

# SENATE . . . . . No. 2472

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## The Commonwealth of Massachusetts

In the One Hundred and Ninety-Third General Court  
(2023-2024)

SENATE, October 19, 2023.

The committee on Consumer Protection and Professional Licensure, to whom was referred the petitions (accompanied by bill, Senate, No. 2389) (subject to Joint Rule 12) of Susan L. Moran and Tackey Chan for legislation to facilitate restitution against unfinished development to be known as the FRAUD Act; and (accompanied by bill, House, No. 313) of Kenneth I. Gordon relative to the home improvement guaranty fund, report the accompanying bill (Senate, No. 2472).

For the committee,  
John J. Cronin

**SENATE . . . . . No. 2472**

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-Third General Court  
(2023-2024)**  
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An Act facilitating restitution against unfinished development.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1. This act shall be known and may be cited as “An Act Facilitating  
2 Restitution Against Unfinished Development” or “the FRAUD Act”.

3           SECTION 2. Section 1 of Chapter 142A of the General Laws, as appearing in the 2022  
4 Official Edition, is hereby amended by striking out the definition of “Claimant”, and inserting in  
5 place thereof the following definition:-

6           “Claimant”, an owner and resident of a residential building, containing at least one but  
7 not more than four dwelling units, who has entered into a construction contract with a contractor  
8 to carry out construction work on said building, or, an owner and resident of a single  
9 condominium unit in a residential building, who has entered into a construction contract with a  
10 contractor to carry out construction work on an area of said building under that owner's exclusive  
11 control, and who is making a claim against said contractor for failure of performance under said  
12 contract.

13 SECTION 3. Said section 1 of said chapter 142A of the General Laws, as so appearing, is  
14 hereby further amended by striking out the definition of “Owner”, and inserting in place thereof  
15 the following definition:-

16 “Owner”, any homeowner of a pre-existing owner-occupied building or secondary  
17 residence for non-commercial purposes, containing at least one but not more than four dwelling  
18 units, or tenant thereof, who orders, contracts for, or purchases the services of a contractor or  
19 subcontractor.

20 SECTION 4. Said section 1 of said chapter 142A of the General Laws, as so appearing, is  
21 hereby further amended by striking out the definition of “Residential contracting”, and inserting  
22 in place thereof the following definition:-

23 "Residential contracting", the reconstruction, alteration, renovation, repair,  
24 modernization, conversion, improvement, removal, or demolition, or the construction of an  
25 addition to any pre-existing owner occupied building or secondary residence for non-commercial  
26 purposes, containing at least one but not more than four dwelling units, which building or portion  
27 thereof is used or designed to be used as a residence or dwelling unit, or to structures which are  
28 adjacent to such residence or building.

29 SECTION 5. Section 7 of chapter 142A of the General Laws, as so appearing, is hereby  
30 amended in the third paragraph by striking out the words “ten thousand dollars” and inserting in  
31 place thereof the following:- “thirty thousand dollars”.

32 SECTION 6. Section 9 of chapter 142A of the General Laws, as so appearing, is hereby  
33 amended by inserting, after subsection (d), the following new subsection:-

34 (e) Prior to approving any application for registration or renewal conforming to the  
35 requirements of this chapter, the director shall refer identifying information regarding an  
36 applicant to the department of criminal justice information services, which shall obtain criminal  
37 offender record information but shall transmit only the following information to the director:

38 (1) Any conviction of the applicant of gross fraud or cheat as defined by section 76 of  
39 chapter 266.

40 SECTION 7. Section 10 of chapter 142A of the General Laws, as so appearing, is hereby  
41 amended by striking out subsection (c), and inserting in place thereof the following:-

42 (c) whether the applicant has ever been previously registered in the commonwealth as a  
43 contractor or subcontractor pursuant to this chapter, whether the applicant has ever been  
44 previously registered as a contractor or subcontractor in any other state, under what other names  
45 he was previously registered, whether there have been previous judgments or arbitration awards  
46 against him in the commonwealth or any other state, whether there is money owing to the fund  
47 on account of such judgments or awards against him, and whether his registration has ever been  
48 suspended or revoked by the commonwealth or any other state.

49 SECTION 8. Section 13 of said chapter 142A of the General Laws, as so appearing, is  
50 hereby amended by inserting at the end thereof the following new subsection:-

51 (g) The director shall publish an account of registrations issued and the names of all  
52 contractors or subcontractors whose registration has been revoked, suspended or surrendered.  
53 The director shall also publish a summary of complaints, judgments or awards filed against  
54 registrants by the commonwealth or by any other state, the actions taken to investigate

55 complaints, disciplinary hearings, disciplinary actions or revocations or suspensions, and the  
56 reasons for such actions by the director.

57 SECTION 9. Section 17 of said chapter 142A, as so appearing, is hereby amended by  
58 striking out clause (17), and inserting in place thereof the following 2 clauses:-

59 (17) engaging in gross fraud or cheat as defined by section 76 of chapter 266;

60 (18) violating any other provision of this chapter.