

# Contractors' Registration Act

The Contractors' Registration Act, which was signed by Governor McGreevey in May 2004, sets forth the registration requirements for businesses that sell or make home improvements in the State of New Jersey.

Although the registration deadline was originally November 9, 2004, the deadline was extended by the Governor and finally became effective on December 31, 2005.

A summary of the important points that relate directly to Borough residents who are consumers of the services of these businesses is as follows:

- In order to obtain a building permit, a contractor must have registered with the NJ Division of Consumer Affairs.
- The contractor's Registration Number must be displayed on the business' truck(s), business cards, advertisements and invoices.
- All home improvement contracts that are for greater than \$500 must be in writing and include the contractor's legal business name, address and Registration Number.
- Consumers have the right to cancel, for any reason, a contract within three (3) days of its signing AND that right must be prominently displayed on the contract.
- The consumer's cancellation of the contract must also be in writing.

For a partial list of the NJ Division of Consumer Affairs' FAQs that most directly affect consumers see the following page.

For more detailed information, see the NJ Office of the Attorney General - Division of Consumer Affairs' Contractors' Registration Act webpage (<http://www.state.nj.us/lps/ca/contractor.htm>).

## **The New Jersey “Contractors’ Registration Act”**

### **Frequently Asked Questions**

**Notice:** *The following questions and answers are intended for the convenience of contractors who may be required to register under this Act. This should not be considered a legal document nor a complete explanation of the law and should not be relied upon as such. The New Jersey Division of Consumer Affairs (“the Division”) recommends that you consult an attorney if you need legal advice.*

**1. What is the Contractors’ Registration Act?**

The “Contractors’ Registration Act” (the “Act”) establishes a mandatory registration program for contractors who are in the business of selling or making home improvements in New Jersey.

**2. What is a home improvement?**

Any remodeling, altering, painting, repairing, renovating, restoring, moving, demolishing, or modernizing of a structure used as a place of residence, or of any portion of the property on which the structure is located, is considered a home improvement for the purposes of the Act.

Home improvement includes the construction, installation, replacement, improvement, or repair of driveways, sidewalks, swimming pools, terraces, patios, landscaping, fences, porches, windows, doors, cabinets, kitchens, bathrooms, garages, basements and basement waterproofing, fire protection devices, security protection devices, central heating and air conditioning equipment, water softeners, heaters, and purifiers, solar heating or water systems, insulation installation, aluminum siding, wall-to-wall carpeting or attached or inlaid floor coverings, and other changes, repairs, or improvements made to residential property. Construction of a new residence is not considered a home improvement under the Act.

**3. Who is a home improvement contractor?**

Any person, whether a sole proprietorship, partnership, corporation, limited liability company or any other type of business organization that is engaged in the business of selling or making home improvements is considered a home improvement contractor for the purposes of the Act.

**4. Who must register?**

The Act requires any contractor engaging in the business of making or selling home improvements, whether an individually owned business or a corporation, limited liability company, partnership, or association, to register annually with the Division, unless specifically exempted from registration under the Act.

**5. I am a landscaper and I only mow lawns and trim shrubs. Must I register?**

No. However, you must register if you plant flowers, shrubs and trees or lay sod or establish a lawn.

**6. What if I do not register?**

Any home improvement contractor who is required to register but who has not received a registration number by December 31, 2005 is prohibited from selling or making home improvements. Unregistered contractors who continue to sell or make home improvements may be subject to civil penalties and possibly criminal penalties as well.

**7. How does registration affect my ability to obtain construction permits?**

Effective January 1, 2006, municipalities are barred from issuing construction permits to an unregistered home improvement contractor who is required to register.