

CHAPTER 485

AN ACT concerning contractor fraud following Superstorm Sandy, and supplementing Title 52 of the Revised Statutes.

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

C.52:15D-14 Distribution of fraud-response funding.

1. a. The commissioner shall permit the distribution of fraud-response funding to an applicant if a government agency notifies the department, in writing, that there is reasonable cause to believe that a RREM or LMI program contractor has engaged in conduct in violation of the New Jersey consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.), or regulations promulgated thereto, in connection with a RREM or LMI program contract to complete work on the applicant's house. The department shall distribute fraud-response funding regardless of whether an applicant presents a charging document, so long as the government agency has provided written notification pursuant to this subsection.

b. The commissioner shall consult the Division of Consumer Affairs in the Department of Law and Public Safety to develop an appropriate process for a government agency to submit written notification pursuant to subsection a. of this section.

c. An applicant shall not be entitled to a fraud-response funding award if any portion of the award would amount to a duplicative benefit or would otherwise violate the "Robert T. Stafford Disaster Relief and Emergency Assistance Act," (42 U.S.C. s.5155), or another provision of federal law.

d. As used in this section:

"Applicant" means a RREM or LMI program beneficiary who applies for fraud-response funding.

"Charging document" means a document alleging that the applicant's contractor has been charged with fraud or theft by deception in connection with a RREM or LMI program contract to complete work on the applicant's house, which shall include, but not be limited to, an arrest warrant, a criminal complaint, an accusation signed by a prosecuting attorney, or an indictment.

"Commissioner" means the Commissioner of Community Affairs.

"Department" means the Department of Community Affairs.

"Fraud-response funding" means funding allocated by the federal government, which may be allocated to reimburse an applicant, who has been defrauded by a RREM or LMI program contractor.

"Government agency" means the Division of Consumer Affairs in the Department of Law and Public Safety, the Office of the Attorney General, a county prosecutor's office, a State, county, or municipal law enforcement agency, a federal law enforcement agency, or any other government law enforcement authority.

"RREM or LMI program" means the Reconstruction, Rehabilitation, Elevation, and Mitigation Program or the Low-to-Moderate Income Homeowners Rebuilding Program, established by the department for the purpose of distributing federal funding allocated towards recovery from Superstorm Sandy.

2. This act shall take effect immediately, but shall remain inoperative until the first day of the second month next following enactment.

Approved January 21, 2020.