

Act Number:	09-018	
Bill Number:	5414	
Senate Pages:	1635-1642, 1656-1659	12
House Pages:	1156-1171	16
Committee:	General Law: 318	1

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Calendar page 5, Calendar Number 237, File Number 96, Substitute for House Bill 5414, An Act Concerning Disclosures by Home Improvement Contractors and New Home Construction Contractors, favorable report of the Committee on General Law.

THE CHAIR:

Senator Colapietro.

SENATOR COLAPIETRO:

Thank you, Mr. President. Mr. President, I move the Joint Committee's favorable report and passage of the bill.

THE CHAIR:

Acting on approval of the bill, sir, will you remark further?

SENATOR COLAPIETRO:

Thank you, Mr. President. This bill was done for the realtors that sell homes and houses. Many times they'll sell a house or home with something leased, when the person buys the house they find out they don't have a furnace or a propane tank or a hot water heater or something of that sort. This corrects that problem, just asks for disclosure when they do sell the house.

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Thank you, sir.

Will you remark further on House Bill 5414?

Senator McKinney.

SENATOR MCKINNEY:

Thank you, Mr. President. Mr. President, if I could just briefly, for purposes of clarification, to the proponent of the bill -- and I stand in support of the bill. The disclosures that are required, I believe the language talks about disclosures of affiliations -- are we talking about, for example, if someone had an LLC in terms of a construction company, built a home, was building another home under a new LLC, would have to disclose that prior LLC? Through you, Mr. President.

THE CHAIR:

Senator Colapietro.

SENATOR COLAPIETRO:

Thank you, Mr. President. Through you, Mr. President. That was not discussed, the LLC part. But it does say -- it does mean that any affiliate, like some kind of a service that you may sell and find out you don't have it anymore, and that was the intent of the bill to begin with.

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Senator McKinney.

SENATOR MCKINNEY:

Thank you, Senator. And so that what we're not doing here though -- would we be requiring contractors, subcontractors, to be disclosing any job they've worked on in the prior five years? Through you, Mr. President.

THE CHAIR:

Senator Colapietro.

SENATOR COLAPIETRO:

Through you, Mr. President, I'll just read this short paragraph here that hopefully it will explain it. It says, (inaudible) Subsection (a) of Section 20-417(d), in other words (inaudible), discloses each corporation, limited liability company, partnership, sole proprietorship or other legal entity, which is or has been a new home construction contractor under this chapter or a home improvement contractor under Chapter 400.

THE CHAIR:

Senator McKinney.

SENATOR MCKINNEY:

Okay. Thank you. So I think that -- so then any one of those you've been affiliated with, you've been

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a partner with, owner of, you have to disclose that,
but you don't have to disclose all the jobs you've
done for the last five years, is that correct?

THE CHAIR:

Through the Chair please, gentlemen.

SENATOR MCKINNEY:

Through you, Mr. President. I apologize.

SENATOR COLAPIETRO:

Through you, Mr. President.

THE CHAIR:

That's okay.

Senator Colapietro.

SENATOR COLAPIETRO:

Thank you, Mr. President. That's the way I read
it as well.

SENATOR MCKINNEY:

Thank you very much.

Thank you, Mr. President.

THE CHAIR:

Thank you, gentlemen.

Will you remark further on House Bill 5414?

Senator Frantz.

SENATOR FRANTZ:

Thank you, Mr. President. Through you, Mr.

President, one question for the proponent.

THE CHAIR:

Please proceed.

SENATOR FRANTZ:

Senator Colapietro, I will be voting in favor of this. However, I am curious as to what the thinking is with respect to penalties. As we all know, contractors get involved in a whole -- especially when there's a housing boom, in a whole variety of different LLCs, businesses of one form or another. It's entirely possible to neglect to put one down or maybe there's was just a fraction of an ownership position in a particular project or a business pursuit, what sorts of penalties had you envisioned? Through you, Mr. President.

THE CHAIR:

Senator Colapietro.

SENATOR COLAPIETRO:

Thank you, Mr. President. We didn't discuss penalties or this would have gone to the Judiciary Committee. So I would assume that if there are penalties under the construction rules -- and I would have to consult our attorneys to find out -- I would assume that there are penalties in place for it. I

agree with you though, that I think that if you do something wrong, you should be penalized.

THE CHAIR:

Senator Frantz.

SENATOR FRANTZ:

Okay. And through you, Mr. President, you're not talking about taking away their -- something as severe as taking away their licenses or -- you're talking about a monetary fine potentially. Obviously this does need to proceed in terms of what the punishment would be, what sort of severity would you expect?

THE CHAIR:

Senator Colapietro.

SENATOR COLAPIETRO:

Through you, Mr. President, we didn't discuss that and that wasn't the intent, I don't believe, from the construction industry itself.

SENATOR FRANTZ:

Okay. Thank you, Mr. President. Thank you, Senator.

THE CHAIR:

Thank you, Senator Frantz.

Will you remark further?

Senator Witkos.

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SENATOR WITKOS:

Thank you, Mr. President. I rise in support of the bill before us. I think this is a consumer-friendly bill in that folks, when they're hiring a contractor, will know whether or not that person has been involved as an owner or a partial-owner of a business that may have gotten some bad press. Oftentimes, once your name is in the newspaper, you've seen some fraudulent work, or you've had some other difficulties, people won't tend to hire that contractor. So they may close that business entity down and open up another one, it's the same individual just underneath a different name.

So this legislation goes to prevent that and all of these fall underneath the Department of Consumer Protection. So I would assume from some of the previous questions that the Department of Consumer Protection can levy whatever fines they have within their jurisdictional power to do so against those contractors, because they're not falling within the law. So I would urge the chamber's support. Thank you, Mr. President.

THE CHAIR:

Thank you, Senator Witkos.

Will you remark?

Senator Colapietro.

SENATOR COLAPIETRO:

Thank you, Mr. President. If there's no further discussion, I would move this item to the Consent Calendar.

THE CHAIR:

Any further comments on House Bill 5414?

If not, there is a motion on the floor to place the item on consent. Seeing no objection, so ordered.

Mr. Clerk.

THE CLERK:

Calendar page 6, Calendar Number 244, File Number 20, House Bill 6263, An Act Requiring the Administration of a Screening Test for Cystic Fibrosis to Newborn Infants, favorable report of the Committee on Public Health.

THE CHAIR:

Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President -- that item might be passed temporarily.

THE CHAIR:

Without objection, so ordered.

Motion is to remove from the foot. Seeing no objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President. One item to remove from the Consent Calendar, calendar page 35, Calendar 367, Senate Bill 785, would move to remove that item from the Consent Calendar and to mark it PR.

THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Yes, thank you, Mr. President. I would now ask the Clerk to proceed to calling the Consent Calendar so we may vote on it.

THE CHAIR:

Mr. Clerk, please announce the Consent Calendar.

THE CLERK:

Mr. President, those items placed the first Consent Calendar begin on calendar page 2; Calendar Number 525, House Joint Resolution Number 120; Calendar Number 101, Senate Bill Number 827.

Calendar page 3, Calendar 132, Senate Bill 312; Calendar 147, Substitute for Senate Bill 212.

Calendar page 5, Calendar Number 237, Substitute for House Bill 5414.

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Calendar page 6, Calendar 245, Substitute for House Bill 6266.

Calendar page 7, Calendar 272, Substitute for Senate Bill 1040.

Calendar Page 8, Calendar 359, Senate Bill 1082.

Calendar page 10, Calendar 389, Substitute for House Bill 6327; Calendar 391, Substitute for House Bill 5930.

Calendar page 11, Calendar 395, Substitute for House Bill 5297; Calendar 403, House Bill 6462.

Calendar page 12, Calendar 414, Senate Bill 905.

Calendar page 13, Calendar 416, Senate Bill 998;
Calendar 432, Substitute for Senate Bill 1020.

Calendar page 15, Calendar 457, Substitute for House Bill 6356.

Calendar page 16, Calendar 460, Substitute for House Bill 6301; Calendar 465, Senate Bill 963.

Calendar page 18, Calendar 487, Senate Bill 707;
Calendar 489, Substitute for Senate Bill 810.

Calendar page 21, Calendar Number 506, Senate Bill 1136; Calendar 507, Senate Bill 1141.

Calendar page 22, Calendar 515, Substitute for Senate Bill 832.

Calendar page 23, Calendar 524, Substitute for

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Senate Bill 876.

Calendar page 25, Calendar 534, House Bill 6599.

Calendar page 26, Calendar Number 86, Substitute
for Senate Bill 458.

Calendar page 29, Calendar 166, Substitute for
Senate Bill 825.

Calendar page 31, Calendar 221, Substitute for
Senate Bill 893.

Calendar page 34, Calendar Number 320, Senate
Bill Number 256.

Calendar page 35, Calendar 370, Substitute for
Senate Bill 922.

Mr. President, I believe that completes those items previously placed on the Consent Calendar.

THE CHAIR:

(Inaudible) roll call vote, sir. The machine will be opened.

THE CLERK:

The Senate is now voting by roll call on the Consent Calendar, will all Senators please return to the chamber. The Senate is now voting by roll on the Consent Calendar, will all Senators please return to the chamber.

THE CHAIR:

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Have all Senators voted?

If all Senators have voted, please check the machine. The machine will be locked, the Clerk will call the tally.

THE CLERK:

Motion is on adoption of Consent Calendar Number 1. Total number voting, 36; those voting yea, 36; those voting nay, 0; those absent/not voting, 0.

THE CHAIR:

Consent Calendar Number 1 passes.

Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President. Mr. President, I would move that all items referred to various committees from the chamber today be transmitted to those committees immediately.

THE CHAIR:

Without objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Mr. President. Mr. President, also, would announce that we will be convening tomorrow about -- at 11:30 a.m., it's our intention to pick up with bills that had previously been marked "go" today. So I would move that all items previously marked go

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will take a tally. Will the Clerk please announce the tally?

THE CLERK:

House Bill 6473.

Total Number Voting 141

Necessary for Passage 71

Those voting Yea 139

Those voting Nay 1

Those absent and not voting 10

SPEAKER DONOVAN:

The bill is passed. Will the Clerk please call Calendar Number 126.

THE CLERK:

On page 9, Calendar 126, substitute for House Bill 5414, AN ACT CONCERNING DISCLOSURES BY HOME IMPROVEMENT CONTRACTORS AND NEW HOME CONSTRUCTION CONTRACTORS, favorable report of the Committee on General Law.

SPEAKER DONOVAN:

Representative Shapiro.

REP. SHAPIRO (144th):

Thank you, Mr. Speaker. I move acceptance of the Joint Committee's favorable report and passage of the bill.

SPEAKER DONOVAN:

The question is acceptance of the Joint Committee's favorable report and passage of the bill. Will you remark?

REP. SHAPIRO (144th):

Thank you, Mr Speaker. The purpose of this bill is currently, under existing law, there are certain disclosures that new home builders have to make. And there's certain requirements for contracts that new home-improvement people have to do in order for their contract to be valid. For example, they'll have to tell people a list of their previous projects. The contracts, in order to be valid, will have to have names, dates -- all of the important terms. But what neither of these have are what this bill proposes.

Under this bill it would require the disclosure of all of your previous companies that you've been involved with in the construction industry in the past five years. The purpose of this is that many companies can be fly by night. They can organize one company for one project, can have a thousand complaints on it, shut it down, open up a new company, and by doing so, they would subvert the existing disclosure structure. So our goal is to shine

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sunlight here, have this disclosure for the new home construction, have it be a requirement of valid contracts for the home-improvement people.

I think this is an important bill for the industry. And it is actually supported by the good builders in the industry. And interestingly, we also have no fiscal note, otherwise we wouldn't be talking here about it, right now. And I urge passage.

SPEAKER DONOVAN:

Thank you, Representative. Will you remark further? Representative Fox.

REP. FOX (146th):

Thank you, Mr Speaker. I would like to thank my good friend from Stamford on the General Law Committee for raising this bill, passing this bill out of committee and getting it here to the floor. This is an important bill that will enable homeowners who enter into contracts with contractors to have a full understanding of what they're getting into in terms of the background of that, either home improvement contractor or new home contractor. It will also be of benefit to those -- the many fine quality contractors that we do have in our state who are sometimes, their reputation will be damaged due to the acts of a very

few. So I think this is a good bill, and I would urge passage. Thank you.

SPEAKER DONOVAN:

Thank you, Representative. Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you, Mr. Speaker. Mr. Speaker, through you, to the proponent of the bill. Could I please ask, when is the disclosure given to the homeowner?

SPEAKER DONOVAN:

Thank you. Representative Shapiro.

REP. SHAPIRO (144th):

Thank you, Mr. Speaker. Through you, to the questioner, and my good ranking member who's a pleasure to work with. For the new home construction people, it would have to be in the registration package that they do with the DCP prior to anything going on with the project. And when it comes to the home-improvement contractors, it would be prior to the time of signing a contract because a contract without this in there would not be valid, so they'd have to make them aware of it prior to signing a contract.

SPEAKER DONOVAN:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Yes. Just to clarify, and I'm sorry if I'm asking a question if you already explained, but I couldn't hear you very well in your opening. The disclosure of belonging to an LLC or a corporation, that disclosure is given to the Department of Consumer Protection, or it is given to the homeowner.

REP. SHAPIRO (144th):

Through you, Mr. Speaker. Thank you for your question. To clarify, it is given to the homeowner. It is part of the process that the DCP requires the business entity to do already with other disclosures. And that would be directly to the homeowner. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you. Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

How will the contractors, the home-improvement contractors and the new construction contract --

SPEAKER DONOVAN:

Excuse me. If the members could keep the volume down a little bit. There's a little difficulty hearing the debate. Thank you very much.

REP. BACCHIOCHI (52nd):

Through you, Mr. Speaker. How will the new home construction contractors and the home-improvement contractors become aware that this new disclosure must be given to the homeowners?

SPEAKER DONOVAN:

Representative Shapiro.

REP. SHAPIRO (144th):

Thank you. Through you, Mr. Speaker. They will do it in the matter they currently receive the forms. The forms are provided by the Department of Consumer Protection to all home-improvement contractors. This will become a new part of the form. So the DCP will provide these forms. They're not going to mail them out directly, but they are the forms that will be available at DCP, and they will be available on the website for all the home constructors to receive. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

So if I understand correctly, a contractor would need to either contact DCP and ask for a new disclosure form or go on their website and print out a disclosure form and provide that to the homeowner to

be in compliance with this proposed bill. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Shapiro.

REP. SHAPIRO (144th):

Thank you, Mr. Speaker, and through you, yes. That is correct.

SPEAKER DONOVAN:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Okay. In the event that a contractor was unaware that this bill passed, and they used the old form that did not have the newly required disclosure, and they began doing a project with a homeowner. And the homeowner became aware that the disclosure was not provided, what would be the ramifications to the homeowner -- to the builder? And what would the homeowner be able to do about it?

SPEAKER DONOVAN:

Representative Shapiro.

REP. SHAPIRO (144th):

Thank you for your question, and through you, Mr. Speaker. The contract would still proceed at pace. This is not a way to get out of a contract by a

homeowner, and it would fall under the typical enforcement of the Department of Consumer Protection for building code violations, because this is a requirement to have these notices through the building code. And I believe those penalties are fines on the builder between \$200 and a thousand, and a period of imprisonment is available, and that's the enforcement action of the DCP. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Through you, Mr. Speaker. If I were a home contractor or improvement contractor, and I did not have an LLC Corporation or any other similar type disclosable entity, would I be required to include that statement on the contract -- or could I use, for example, a previous old contract without the disclosure? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Shapiro.

REP. SHAPIRO (144th):

Thank you, Mr. Speaker, and thank you for your question. It's my belief that under this bill they would still have to disclose that they do not have

those relationships, so that people can understand that they're not there. And they have complied with their obligation to disclose. If there's nothing to disclose, it's easy to say not applicable or none, but they would be required to do so. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Through you, Mr. Speaker. That would seem to me, then a sole proprietor who has never had an LLC or a corporation would have to use new forms. I just want to clarify that. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Shapiro.

REP. SHAPIRO (144th):

Through you, Mr. Speaker, yes. I believe everyone should be using the new forms once they are put in to place by the DCP. That is the goal of the legislation. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Through you, Mr. Speaker. My final question is,

I do have some concerns about the contractors being notified that this is going to be taking place. Have we talked to DCP, that you're aware of, that they will be able to meet the notification requirements on time for the bill's period of enactment.

SPEAKER DONOVAN:

Representative Shapiro.

REP. SHAPIRO (144th):

Thank you, Mr. Speaker, and through you, yes. We have worked with the DCP on this bill. They're aware of the requirements. There are typically requirements from year to year, where forms change and they get them out to all of the people who are subject to license requirements, and we believe that will be in place again this year, in time. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you, Mr. Speaker. I think the bill is a good bill with good intentions. Disclosure can only help businesses but, I do have some concerns about how it will affect sole proprietors. And I have some concerns about how quickly the notifications will be

sent out but, I think those can be addressed further along in the process. Thank you, Mr. Speaker.

SPEAKER DONOVAN:

Thank you, Representative. Representative Aman.

REP. AMAN (14th):

Thank you very much, Mr. Speaker. I rise to support the bill and also I would -- had a series of questions. However, the ranking member, I think has done a very good job of asking the questions I have had on it. I'd like to take this opportunity to thank Representative Shapiro and Representative Fox.

When the bill first came out, I had some problems as a homebuilder with the way it was worded, some of the restrictions that was going to have to be done. It was very cumbersome and almost impossible for someone to obey the rules as they originally came out. At the initial meeting we talked about having an amendment drawn. I had language prepared. I submitted it to the cochairmen. They accepted it and endorsed it. And so I do want to take this opportunity for -- to say thank you for taking the ideas of the committee members and putting them in the final bill. And therefore, will urge my colleagues to support this. Thank you very much.

SPEAKER DONOVAN:

Representative O'Neill.

REP. O'NEILL (69th):

Yes. Thank you, Mr. Speaker. If I may, a question through you, to the chairman of the general law committee.

SPEAKER DONOVAN:

Representative, please proceed.

REP. O'NEILL (69th):

Thank you, Mr. Speaker. In the proposed bill that was introduced by Representative Fox, there was a provision in his proposed bill that in the list of entities or people that had to be disclosed, partners, owners, shareholders -- one of the words that was in there was "officers" of one of these entities in the proposed bill. But I noticed that from the point of the committee bill onward, the word "officers" or "officer" was left out. So if I could -- the question I'm asking is, what was the reason for the deletion of the word "officer" between the proposed bill and the committee bill? Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Shapiro.

REP. SHAPIRO (144th):

Thank you, Mr. Speaker. Through you, to the questioner, the reason that the language has changed is because we were looking to really grasp the way it worked in the industry and who had a significant interest in the business and was responsible for the potential problems that may have occurred and there were a number -- there was concern that certain people who had been tangentially officers but without much responsibility for those companies and not a real limited involvement in there, would be snagged by this. And you didn't want to penalize someone for issues that were not of their own making. And so that is why the language was removed. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker. I thank the gentleman for his answer. I guess, I would say that my experience in dealing with some of the home-improvement contractor problems that I've encountered would indicate that in -- there are scenarios not unlike the one I'm about to put forth, and that is an individual would be, perhaps the

president of a company, and they didn't own any stock in the company. They were not the owner of the business in any way. They weren't a member if it was an LLC, but yet, they were in charge of running it. And perhaps the owner of the stock was the spouse of the individual or a brother or some other person, fairly closely related, but still separate person. And that that is that person who is the president or perhaps, even the vice president, had a title, who is really the one in charge, in, kind of, control of the company. So I'm just wondering if there was testimony at the hearing that indicated that this experience that I have seen is a very small percentage of the problem. Through you, Mr. Speaker.

SPEAKER DONOVAN:

Representative Shapiro.

REP. SHAPIRO (144th):

Through you, Mr. Speaker, I don't believe that there was testimony on this issue, but there was subsequent discussion with a number of members of the industry that this was a very small part of the problem, that really, the people who took the greatest involvement and had the greatest responsibility tended to be owners and shareholders and members of LLCs, and

not necessarily, the officers thereof. Through you,
Mr. Speaker.

SPEAKER DONOVAN:

Representative O'Neill.

REP. O'NEILL (69th):

Thank you, Mr. Speaker. I certainly think the bill is an important step in the right direction. I want to thank Representative Fox, for his proposal of it and the Chair of the General Law Committee, for bringing it out to us. I still suspect that we may find that there will be cases where someone will now use the position of officer, having previously been a shareholder or a member of one of these entities, if that's what they've been doing, since the individuals who wish to engage in the kind of misconduct that this legislation is designed to force disclosure of, is going to look for any loophole they can find. And I think that, unfortunately, the deletion of the word "officer" will offer them that kind of an opportunity. But I suppose that we will perhaps, have another opportunity to have that discussion. Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, sir. Will you remark further on the

bill? Will you remark further on this bill? If not staff and guests, please come to the well of the House. Members take their seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the Chamber. The House is voting by roll call. Members to the Chamber please.

DEPUTY SPEAKER GODFREY:

Have all the members voted? Have all the members voted? If so, the machine will be locked. The Clerk will take a tally. And the Clerk will announce the tally?

THE CLERK:

House Bill Number 5414.
Total Number Voting 141
Necessary for Passage 71
Those voting Yea 140
Those voting Nay 0
Those absent and not voting 10

DEPUTY SPEAKER GODFREY:

The bill is passed.

For purposes of an introduction, let me call on the gentlewoman from Milford, Representative Lambert.

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*Testimony of Representative Gerald Fox (D) of Stamford
Before the General Law Committee on
Proposed Bill 5414, An Act Concerning Disclosures by Home Improvement
Contractors and New Home Contractors.*

Senator Colapietro, Representative Shapiro, and members of the General Law Committee. I would like to thank you for raising HB 5414, AN ACT CONCERNING DISCLOSURES BY HOME IMPROVEMENT CONTRACTORS AND NEW HOME CONTRACTORS.

The proposed bill before you is aimed to better protect Connecticut residents from contractors who work in the area of home improvement and new home construction. If adopted into law, it would require home improvement contractors and new home contractors to fully disclose to customers all associated corporations, limited liability companies and partnerships. I would also request that language be added to the bill that requires all businesses controlled by a spouse or close family member who engages in home improvement and new home construction be disclosed.

Home improvement and new home construction contractors are required to register with the Department of Consumer Protection (DCP). However, home contractors annually receive some of the highest number of complaints of any type of business with the DCP.

Many times, contractors will form a limited liability company for a specific project. The newly formed company signs the contract and has no assets other than this individual project. An individual contractor may have formed numerous LLC's during the course of his or her career. In addition, I have seen an example where a contractor with legal troubles had his spouse form numerous LLC's to continue to engage in the business of new home construction. People deserve to have a full picture of a contractor's business interests when they hire a company to do work at their home. Unanticipated delays and additional costs are common, almost expected with undertaking a home improvement or building project, but there is no reason for a contractor to not disclose their affiliations.

Full disclosure requirements would discourage contractors from failing to complete projects and would be helpful to consumers if a contractor does walk away. With full disclosure, a contractor's reputation would extend to all associated business entities, and also provide additional potential remedies for consumers. Also, full disclosure will allow a homeowner to do a proper background check on the individual with whom they are contracting.

I thank you very much for this opportunity today and I urge the committee's favorable report.