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Significant Change to Contractors' Registration Act For Home Improvement Contractors

The Contractors' Registration Act, *N.J.S.A. § 56:8-136, et seq.* ("CRA") and associated regulations provide guidelines for contractors involved in the home improvement industry. Since passing in 2005, the many requirements of the CRA have contributed to a healthy amount of litigation by home owners against improvement contractors – mostly in the context of the New Jersey Consumer Fraud Act, *N.J.S.A. § 56:8-1, et seq.*

On August 19, 2013, Governor Christie signed into law New Jersey Senate Bill 2363, amending the Contractor Registration Act. Effective August 19, 2014, home improvement contractors, must possess a state issued identification badge whenever they perform, engage or attempt to engage in the business of selling home improvement services. P.L. 2013, c. 144. The badge must be plainly visible and worn on the upper left torso of the contractor when engaging in the aforementioned activities.

The new enactment contains several caveats. First and foremost, all contractors must register with the Department of Consumer Affairs prior to conducting business. Any contractor whose registration is suspended, revoked or non-renewed will have three days to surrender their identification. Second, a contractor who knowingly exhibits an identification badge, and is not at the time registered pursuant to the CRA, will be guilty of a crime of the fourth degree, which can result in up to 18 months of jail time. *N.J.S.A. § 2C:43-6.*

This change to the CRA highlights the importance of closely examining and complying with the Contractors' Registration Act and its guidelines to avoid civil, and now criminal, liability. Our Construction Law Department is available to counsel you regarding the CRA and other construction related issues. Please feel free to contact us at any time.

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