

## CHAPTER 94

AN ACT concerning financing of certain home repair contracts and amending P.L.1969, c.237.

**BE IT ENACTED** *by the Senate and General Assembly of the State of New Jersey:*

1. Section 2 of P.L.1969, c.237 (C.17:16C-64.2) is amended to read as follows:

C.17:16C-64.2 Form, terms of consumer notes.

2. No home repair contract shall require or entail the execution of any note unless a home repair contractor obtains a bond in a form and amount prescribed by regulations of the commissioner, but said bond shall be in the amount of \$25,000 or 1% of a home repair contractor's home improvement annual sales of the previous year, whichever is greater, and applies for a building permit, if required, within 10 business days of the execution of the home repair contract. The bond shall be obtained from a surety company authorized by law to do business in this State and shall be filed with the commissioner. The bond required by this section shall contain a provision that it shall not be canceled for any cause unless notice of intention to cancel is filed in the department at least 30 days before the day upon which cancellation shall take effect. That note shall have printed the words "CONSUMER NOTE" in 10-point bold type or larger on the face thereof. Such a note with the words "CONSUMER NOTE" printed thereon shall be subject to the terms and conditions of the home repair contract and shall not be a negotiable instrument within the meaning of chapter 3 (Negotiable Instruments) of the Uniform Commercial Code, N.J.S.12A:3-101 et seq.

2. This act shall take effect immediately.

Approved June 23, 2003.