

Senate Commerce Committee

Aaron Jones 271-2609

SB 523-FN, establishing the registration and oversight of builders.

Hearing Date: January 20, 2026

Time Opened: 10:33 a.m.

Time Closed: 11:15 a.m.

Members of the Committee Present: Senators Innis, Ricciardi, McGough, Fenton and Reardon

Members of the Committee Absent : Senator Murphy

Bill Analysis: This bill establishes a board of builder registration, administratively attached to the department of labor. This bill requires the registration of and sets regulatory requirements for certain builders and general contractors engaged in construction-related business on any residential property.

Sponsors:

Sen. Ward

Sen. Pearl

Sen. Innis

Sen. Watters

Sen. Altschiller

Who supports the bill: Senator Ruth Ward, Senator Daniel Innis, Brandon Garod (NH Attorney General's Office), Matt Mayberry (NH Home Builders Association), Nancy Bishop, Elizabeth Iacovelli, Nicolas Iacovelli

Who opposes the bill: Joshua Reap (Associated Builders & Contractors), Jeffrey Creem, Timothy Finney, Katie McLaughlin, Curtis Howland, Tom Luther, Taylor Woodward, Aimee Plotczyk, Daniel Cogswell, Dan Riley, Chris Hart, Nick Wright, Trisha Moore, Duane Provencher, William Klebe, Kyle Fletcher, Derek Watts, Luke Keenan, Michael Snyder, Jo Silloway, Chris Bertrand, Mitchell Laferriere, William Dyer

Who is neutral on the bill: Ken Merrifield (NH Department of Labor), John Garrigan (NH Department of Labor)

Summary of testimony presented in support:

Senator Ruth Ward

- Senator Ward said this bill sought to address a growing trend of fraud against consumers.
- This bill would create a simple, straightforward and enforceable process to identify, recognize and register residential builders and contractors doing

business within the state. This process would be overseen by the New Hampshire Department of Labor through a Builder Registration Board.

- Senator Ward said she has heard stories of constituents who has been taken advantage of by contractors who have shown up on their doorsteps and offered a “discount” to get their roof replaced, stairs fixed or remodeling work done. These constituents have issued a deposit in good faith, yet the criminal disappears and they cannot be tracked down.
- This bill would address how to find the “bad guys”; clear up miscommunication among builders and consumers; provide avenues of protection to consumers; and reinforce accountability among residential builders and contractors within the state.
- This bill originated from the New Hampshire Home Builders Association. Senator Ward said they identified the issues, and they are asking for help to reduce the number of phone calls from constituents who have been robbed of their savings.
- Electricians, plumbers, architects, engineers, attorneys and realtors are licensed in New Hampshire. Senator Ward said the industry itself was asking for the ability to police themselves and register, not license, builders and contractors.
- Senator Ward said there would be an amendment forthcoming.

Brandon Garod, Senior Assistant Attorney General and Chief of the Consumer Protection Bureau, Attorney General’s Office

- Attorney Garod said oversight of home contractors was overdue. While the Consumer Protection and Anti-Trust Bureau exists, he said it was insufficient to protect consumers.
- Every year, complaints against home contractors are the top complaints received.
- These complaints take all shapes and sizes; however, Attorney Garod said there is a growing trend of unsolicited contractors who make a claim they can provide a discounted service with leftover materials. In most of these cases, money is collected and the contractor is never seen again. The Department is unable to track them down because they are not legitimate businesses.
- Individuals pose as home contractors because there are no licensing or registration requirements, and there is no source for consumers to use to determine if they are legitimate.
- The Bureau also receives complaints against legitimate home contractors who have established businesses. Attorney Garod said they recently prosecuted a case involving a contractor, Gerard Thibault, who was successful and prominent in the Seacoast until he started to use funds for gambling. He was ordered to pay \$1.5 million in restitution to 23 consumers, and he was sentenced to 10 to 30 years in state prison. The Department was well equipped at investigating the complaints against him only after the money had been collected.

- Attorney Garod said they do their best to identify those who need to be investigated and criminally or civilly prosecuted. However, this does not provide consumers with the ability to determine when they hire a contractor whether they will do the job or run away with their money.
- This bill would establish a mechanism for consumers to verify that a home contractor has complied with the minimum requirements set by the state before electing to put their money at risk. This would allow the Department to partner with this newly created entity to identify problems before they arise.
- In the updated version of the bill, on Roman IV, it states “The board shall maintain authority under final, non-criminal disciplinary decisions and sanctions.” If this language is kept, Attorney Garod recommended clarification that nothing in this new chapter would limit their ability to pursue civil enforcement against home contractors since the Board would not have criminal authority. Eliminating this confusion would allow the Department to pursue civil investigations and enforcement actions, which is an important part of the ecosystem to protect consumers.
- **Senator Ricciardi** asked how the outcomes of the situations described would have been different if this bill had been in place.
 - **Attorney Garod** said Mr. Thibault committed crimes over a period of two years. If he had been required to register and complete certain requirements with the new Board, complaints could have been made to them as they occurred. He had been collecting deposits and abandoning projects, then moving around to other towns on the Seacoast. The individuals who had been abandoned could have made complaints to the Board, and they could have acted on his registration.
- **Senator Ricciardi** asked if it would not stop nefarious actions on the onset rather it would mitigate it from continuing.
 - **Attorney Garod** replied that it would not stop initial bad conduct by any home contractor. If a contractor met the registration requirements, they could choose to violate the law. An individual would need to report the contractor to the Department or the Board to initiate action that would generate consumer awareness. If a consumer knew there was an entity that registered, reviewed, and had authority over home contractors, they could make reports and they could decide to use another contractor.
- **Senator Reardon** asked why this was under the Department of Labor, not the Office of Professional Licensure and Certification.
 - **Attorney Garod** said he could not explain that.
- **Senator Reardon** said if the initial registration was for two years, Mr. Thibault would have been unfettered for two years, except when consumers began to file complaints with the Consumer Protection Division. With the two employees they have, she asked if they had any mechanism to know if there were complaints.

- **Attorney Garod** said they have 4 to 5 investigative paralegals and 10 attorneys that tend to specialize in certain areas. Everyone, however, works on home contractor fraud in some capacity. On average, they receive about 60 to 70 consumer complaints every week. During contracting season, many of those complaints are against home contractors. Paralegals review these complaints, and they flag how many complaints have been made against a contractor. If complaints increase, they can be used as source of information to decide when to initiate an investigation and bring criminal or civil proceedings against an individual to prevent harm to others.
- **Senator Reardon** asked if the work would be done under the Board, then funneled to the Department, under this proposed regulatory framework.
 - **Attorney Garod** replied that it would be done in conjunction with one another. Issues are dealt with on two different tracks for other licenses, registrations and occupations throughout the state. The Board would look at registration and whether the requirements have been met. If this bill were passed, he said his first step would be to establish a channel of communication between the Department and the Board. This would be a real partnership where the registration component would be handled by the Board and the law enforcement component where individuals could file complaints would be handled by the Department. Not every complaint requires an investigation. When they receive complaints, they forward them to contractors. Often, it came as a result of miscommunication between the consumer and the contractor; therefore, no investigation is necessary. He imagined in this scenario, no action from the Board would be necessary. The value of the Board is to have a designated place to have oversight and communication to the public on whether a contractor has a valid registration or has been disciplined. Through an RSA 91-A request, a consumer can find out if there are complaints against specific contractors. Attorney Garod said it is a useful tool, but most people do not know it exists. The crux of the problem has been an industry where enormous monetary sums have been taken from consumers without oversight.

Matt Mayberry, CEO, New Hampshire Home Builders Association

- Mr. Mayberry said he receives a call about every 10 days from consumers saying they gave an individual a deposit and they did not show up. This bill would hold these individuals accountable.
- For those who do good work, Mr. Mayberry said they would spend more time deciding on what to have for lunch than filling out the form online.
- This bill would provide for mandatory education because continuing education is strictly voluntary.

- The Association has worked with New England College on micro-credentialing. This enables an individual to take classes to build towards an associate or bachelor's degree. They are working on a similar program with the Community College System of New Hampshire.
- As a realtor, Mr. Mayberry said he must take 12 hours of mandatory education. Of the 8 hours of continuing education required, 4 hours are focused on updates to the building codes. This would prevent builders and contractors from saying to a municipality that they did not know anything had changed.
- This bill would not be onerous for any one company because the individual would be registered. An individual would only register once, and they would log all of their entities. This would hold the principal owner or manager accountable.
- Once a company has been registered, it would go into the system. Education and partnership with groups, such as AARP and Community Action Programs, would direct consumers to a website. If there is a yellow banner at the top of the website that means a complaint has been filed and a consumer should do their research. If there is a red banner, it could mean an individual's registration has expired and a consumer might not want to do business with them. This would be similar to when a business is in good standing with the Secretary of State's Office.
- Similar to when a business name is filed, builders and contractors would be required to register through the Department of Labor if their business qualifies. For big professional contractors who build hundreds of units, Mr. Mayberry said it would be an easy form that would be completed. A 24/7 call center would be provided to allow consumers to speak to a live person.
- In the proposed amendment, the definition of residential small builders and larger commercial builders would be clarified.
- If a business is building 200 units, they are not going to defraud an individual because they can drive to their business. If someone shows up in a van, however, a consumer needs to know where to look.
- Complaints could have been made years ago in the case of Mr. Thibault, and the Board could have reached out to the Department. In this case alone, prosecutors estimated \$2.4 million was taken from individuals.
- Typically, they have seen amounts under \$10,000 being stolen by builders and contractors.
- Last year, 85 percent of their members said this was long overdue. While this bill is not perfect, Mr. Mayberry said they are willing to work towards a compromise.

Summary of testimony presented in opposition:

Joshua Reap, President and CEO, Associated Builders & Contractors

- Mr. Reap said this bill would have an impact on their contractors, and it would have a chilling effect on construction in New Hampshire.
- There is a difference between licensed trades and consumer protection issues.
- By establishing a mandatory registration and oversight regime for builders, this bill would pose significant risks to an industry at a time when there is a housing crisis.
- According to the New Hampshire Housing Finance Authority's 2023 Statewide Housing Needs Assessment, the state faces a shortfall of thousands of units. The vacancy rate in a right sized market is considered 6 percent, but the current rate is 0.2 percent.
- As written, Mr. Reap said this bill was problematic because it failed to clarify and delineate boundaries that could sweep in commercial contractors who occasionally handle mixed use or high-end residential elements.
- The requirements of this bill would apply to all builders and general contractors with aggregate annual residential work of \$5,000 or more on non-owned properties. This could inadvertently include general contractors and subcontractors, such as foundation specialists, roofers, framers and cabinet installers if they meet the threshold.
- Many of their members specialize in high-end single-family home construction that requires an economy of scale, which comes with being a commercial contractor.
- Mandating registration would pose a redundant burden. Mr. Reap asked how a general contractor could reliably bid on or complete a project if subcontractors opt out due to the added liability, costs and paperwork. This would reduce workforce participation at a time when slowdowns cannot be afforded.
- Even with potential carve-outs, Mr. Reap said history has shown that thresholds are fragile. Future legislators could easily lower them or expand the scope to cover all commercial contractors.
- Similar regulatory expansions in other states have led to unintended industry-wide costs. About two years ago, Vermont instituted its own contractor registration system and only about 1,500 home builders have registered. There are thousands who have not heard about it, or they have chosen not to participate in it because it would be onerous.
- Mr. Reap said this bill wielded the heavy hammer of government regulation to address a problem that was better suited with a scalpel.
- This bill would impose an unfunded mandate on municipalities because a town or city could issue a permit without verifying a builder is registered. Mr. Reap asked what would happen if a homeowner said the town did not do their due diligence and a contractor was out of compliance.
- At a time when homes are already expensive to build, this bill would add additional costs to homes through government regulations.

- This bill is about consumer protection, not skilled development. For other license types, such as plumbing and electricity, you want to ensure that hookups to the public power grid or water system are done competently and safely.
- **Senator Reardon** asked if their members did continuing education in their disciplines.
 - **Mr. Reap** replied they have 90 people in their continuing leadership class. They also have a commercial carpentry program at Manchester Community College. Contractors take continuing education because it is a way to be competitive.
- **Senator Ricciardi** asked if they would be willing to work together on an amendment to fix some of the issues raised.
 - **Mr. Reap** said they would be willing to collaborate on this issue by providing their perspectives from the commercial contractor side.

Neutral Information Presented:

Ken Merrifield, Commissioner, and John Garrigan, General Counsel, New Hampshire Department of Labor

- Commissioner Merrifield believed this board would be a perfect fit for OPLC because their experience is more aligned with the way that the board is set up; however, the Department would perform any functions given to them.
- When the fiscal note was written, it was assumed their role in the administrative functions of the Board would be limited to the rulemaking process.
- Currently, the Department licenses boiler and elevator inspectors. There are about 153 elevator inspectors, and about 90 boiler inspectors.
- Commissioner Merrifield said the Department does not have the staff or budget for this kind of activity. Even though a dedicated fund would be created from the fees and penalties collected by the Board, their business office only has two staffers who invoice and accept payments for 20,000 transactions per year, so he was not sure they would be able to provide the intended financial support.
- Given their experience under RSA 541-A, there would be administrative functions that take place related to hearings. While the Board would conduct hearings, Commissioner Merrifield asked who would answer motions or prepare documentation for the Board to consider.
- This bill described the procurement of the Governor and Council contract with the registration program administrator; however, the initial start-up costs for the Board and its activities were unclear.