursement in the event that the contractor has already paid the owner
530 or is complying with a payment schedule in accordance with a court
531 judgment, order or decree. Such notice shall be given to the contractor

532 not later than fifteen days after receipt by the commissioner of the
533 owner's application for an order directing payment out of the guaranty
534 fund. If the contractor requests a hearing, in writing, by certified mail
535 not later than fifteen days after receiving the notice from the
536 commissioner, the commissioner shall grant such request and shall
537 conduct a hearing in accordance with the provisions of chapter 54. If the
538 commissioner does not receive a request by certified mail from the
539 contractor for a hearing not later than fifteen days after the contractor's
540 receipt of such notice, the commissioner shall determine that the owner
541 has not been paid, and the commissioner shall issue an order directing
542 payment out of the guaranty fund for the amount unpaid upon the
543 judgment, order or decree for actual damages and costs taxed by the
544 court against the contractor, exclusive of punitive damages, or for the
545 amount unpaid upon the order of restitution.

546 (h) The commissioner or his designee may proceed against any
547 contractor holding a certificate or who has held a certificate under this
548 chapter within the past two years of the effective date of entering into
549 the contract with the owner, for an order of restitution arising from loss
550 or damages sustained by any person by reason of such contractor's
551 performance of or offering to perform a home improvement in this state.
552 Any such proceeding shall be held in accordance with the provisions of
553 chapter 54. In the course of such proceeding, the commissioner or his
554 designee shall decide whether to exercise his powers pursuant to section
555 20-426; whether to order restitution arising from loss or damages
556 sustained by any person by reason of such contractor's performance or
557 offering to perform a home improvement in this state; and whether to
558 order payment out of the guaranty fund. Notwithstanding the
559 provisions of chapter 54, the decision of the commissioner or his
560 designee shall be final with respect to any proceeding to order payment
561 out of the guaranty fund and the commissioner and his designee shall
562 not be subject to the requirements of chapter 54 as they relate to appeal
563 from any such decision. The commissioner or his designee may hear
564 complaints of all owners submitting claims against a single contractor
565 in one proceeding.

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

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

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

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

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

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

603 (o) If the commissioner orders the payment of an amount as a result
604 of a claim against a contractor, the commissioner may, after notice and
605 hearing in accordance with the provisions of chapter 54, revoke the
606 certificate of the contractor and the contractor shall not be eligible to
607 receive a new or renewed certificate until he has repaid such amount in
608 full, plus interest from the time said payment is made from the guaranty
609 fund, at a rate to be in accordance with section 37-3b, except that the
610 commissioner may, in his sole discretion, permit a contractor to receive
611 a new or renewed certificate after that contractor has entered into an
612 agreement with the commissioner whereby the contractor agrees to
613 repay the guaranty fund in full in the form of periodic payments over a
614 set period of time. Any such agreement shall include a provision
615 providing for the summary suspension of any and all certificates held
616 by the contractor if payment is not made in accordance with the terms
617 of the agreement.

618 Sec. 9. Section 20-417c of the general statutes is repealed and the
619 following is substituted in lieu thereof (*Effective July 1, 2022*):

620 The commissioner may revoke, suspend, [or] refuse to issue or renew,
621 or place conditions upon the renewal of any certificate issued pursuant
622 to sections 20-417a to 20-417j, inclusive, as amended by this act, or place
623 a registrant on probation or issue a letter of reprimand after notice and
624 hearing in accordance with the provisions of chapter 54 concerning
625 contested cases if it is shown that the holder of such certificate has: (1)
626 Failed to comply with any provision of sections 20-417a to 20-417j,
627 inclusive, as amended by this act, or any regulation adopted pursuant
628 to said sections; (2) obtained the certificate through fraud or

629 misrepresentation; (3) engaged in conduct of a character likely to
630 mislead, deceive or defraud the public or the commissioner; (4) engaged
631 in any untruthful or misleading advertising; (5) failed to reimburse the
632 New Home Construction Guaranty Fund established pursuant to
633 section 20-417i, as amended by this act, for any moneys paid to a
634 consumer pursuant to said section; (6) engaged in an unfair or deceptive
635 business practice under subsection (a) of section 42-110b; (7) failed to
636 timely complete any task, as specified in a written contract of sale; (8)
637 failed to remedy any violation of any provision of sections 47-116 to 47-
638 121, inclusive, or any regulation adopted pursuant to said sections; (9)
639 failed to remedy any violation of any provision of the State Building
640 Code; or (10) if applicable, failed to maintain its certificate of good
641 standing issued by the office of the Secretary of the State.

642 Sec. 10. Section 20-417j of the general statutes is repealed and the
643 following is substituted in lieu thereof (*Effective July 1, 2022*):

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

662 (b) The commissioner shall reimburse the amount of the fees paid for
663 a certificate issued under section 20-417b, as amended by this act, and
664 the amount of fees paid into the New Home Construction Guaranty
665 Fund pursuant to section 20-417i, as amended by this act, if such person
666 for whom reimbursement is requested (1) is a person exempt from
667 registration as a new home construction contractor pursuant to
668 subsection (a) of this section, and (2) makes such request in writing to
669 the Department of Consumer Protection on a form supplied by the
670 department and such request is received by the department on or before
671 June 30, 2001.

672 Sec. 11. Section 20-420 of the general statutes is repealed and the
673 following is substituted in lieu thereof (*Effective July 1, 2022*):

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

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

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

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

701 (e) Notwithstanding the provisions in subsection (a) of this section, a
702 retail establishment, which is a business that operates from a fixed
703 location where goods or services are offered for sale, may apply for a
704 certificate of registration as a salesperson on behalf of its employees if it
705 employs or otherwise compensates one or more salespersons whose
706 solicitation, negotiation and completion of sales are conducted entirely
707 at the retail establishment or virtually or by phone. The retail
708 establishment shall: (1) Apply for such registration on a form prescribed
709 by the commissioner, (2) maintain a list of all salespersons intended to
710 be covered by the retailer's certificate of registration, and (3) pay a fee
711 equal to the amount that would be due if each person were to apply
712 individually for a certificate of registration, including the amount that
713 would be due under the guaranty fund. The list of salespersons covered
714 by the retailers certificate of registration shall be made available to the
715 department upon request. If any person covered by the retail
716 establishment's salesperson certificate of registration conducts activity
717 covered by the salesperson credential at a place other than the retail
718 establishment or virtually or by phone, such person shall apply for an
719 individual salesperson certificate of registration using the form
720 prescribed by the commissioner for such registrations and shall pay the
721 corresponding application fee.

722 (f) Certificates of registration for salespersons issued to retail
723 establishments shall not be transferable or assignable. A retail
724 establishment that is a holder of a salesperson certificate, however, may
725 remove an existing or former employee currently listed on the

726 certification of registration and replace that person with a new or
727 existing employee employed as a salesperson. If the retail establishment
728 adds or removes salespeople, there shall be no refund or supplemental
729 payment. The fee shall be based on the number of salespeople at the time
730 of each renewal.

731 Sec. 12. (NEW) (*Effective from passage*) While the holder of a limited
732 license issued pursuant to chapter 393 of the general statutes is enrolled
733 in an unlimited license apprenticeship program, such limited license
734 holder shall continue to be considered a journeyman or contractor for
735 limited work performance in such area for purposes of section 20-332b
736 of the general statutes and any regulation of Connecticut state agencies
737 adopted pursuant to said section. The limited license of the registered
738 apprentice in an unlimited category shall not be used to calculate the
739 number of apprentices that may be hired by a contractor in accordance
740 with section 20-332b of the general statutes.

741 Sec. 13. Subsection (b) of section 20-691 of the general statutes is
742 repealed and the following is substituted in lieu thereof (*Effective July 1,*
743 *2021*):

744 (b) (1) A person seeking registration as a locksmith shall apply to the
745 commissioner on a form provided by the commissioner. The application
746 shall include the applicant's name, residence address, business address,
747 business telephone number, a question as to whether the applicant has
748 been convicted of a felony in any state or jurisdiction, and such other
749 information as the commissioner may require. The applicant shall
750 submit to a request by the commissioner for a recent criminal history
751 records check. No registration shall be issued unless the commissioner
752 has received the results of a such records check. In accordance with the
753 provisions of section 46a-80 and after a hearing held pursuant to chapter
754 54, the commissioner may revoke, refuse to issue or refuse to renew a
755 registration when an applicant's criminal history records check reveals
756 the applicant has been convicted of a crime of dishonesty, fraud, theft,
757 assault, other violent offense or a crime related to the performance of

758 locksmithing.

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

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

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

771 (5) The following persons shall be exempt from registration as a
772 locksmith, but only if the person performing the service does not hold
773 himself or herself out to the public as a locksmith: (A) Persons employed
774 by a state, municipality or other political subdivision, or by any agency
775 or department of the government of the United States, acting in their
776 official capacity; (B) automobile service dealers who service, install,
777 repair or rebuild automobile locks; (C) retail merchants selling locks or
778 similar security accessories or installing, programming, repairing,
779 maintaining, reprogramming, rebuilding or servicing electronic garage
780 door devices; (D) members of the building trades who install or remove
781 complete locks or locking devices in the course of residential or
782 commercial new construction or remodeling; (E) employees of towing
783 services, repossessioners, or an automobile club representative or
784 employee opening automotive locks in the normal course of his or her
785 business. The provisions of this section shall not prohibit an employee
786 of a towing service from opening motor vehicles to enable a vehicle to
787 be moved without towing, provided the towing service does not hold
788 itself out to the public, by directory advertisement, through a sign at the
789 facilities of the towing service or by any other form of advertisement, as

790 a locksmith; (F) students in a course of study in locksmith programs
791 approved by the department; (G) warranty services by a lock
792 manufacturer or its employees on the manufacturer's own products; (H)
793 maintenance employees of a property owner or property management
794 companies at multifamily residential buildings, who service, install,
795 repair or open locks for tenants; [and] (I) persons employed as security
796 personnel at schools or institutions of higher education who open locks
797 while acting in the course of their employment; and (J) persons who
798 service, install or repair electronic locks, access control devices or other
799 similar locking devices that connect to an electronic security system,
800 provided such persons maintain an electrical contractor or
801 journeyperson licensed to perform such work as required pursuant to
802 chapter 393.

803 Sec. 14. Subsection (d) of section 51-15 of the general statutes is
804 repealed and the following is substituted in lieu thereof (*Effective July 1,*
805 *2022*):

806 (d) The procedure for the hearing and determination of small claims
807 as the same may be prescribed, from time to time, by the judges of the
808 Superior Court shall be used in all small claims sessions of the court. The
809 small claims procedure shall be applicable to all actions, except actions
810 of libel and slander, claiming money damages not in excess of five
811 thousand dollars, and to no other actions, except actions claiming loss
812 or damages not in excess of fifteen thousand dollars sustained by reason
813 of performance of or offering to perform home improvement by a
814 contractor holding a certificate under chapter 400 or pursuant to a
815 contract for new home construction with a new home construction
816 contractor holding a certificate under chapter 399a. If an action is
817 brought in the small claims session by a tenant pursuant to subsection
818 (g) of section 47a-21 to reclaim any part of a security deposit which may
819 be due, the judicial authority hearing the action may award to the tenant
820 the damages authorized by subsection (d) of said section and, if
821 authorized by the rental agreement or any provision of the general
822 statutes, costs, notwithstanding that the amount of such damages and

823 costs, in the aggregate, exceeds the jurisdictional monetary limit
824 established by this subsection. If a motion is filed to transfer a small
825 claims matter to the regular docket in the court, the moving party shall
826 pay the fee prescribed by section 52-259. The Attorney General or an
827 assistant attorney general, or the head of any state agency or his or her
828 authorized representative, while acting in his or her official capacity
829 shall not be required to pay any small claims court fee. There shall be no
830 charge for copies of service on defendants in small claims matters.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2022</i>	20-417b
Sec. 2	<i>July 1, 2022</i>	New section
Sec. 3	<i>July 1, 2022</i>	20-417i
Sec. 4	<i>July 1, 2022</i>	20-419
Sec. 5	<i>July 1, 2022</i>	20-420a
Sec. 6	<i>July 1, 2022</i>	20-421(a)
Sec. 7	<i>July 1, 2022</i>	20-427(e)
Sec. 8	<i>July 1, 2022</i>	20-432
Sec. 9	<i>July 1, 2022</i>	20-417c
Sec. 10	<i>July 1, 2022</i>	20-417j
Sec. 11	<i>July 1, 2022</i>	20-420
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>July 1, 2021</i>	20-691(b)
Sec. 14	<i>July 1, 2022</i>	51-15(d)