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# BISGAIER HOFF

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**Attorneys At Law** A Limited Liability Company

Press Release

## **Maritime Contractors are Subject to New Jersey's Contractor's Registration Act**

New Jersey's Contractor's Registration Act (the "Act") was adopted in 2004 and became effective in December 2005. The Act was the result of decades of abuse in the home improvement industry and is broadly applied and liberally interpreted in favor of consumers. The slightest technical violation of this consumer-oriented statute, and accompanying Home Improvement Practices Regulations, can result in financial ruin to an unsuspecting contractor.

The Act establishes a mandatory registration program for contractors who are in the business of selling or making home improvements in New Jersey (unless specifically exempted under the Act). Contrary to popular belief, the reach of the Act is not just limited to traditional home improvement contractors. Indeed, the Act applies to all persons or companies that advertise, make or sell home improvements, which is a term that is broadly defined, including companies engaged in residential marine projects such as dock construction, bulkhead construction/installation, deck construction and boat lift installation.

Any contractor who (a) fails to register as required by the Act, but who continues to sell or make home improvements, or (b) violates any section of the law, is subject to civil and criminal penalties. Specifically, anyone who violates the Act is guilty of a fourth degree crime, which authorizes the sentencing judge to impose an 18-month period of imprisonment and a maximum fine of \$10,000. In addition, anyone who violates the Act is also subject to an administrative penalty of up to \$10,000 for a first offense and up to \$20,000 for each subsequent offense. Finally, and maybe the most severe consequence resulting from a violation of the Act, is the ability for a consumer to bring a claim against a home improvement contractor under the Consumer Fraud Act ("CFA"). The CFA provides a successful claimant the opportunity to obtain three times the actual damages sustained and also provides for the recovery of litigation costs, including attorney's fees, by the consumer.

Under the Act, home improvement contractors are required to:

- \* Register annually with the Division of Consumer Affairs;
- \* Secure/maintain commercial general liability insurance of at least \$500,000 per occurrence;
- \* Utilize written contracts for home improvement projects that cost more than \$500;
- \* Inform consumers of their right to cancel contracts within three days of entering into the agreement; and
- \* Prominently display their registration numbers within their places of business, in all advertisements, on business cards, on their commercial vehicles and on all business documents, including contracts. It should be noted that this includes websites, which is often overlooked by home improvement contractors.

# News from Bisgaier Hoff, LLC

The written contract requirement of the Act is typically the biggest liability trap for home improvement contractors. The Act and accompanying Home Improvement Practices Regulations require a written contract, and any amendments to the original contract, to be signed by both the contractor and the consumer before work begins. The contract must include a laundry list of terms and conditions outlined by the Act and Home Improvement Practices Regulations. Even a technical violation of the mandatory written contract requirements can produce civil liability under the CFA. It cannot be made clear enough that a home improvement contractor should never provide a consumer with any home-improvement services or product unless the consumer has signed a contract that covers every term and condition required by the Act and accompanying Home Improvement Practices Regulations.

Surviving in today's economy is difficult enough for contractors. Don't give homeowners a tool to use against you. Make sure your company is complying with the Contractor's Registration Act and Home Improvement Practices Regulations.

## **About Bisgaier Hoff, LLC**

Bisgaier Hoff, LLC is a full-service real estate, land use, construction and commercial litigation law practice specializing in the representation of residential and commercial clients in all phases of development, redevelopment and construction. To learn more about Bisgaier Hoff, LLC, please visit our website: [Bisgaier Hoff, LLC](#)

## **About the Author**

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