

Second Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 12-0365.01 Christy Chase x2008

SENATE BILL 12-038

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SENATE SPONSORSHIP

Tochtrop,

HOUSE SPONSORSHIP

Vaad,

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Senate Committees  
Business, Labor and Technology

House Committees

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A BILL FOR AN ACT

101 CONCERNING MEASURES TO PROTECT CONSUMERS WHO ENGAGE A  
102 ROOFING CONTRACTOR TO PERFORM ROOFING SERVICES ON  
103 RESIDENTIAL PROPERTY.

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Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

The bill requires residential roofing contractors to sign a written contract with customers that details the following:

- ! The scope of roofing services and materials to be provided;
- ! The approximate dates of service;

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*



1 (a) REQUIRING ROOFING CONTRACTORS OFFERING TO PERFORM  
2 ROOFING WORK ON RESIDENTIAL PROPERTY IN THIS STATE TO SIGN A  
3 WRITTEN CONTRACT WITH CUSTOMERS DETAILING THE SCOPE AND COST OF  
4 THE ROOFING WORK AND CONTACT INFORMATION FOR THE ROOFING  
5 CONTRACTOR;

6 (b) REQUIRING ROOFING CONTRACTORS TO PERMIT CONSUMERS TO  
7 RESCIND A CONTRACT FOR THE PERFORMANCE OF ROOFING WORK AND  
8 OBTAIN A REFUND OF ANY DEPOSIT PAID TO THE ROOFING CONTRACTOR;  
9 AND

10 (c) PROHIBITING ROOFING CONTRACTORS FROM PAYING, WAIVING,  
11 REBATING, OR PROMISING TO PAY, WAIVE, OR REBATE ALL OR PART OF ANY  
12 INSURANCE DEDUCTIBLE APPLICABLE TO A CLAIM MADE TO THE  
13 CUSTOMER'S PROPERTY AND CASUALTY INSURER FOR PAYMENT FOR  
14 ROOFING WORK ON THE RESIDENTIAL PROPERTY COVERED BY A PROPERTY  
15 AND CASUALTY INSURANCE POLICY.

16 **6-22-102. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE  
17 CONTEXT OTHERWISE REQUIRES:

18 (1) "RESIDENTIAL PROPERTY" MEANS:

19 (a) A DETACHED, ONE- OR TWO-FAMILY DWELLING; OR

20 (b) MULTIPLE SINGLE-FAMILY DWELLINGS THAT ARE NOT MORE  
21 THAN THREE STORIES ABOVE GRADE PLANE HEIGHT AND PROVIDE  
22 SEPARATE MEANS OF EGRESS.

23 (2) "ROOFING CONTRACTOR" MEANS:

24 (a) AN INDIVIDUAL OR SOLE PROPRIETORSHIP THAT PERFORMS  
25 ROOFING WORK OR ROOFING SERVICES IN THIS STATE FOR COMPENSATION;  
26 OR

27 (b) A FIRM, PARTNERSHIP, CORPORATION, ASSOCIATION, BUSINESS

1 TRUST, LIMITED LIABILITY COMPANY, OR OTHER LEGAL ENTITY THAT  
2 PERFORMS OR OFFERS TO PERFORM ROOFING WORK IN THIS STATE ON  
3 RESIDENTIAL PROPERTY FOR COMPENSATION.

4 (3) (a) "ROOFING WORK" OR "ROOFING SERVICES" MEANS THE  
5 CONSTRUCTION, RECONSTRUCTION, ALTERATION, MAINTENANCE, OR  
6 REPAIR OF A ROOF ON A RESIDENTIAL PROPERTY AND THE USE OF  
7 MATERIALS AND ITEMS IN THE CONSTRUCTION, RECONSTRUCTION,  
8 ALTERATION, MAINTENANCE, AND REPAIR OF ROOFING AND  
9 WATERPROOFING OF ROOFS, ALL IN A MANNER TO COMPLY WITH PLANS,  
10 SPECIFICATIONS, CODES, LAWS, RULES, AND REGULATIONS APPLICABLE TO  
11 THE CONSTRUCTION, RECONSTRUCTION, ALTERATION, MAINTENANCE, AND  
12 REPAIR OF ROOFS ON RESIDENTIAL PROPERTIES.

13 (b) "ROOFING WORK" OR "ROOFING SERVICES" DOES NOT INCLUDE  
14 ROOFING WORK OR SERVICES FOR WHICH THE COMPENSATION IS ONE  
15 THOUSAND DOLLARS OR LESS PER CONTRACT.

16 **6-22-103. Contracts for roofing services - writing required -**  
17 **required terms.** (1) PRIOR TO ENGAGING IN ANY ROOFING WORK, A  
18 ROOFING CONTRACTOR SHALL PROVIDE A WRITTEN CONTRACT TO THE  
19 CLIENT, SIGNED BY BOTH THE ROOFING CONTRACTOR OR HIS OR HER  
20 DESIGNEE AND THE CLIENT, STATING AT LEAST THE FOLLOWING TERMS:

21 (a) THE SCOPE OF ROOFING SERVICES AND MATERIALS TO BE  
22 PROVIDED;

23 (b) THE APPROXIMATE DATES OF SERVICE;

24 (c) THE COSTS OF THE SERVICES;

25 (d) THE ROOFING CONTRACTOR'S CONTACT INFORMATION,  
26 INCLUDING PHYSICAL ADDRESS, ELECTRONIC MAIL ADDRESS, TELEPHONE  
27 NUMBER, AND ANY OTHER CONTACT INFORMATION AVAILABLE FOR THE

1 ROOFING CONTRACTOR;

2 (e) IDENTIFICATION OF THE ROOFING CONTRACTOR'S SURETY AND  
3 LIABILITY COVERAGE INSURER AND THEIR CONTACT INFORMATION, IF  
4 APPLICABLE;

5 (f) (I) THE ROOFING CONTRACTOR'S POLICY REGARDING  
6 CANCELLATION OF THE CONTRACT AND REFUND OF ANY DEPOSIT,  
7 INCLUDING A RESCISSION CLAUSE ALLOWING THE CLIENT TO RESCIND THE  
8 CONTRACT AND OBTAIN A FULL REFUND OF ANY DEPOSIT WITHIN  
9 SEVENTY-TWO HOURS AFTER ENTERING THE CONTRACT; AND

10 (II) A WRITTEN STATEMENT THAT THE CLIENT MAY CANCEL A  
11 ROOFING CONTRACT PURSUANT TO SECTION 6-22-104; AND

12 (g) A WRITTEN STATEMENT THAT IF THE CLIENT PLANS TO USE THE  
13 PROCEEDS OF A PROPERTY OR CASUALTY INSURANCE POLICY ISSUED  
14 PURSUANT TO PART 1 OF ARTICLE 4 OF TITLE 10, C.R.S., TO PAY FOR THE  
15 ROOFING WORK, PURSUANT TO SECTION 6-22-105, THE ROOFING  
16 CONTRACTOR CANNOT PAY, WAIVE, REBATE, OR PROMISE TO PAY, WAIVE,  
17 OR REBATE ALL OR PART OF ANY INSURANCE DEDUCTIBLE APPLICABLE TO  
18 THE CLAIM FOR PAYMENT FOR ROOFING WORK ON THE COVERED  
19 RESIDENTIAL PROPERTY.

20 **6-22-104. Residential roofing contract - payment from**  
21 **insurance proceeds - right to cancel - return of payments.** (1) A  
22 PERSON WHO ENTERS INTO A WRITTEN CONTRACT WITH A ROOFING  
23 CONTRACTOR TO PERFORM ROOFING WORK ON THE PERSON'S RESIDENTIAL  
24 PROPERTY, THE PAYMENT FOR WHICH WILL BE MADE FROM THE PROCEEDS  
25 OF A PROPERTY AND CASUALTY INSURANCE POLICY ISSUED PURSUANT TO  
26 PART 1 OF ARTICLE 4 OF TITLE 10, C.R.S., MAY CANCEL THE CONTRACT  
27 WITHIN SEVENTY-TWO HOURS AFTER THE PERSON RECEIVES WRITTEN

1 NOTICE FROM THE PROPERTY AND CASUALTY INSURER THAT THE CLAIM  
2 FOR PAYMENT FOR ROOFING WORK ON THE RESIDENTIAL PROPERTY IS  
3 DENIED IN WHOLE OR IN PART. THE PERSON SHALL GIVE WRITTEN NOTICE  
4 OF CANCELLATION OF THE CONTRACT TO THE ROOFING CONTRACTOR AT  
5 THE PHYSICAL ADDRESS PROVIDED IN THE CONTRACT WITHIN  
6 SEVENTY-TWO HOURS AFTER HE OR SHE IS NOTIFIED OF THE DENIAL. THE  
7 PERSON MAY GIVE NOTICE OF CANCELLATION OF THE CONTRACT:

8 (a) IN AN ELECTRONIC FORM, WHICH IS EFFECTIVE ON THE DATE OF  
9 THE ELECTRONIC TRANSMISSION;

10 (b) BY MAIL, WHICH IS EFFECTIVE UPON DEPOSIT IN THE UNITED  
11 STATES MAIL, POSTAGE PREPAID, SENT TO THE PHYSICAL ADDRESS STATED  
12 IN THE CONTRACT; OR

13 (c) BY PERSONAL DELIVERY TO THE ROOFING CONTRACTOR, WHICH  
14 IS EFFECTIVE UPON DELIVERY.

15 (2) WITHIN TEN DAYS AFTER CANCELLATION OF A CONTRACT IN  
16 ACCORDANCE WITH SUBSECTION (1) OF THIS SECTION, THE ROOFING  
17 CONTRACTOR SHALL RETURN TO THE PERSON ANY PAYMENTS OR DEPOSITS  
18 MADE BY OR EVIDENCE OF INDEBTEDNESS OF THE PERSON IN CONNECTION  
19 WITH THE CONTRACT FOR ROOFING WORK ON THE RESIDENTIAL PROPERTY.

20 (3) NOTHING IN THIS SECTION PRECLUDES A ROOFING CONTRACTOR  
21 FROM RETAINING ALL OR A PORTION OF ANY PAYMENTS OR DEPOSITS MADE  
22 BY A PERSON TO COMPENSATE THE ROOFING CONTRACTOR FOR ROOFING  
23 WORK ACTUALLY PERFORMED ON THE RESIDENTIAL PROPERTY, BUT THE  
24 ROOFING CONTRACTOR MAY RETAIN ONLY AN AMOUNT REQUIRED TO  
25 COMPENSATE THE ROOFING CONTRACTOR FOR THE ACTUAL WORK  
26 PERFORMED.

27 **6-22-105. Waiver of insurance deductible prohibited.** (1) A

1 ROOFING CONTRACTOR THAT PERFORMS ROOFING WORK, THE PAYMENT  
2 FOR WHICH WILL BE MADE FROM THE PROCEEDS OF A PROPERTY OR  
3 CASUALTY INSURANCE POLICY ISSUED PURSUANT TO PART 1 OF ARTICLE 4  
4 OF TITLE 10, C.R.S., SHALL NOT ADVERTISE OR PROMISE TO PAY, WAIVE,  
5 OR REBATE ALL OR PART OF ANY INSURANCE DEDUCTIBLE APPLICABLE TO  
6 THE CLAIM FOR PAYMENT FOR ROOFING WORK ON THE COVERED  
7 RESIDENTIAL PROPERTY.

8 (2) IF A ROOFING CONTRACTOR VIOLATES SUBSECTION (1) OF THIS  
9 SECTION:

10 (a) THE INSURER TO WHOM THE INSURED SUBMITTED THE CLAIM  
11 FOR PAYMENT FOR THE ROOFING WORK IS NOT OBLIGATED TO CONSIDER  
12 THE ESTIMATE OF COSTS FOR THE ROOFING WORK PREPARED BY THE  
13 ROOFING CONTRACTOR; AND

14 (b) THE PERSON INSURED UNDER THE PROPERTY OR CASUALTY  
15 INSURANCE POLICY OR THE INSURER THAT ISSUED THE POLICY MAY BRING  
16 AN ACTION AGAINST THE ROOFING CONTRACTOR IN A COURT OF  
17 COMPETENT JURISDICTION TO RECOVER DAMAGES SUSTAINED BY THE  
18 INSURED OR INSURER AS A CONSEQUENCE OF THE VIOLATION.

19 (3) A ROOFING CONTRACTOR SOLICITING ROOFING SERVICES IN  
20 THIS STATE SHALL NOT CLAIM TO BE OR ACT AS A PUBLIC INSURANCE  
21 ADJUSTER ADJUSTING CLAIMS FOR LOSSES OR DAMAGES. NOTHING IN THIS  
22 ARTICLE PREVENTS A PUBLIC INSURANCE ADJUSTER LICENSED PURSUANT  
23 TO SECTION 10-2-417, C.R.S., FROM ACTING OR HOLDING HIMSELF OR  
24 HERSELF OUT AS A PUBLIC INSURANCE ADJUSTER.

25 **SECTION 2. Applicability.** The provisions of this act apply to  
26 roofing work performed on residential property in this state on or after the  
27 effective date of this act.

1           **SECTION 3. Safety clause.** The general assembly hereby finds,  
2 determines, and declares that this act is necessary for the immediate  
3 preservation of the public peace, health, and safety.