

Second Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 12-0365.01 Christy Chase x2008

**SENATE BILL 12-038**

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**SENATE SPONSORSHIP**

**Tochtrop,**

**HOUSE SPONSORSHIP**

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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.*

SENATE  
3rd Reading Unamended  
February 29, 2012

SENATE  
Amended 2nd Reading  
February 28, 2012

- ! The costs of the services;
- ! The roofing contractor's contact information;
- ! Identification of the roofing contractor's surety and liability coverage insurer and their contact information, if applicable;
- ! The roofing contractor's policy regarding cancellation of the contract and refund of any deposit, including a rescission clause allowing the client to rescind the contract and obtain a full refund of any deposit within 72 hours after entering the contract; and
- ! A written statement that if the client plans to use the proceeds of a property or casualty insurance policy to pay for the roofing work, the roofing contractor cannot pay, waive, rebate, or promise to pay, waive, or rebate all or part of any deductible applicable to the claim for payment for roofing work on the covered residential property.

A person who enters into a contract with a roofing contractor to perform roofing work on his or her residential property and who submits a claim to his or her property and casualty insurer for payment for the roofing work may rescind the contract for the roofing work if the insurer denies the claim in whole or in part, as long as the person notifies the roofing contractor within 72 hours after the claim is denied. The roofing contractor must refund any moneys paid by the customer within 10 days after receipt of the cancellation notice.

When residential roofing work will be paid from the proceeds of a property and casualty insurance policy covering the residential property, the roofing contractor is prohibited from paying, waiving, rebating, or offering or promising to pay, waive, or rebate all or part of any deductible that applies to the claim.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 22 to title  
3 6 as follows:

4 **ARTICLE 22**

5 **Roofing Services - Residential Property**

6 **6-22-101. Legislative declaration.** (1) THE GENERAL ASSEMBLY  
7 HEREBY DECLARES THAT THE PURPOSE OF ENACTING THIS ARTICLE IS TO  
8 PROTECT COLORADO CONSUMERS BY:

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

6 (b) REQUIRING ROOFING CONTRACTORS TO PERMIT PROPERTY  
7 OWNERS TO RESCIND A CONTRACT FOR THE PERFORMANCE OF ROOFING  
8 WORK AND OBTAIN A REFUND OF ANY DEPOSIT PAID TO THE ROOFING  
9 CONTRACTOR; 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 AN INSURANCE CLAIM MADE TO  
13 THE PROPERTY OWNER'S PROPERTY AND CASUALTY INSURER FOR PAYMENT  
14 FOR ROOFING WORK ON THE RESIDENTIAL PROPERTY COVERED BY A  
15 PROPERTY AND CASUALTY INSURANCE POLICY.

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

18 (1) "PROPERTY OWNER" MEANS THE OWNER OF RESIDENTIAL  
19 PROPERTY OR THE OWNER'S LEGAL REPRESENTATIVE.

20 (2) (a) "RESIDENTIAL PROPERTY" MEANS:

21 (I) A DETACHED, ONE- OR TWO-FAMILY DWELLING; OR

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

25 (b) "RESIDENTIAL PROPERTY" DOES NOT INCLUDE:

26 (I) A STRUCTURE COMPRISING MULTIPLE, ATTACHED  
27 SINGLE-FAMILY DWELLINGS, UNLESS MAINTENANCE, REPAIR, OR

1 REPLACEMENTS OF THE DWELLINGS' ROOF IS THE RESPONSIBILITY OF A  
2 CONDOMINIUM ASSOCIATION, HOMEOWNERS' ASSOCIATION, COMMON  
3 INTEREST COMMUNITY, UNIT OWNERS' ASSOCIATION, OR ANY OTHER  
4 ENTITY SUBJECT TO THE "COLORADO COMMON INTEREST OWNERSHIP  
5 ACT", ARTICLE 33.3 OF TITLE 38, C.R.S., REGARDLESS OF WHEN THE  
6 ENTITY WAS FORMED; OR

7 (II) NEW CONSTRUCTION.

8 (3) "ROOFING CONTRACTOR" MEANS:

9 (a) AN INDIVIDUAL OR SOLE PROPRIETORSHIP THAT PERFORMS  
10 ROOFING WORK OR ROOFING SERVICES IN THIS STATE FOR COMPENSATION;  
11 OR

12 (b) (I) A FIRM, PARTNERSHIP, CORPORATION, ASSOCIATION,  
13 BUSINESS TRUST, LIMITED LIABILITY COMPANY, OR OTHER LEGAL ENTITY  
14 THAT PERFORMS OR OFFERS TO PERFORM ROOFING WORK IN THIS STATE ON  
15 RESIDENTIAL PROPERTY FOR COMPENSATION.

16 (II) AS USED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (b),  
17 "ASSOCIATION" DOES NOT INCLUDE A CONDOMINIUM ASSOCIATION,  
18 HOMEOWNERS' ASSOCIATION, COMMON INTEREST COMMUNITY, UNIT  
19 OWNERS' ASSOCIATION, OR ANY OTHER ENTITY SUBJECT TO THE  
20 "COLORADO COMMON INTEREST OWNERSHIP ACT", ARTICLE 33.3 OF TITLE  
21 38, C.R.S., REGARDLESS OF WHEN THE ENTITY WAS FORMED.

22 (4) (a) "ROOFING WORK" OR "ROOFING SERVICES" MEANS THE  
23 CONSTRUCTION, RECONSTRUCTION, ALTERATION, MAINTENANCE, OR  
24 REPAIR OF A ROOF ON A RESIDENTIAL PROPERTY AND THE USE OF  
25 MATERIALS AND ITEMS IN THE CONSTRUCTION, RECONSTRUCTION,  
26 ALTERATION, MAINTENANCE, AND REPAIR OF ROOFING AND  
27 WATERPROOFING OF ROOFS, ALL IN A MANNER TO COMPLY WITH PLANS,

1 SPECIFICATIONS, CODES, LAWS, RULES, REGULATIONS, AND ROOFING  
2 INDUSTRY STANDARDS FOR WORKMANLIKE PERFORMANCE APPLICABLE TO  
3 THE CONSTRUCTION, RECONSTRUCTION, ALTERATION, MAINTENANCE, AND  
4 REPAIR OF ROOFS ON RESIDENTIAL PROPERTIES.

5 (b) "ROOFING WORK" OR "ROOFING SERVICES" DOES NOT INCLUDE  
6 ROOFING WORK OR SERVICES FOR WHICH THE COMPENSATION IS ONE  
7 THOUSAND DOLLARS OR LESS PER CONTRACT.

8 **6-22-103. Contracts for roofing services - writing required -**  
9 **required terms.** (1) PRIOR TO ENGAGING IN ANY ROOFING WORK, A  
10 ROOFING CONTRACTOR SHALL PROVIDE A WRITTEN CONTRACT TO THE  
11 PROPERTY OWNER, SIGNED BY BOTH THE ROOFING CONTRACTOR OR HIS OR  
12 HER DESIGNEE AND THE PROPERTY OWNER, STATING AT LEAST THE  
13 FOLLOWING TERMS:

14 (a) THE SCOPE OF ROOFING SERVICES AND MATERIALS TO BE  
15 PROVIDED;

16 (b) THE APPROXIMATE DATES OF SERVICE;

17 (c) THE APPROXIMATE COSTS OF THE SERVICES BASED ON  
18 DAMAGES KNOWN AT THE TIME THE CONTRACT IS ENTERED;

19 (d) THE ROOFING CONTRACTOR'S CONTACT INFORMATION,  
20 INCLUDING PHYSICAL ADDRESS, ELECTRONIC MAIL ADDRESS, TELEPHONE  
21 NUMBER, AND ANY OTHER CONTACT INFORMATION AVAILABLE FOR THE  
22 ROOFING CONTRACTOR;

23 (e) IDENTIFICATION OF THE ROOFING CONTRACTOR'S SURETY AND  
24 LIABILITY COVERAGE INSURER AND THEIR CONTACT INFORMATION, IF  
25 APPLICABLE;

26 (f) (I) THE ROOFING CONTRACTOR'S POLICY REGARDING  
27 CANCELLATION OF THE CONTRACT AND REFUND OF ANY DEPOSIT,

1 INCLUDING A RESCISSION CLAUSE ALLOWING THE PROPERTY OWNER TO  
2 RESCIND THE CONTRACT AND OBTAIN A FULL REFUND OF ANY DEPOSIT  
3 WITHIN SEVENTY-TWO HOURS AFTER ENTERING THE CONTRACT; AND

4 (II) A WRITTEN STATEMENT THAT THE PROPERTY OWNER MAY  
5 RESCIND A ROOFING CONTRACT PURSUANT TO SECTION 6-22-104; AND

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

14 (2) IN ADDITION TO THE CONTRACT TERMS REQUIRED IN  
15 SUBSECTION (1) OF THIS SECTION, A ROOFING CONTRACTOR SHALL  
16 INCLUDE, ON THE FACE OF THE CONTRACT, IN BOLD-FACED TYPE, A  
17 STATEMENT INDICATING THAT THE ROOFING CONTRACTOR SHALL HOLD IN  
18 TRUST ANY PAYMENT FROM THE PROPERTY OWNER UNTIL THE ROOFING  
19 CONTRACTOR HAS DELIVERED ROOFING MATERIALS AT THE RESIDENTIAL  
20 PROPERTY SITE OR HAS PERFORMED A MAJORITY OF THE ROOFING WORK ON  
21 THE RESIDENTIAL PROPERTY.

22 **6-22-104. Residential roofing contract - payment from**  
23 **insurance proceeds - right to rescind - return of payments.** (1) (a) A  
24 PROPERTY OWNER WHO ENTERS INTO A WRITTEN CONTRACT WITH A  
25 ROOFING CONTRACTOR TO PERFORM ROOFING WORK ON THE PROPERTY  
26 OWNER'S RESIDENTIAL PROPERTY, THE PAYMENT FOR WHICH WILL BE  
27 MADE FROM THE PROCEEDS OF A PROPERTY AND CASUALTY INSURANCE

1 POLICY ISSUED PURSUANT TO PART 1 OF ARTICLE 4 OF TITLE 10, C.R.S.,  
2 MAY RESCIND THE CONTRACT WITHIN SEVENTY-TWO HOURS AFTER THE  
3 PROPERTY OWNER RECEIVES WRITTEN NOTICE FROM THE PROPERTY AND  
4 CASUALTY INSURER THAT THE CLAIM FOR PAYMENT FOR ROOFING WORK  
5 ON THE RESIDENTIAL PROPERTY IS DENIED IN WHOLE OR IN PART. THE  
6 PROPERTY OWNER'S RIGHT OF RESCISSION UNDER THIS SUBSECTION (1)  
7 DOES NOT APPLY WHEN THE PROPERTY AND CASUALTY INSURER DENIES,  
8 IN WHOLE OR IN PART, A CLAIM RELATED TO A REQUEST FOR  
9 SUPPLEMENTAL ROOFING SERVICES IF THE DAMAGE REQUIRING THE  
10 SUPPLEMENTAL ROOFING SERVICES COULD NOT HAVE BEEN REASONABLY  
11 FORESEEN AS A NECESSARY AND RELATED ROOFING SERVICE AT THE TIME  
12 OF THE INITIAL ROOFING INSPECTION OR THE EXECUTION OF THE INITIAL  
13 ROOFING CONTRACT.

14 (b) THE PROPERTY OWNER SHALL GIVE WRITTEN NOTICE OF  
15 RESCISSION OF THE CONTRACT TO THE ROOFING CONTRACTOR AT THE  
16 PHYSICAL ADDRESS PROVIDED IN THE CONTRACT WITHIN SEVENTY-TWO  
17 HOURS AFTER HE OR SHE IS NOTIFIED OF THE DENIAL. THE PROPERTY  
18 OWNER MAY GIVE NOTICE OF RESCISSION OF THE CONTRACT:

19 (I) IN AN ELECTRONIC FORM, WHICH IS EFFECTIVE ON THE DATE OF  
20 THE ELECTRONIC TRANSMISSION;

21 (II) BY MAIL, WHICH IS EFFECTIVE UPON DEPOSIT IN THE UNITED  
22 STATES MAIL, POSTAGE PREPAID, SENT TO THE PHYSICAL ADDRESS STATED  
23 IN THE CONTRACT; OR

24 (III) BY PERSONAL DELIVERY TO THE ROOFING CONTRACTOR,  
25 WHICH IS EFFECTIVE UPON DELIVERY.

26 (2) WITHIN TEN DAYS AFTER RESCISSION OF A CONTRACT IN  
27 ACCORDANCE WITH SUBSECTION (1) OF THIS SECTION, THE ROOFING

1 CONTRACTOR SHALL RETURN TO THE PROPERTY OWNER ANY PAYMENTS OR  
2 DEPOSITS MADE BY OR EVIDENCE OF INDEBTEDNESS OF THE PROPERTY  
3 OWNER IN CONNECTION WITH THE CONTRACT FOR ROOFING WORK ON THE  
4 RESIDENTIAL PROPERTY.

5 (3) NOTHING IN THIS SECTION PRECLUDES A ROOFING CONTRACTOR  
6 FROM RETAINING ALL OR A PORTION OF ANY PAYMENTS OR DEPOSITS MADE  
7 BY A PROPERTY OWNER TO COMPENSATE THE ROOFING CONTRACTOR FOR  
8 ROOFING WORK ACTUALLY PERFORMED ON THE RESIDENTIAL PROPERTY IN  
9 A WORKMANLIKE MANNER CONSISTENT WITH STANDARD ROOFING  
10 INDUSTRY PRACTICES, BUT THE ROOFING CONTRACTOR MAY RETAIN ONLY  
11 AN AMOUNT REQUIRED TO COMPENSATE THE ROOFING CONTRACTOR FOR  
12 THE ACTUAL WORK PERFORMED.

13 (4) NOTHING IN THIS SECTION ABROGATES THE ROOFING  
14 CONTRACTOR'S RIGHT TO PURSUE COMMON LAW REMEDIES FOR THE  
15 REASONABLE VALUE OF ROOFING MATERIALS ORDERED AND ACTUALLY  
16 INSTALLED ON THE RESIDENTIAL PROPERTY PURSUANT TO A CONTRACT  
17 FOR ROOFING WORK BEFORE THE PROPERTY OWNER RESCINDED THE  
18 CONTRACT, AS LONG AS THE ROOFING CONTRACTOR PERFORMED THE  
19 ROOFING SERVICES CONSISTENT WITH ROOFING INDUSTRY STANDARDS FOR  
20 WORKMANLIKE PERFORMANCE OF ROOFING SERVICES.

21 (5) NOTHING IN THIS SECTION ABROGATES A PROPERTY AND  
22 CASUALTY INSURER'S DUTIES, RESPONSIBILITIES, OR LIABILITY UNDER  
23 SECTIONS 10-3-1115 AND 10-3-1116, C.R.S.

24 **6-22-105. Waiver of insurance deductible prohibited.** (1) A  
25 ROOFING CONTRACTOR THAT PERFORMS ROOFING WORK, THE PAYMENT  
26 FOR WHICH WILL BE MADE FROM THE PROCEEDS OF A PROPERTY AND  
27 CASUALTY INSURANCE POLICY ISSUED PURSUANT TO PART 1 OF ARTICLE 4



1 OF TITLE 10, C.R.S., SHALL NOT ADVERTISE OR PROMISE TO PAY, WAIVE,  
2 OR REBATE ALL OR PART OF ANY INSURANCE DEDUCTIBLE APPLICABLE TO  
3 THE CLAIM FOR PAYMENT FOR ROOFING WORK ON THE COVERED  
4 RESIDENTIAL PROPERTY.

5 (2) IF A ROOFING CONTRACTOR VIOLATES SUBSECTION (1) OF THIS  
6 SECTION:

7 (a) THE INSURER TO WHOM THE PROPERTY OWNER SUBMITTED THE  
8 CLAIM FOR PAYMENT FOR THE ROOFING WORK IS NOT OBLIGATED TO  
9 CONSIDER THE ESTIMATE OF COSTS FOR THE ROOFING WORK PREPARED BY  
10 THE ROOFING CONTRACTOR; AND

11 (b) THE PROPERTY OWNER WHOSE RESIDENTIAL PROPERTY IS  
12 INSURED UNDER THE PROPERTY AND CASUALTY INSURANCE POLICY OR THE  
13 INSURER THAT ISSUED THE POLICY MAY BRING AN ACTION AGAINST THE  
14 ROOFING CONTRACTOR IN A COURT OF COMPETENT JURISDICTION TO  
15 RECOVER DAMAGES SUSTAINED BY THE PROPERTY OWNER OR INSURER AS  
16 A CONSEQUENCE OF THE VIOLATION.

17 (3) A ROOFING CONTRACTOR SOLICITING ROOFING SERVICES IN  
18 THIS STATE SHALL NOT CLAIM TO BE OR ACT AS A PUBLIC INSURANCE  
19 ADJUSTER ADJUSTING CLAIMS FOR LOSSES OR DAMAGES. NOTHING IN THIS  
20 ARTICLE PREVENTS A PUBLIC INSURANCE ADJUSTER LICENSED PURSUANT  
21 TO SECTION 10-2-417, C.R.S., FROM ACTING OR HOLDING HIMSELF OR  
22 HERSELF OUT AS A PUBLIC INSURANCE ADJUSTER. NOTHING IN THIS  
23 SUBSECTION (3) PRECLUDES A ROOFING CONTRACTOR FROM DISCUSSING,  
24 ON BEHALF OF THE PROPERTY OWNER, THE SCOPE OF REPAIRS WITH A  
25 PROPERTY AND CASUALTY INSURER WHEN THE ROOFING CONTRACTOR HAS  
26 A VALID CONTRACT WITH THE PROPERTY OWNER OF THE RESIDENTIAL  
27 PROPERTY ON WHICH THE ROOFING CONTRACTOR HAS CONTRACTED TO

1     PERFORM ROOFING WORK.

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

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