

**Second Regular Session  
Sixty-eighth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

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 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 MULTIPLE ATTACHED SINGLE-FAMILY DWELLING  
27 CONTROLLED BY A HOMEOWNERS' ASSOCIATION; OR

1           (II) NEW CONSTRUCTION.

2           (3) "ROOFING CONTRACTOR" MEANS:

3           (a) AN INDIVIDUAL OR SOLE PROPRIETORSHIP THAT PERFORMS  
4 ROOFING WORK OR ROOFING SERVICES IN THIS STATE FOR COMPENSATION;  
5 OR

6           (b) A FIRM, PARTNERSHIP, CORPORATION, ASSOCIATION, BUSINESS  
7 TRUST, LIMITED LIABILITY COMPANY, OR OTHER LEGAL ENTITY THAT  
8 PERFORMS OR OFFERS TO PERFORM ROOFING WORK IN THIS STATE ON  
9 RESIDENTIAL PROPERTY FOR COMPENSATION.

10          (4) (a) "ROOFING WORK" OR "ROOFING SERVICES" MEANS THE  
11 CONSTRUCTION, RECONSTRUCTION, ALTERATION, MAINTENANCE, OR  
12 REPAIR OF A ROOF ON A RESIDENTIAL PROPERTY AND THE USE OF  
13 MATERIALS AND ITEMS IN THE CONSTRUCTION, RECONSTRUCTION,  
14 ALTERATION, MAINTENANCE, AND REPAIR OF ROOFING AND  
15 WATERPROOFING OF ROOFS, ALL IN A MANNER TO COMPLY WITH PLANS,  
16 SPECIFICATIONS, CODES, LAWS, RULES, REGULATIONS, AND ROOFING  
17 INDUSTRY STANDARDS FOR WORKMANLIKE PERFORMANCE APPLICABLE TO  
18 THE CONSTRUCTION, RECONSTRUCTION, ALTERATION, MAINTENANCE, AND  
19 REPAIR OF ROOFS ON RESIDENTIAL PROPERTIES.

20          (b) "ROOFING WORK" OR "ROOFING SERVICES" DOES NOT INCLUDE  
21 ROOFING WORK OR SERVICES FOR WHICH THE COMPENSATION IS ONE  
22 THOUSAND DOLLARS OR LESS PER CONTRACT.

23           **6-22-103. Contracts for roofing services - writing required -**  
24 **required terms.** (1) PRIOR TO ENGAGING IN ANY ROOFING WORK, A  
25 ROOFING CONTRACTOR SHALL PROVIDE A WRITTEN CONTRACT TO THE  
26 PROPERTY OWNER, SIGNED BY BOTH THE ROOFING CONTRACTOR OR HIS OR  
27 HER DESIGNEE AND THE PROPERTY OWNER, STATING AT LEAST THE

1 FOLLOWING TERMS:

2 (a) THE SCOPE OF ROOFING SERVICES AND MATERIALS TO BE  
3 PROVIDED;

4 (b) THE APPROXIMATE DATES OF SERVICE;

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

7 (d) THE ROOFING CONTRACTOR'S CONTACT INFORMATION,  
8 INCLUDING PHYSICAL ADDRESS, ELECTRONIC MAIL ADDRESS, TELEPHONE  
9 NUMBER, AND ANY OTHER CONTACT INFORMATION AVAILABLE FOR THE  
10 ROOFING CONTRACTOR;

11 (e) IDENTIFICATION OF THE ROOFING CONTRACTOR'S SURETY AND  
12 LIABILITY COVERAGE INSURER AND THEIR CONTACT INFORMATION, IF  
13 APPLICABLE;

14 (f) (I) THE ROOFING CONTRACTOR'S POLICY REGARDING  
15 CANCELLATION OF THE CONTRACT AND REFUND OF ANY DEPOSIT,  
16 INCLUDING A RESCISSION CLAUSE ALLOWING THE PROPERTY OWNER TO  
17 RESCIND THE CONTRACT AND OBTAIN A FULL REFUND OF ANY DEPOSIT  
18 WITHIN SEVENTY-TWO HOURS AFTER ENTERING THE CONTRACT; AND

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

21 (g) A WRITTEN STATEMENT THAT IF THE PROPERTY OWNER PLANS  
22 TO USE THE PROCEEDS OF A PROPERTY AND CASUALTY INSURANCE POLICY  
23 ISSUED PURSUANT TO PART 1 OF ARTICLE 4 OF TITLE 10, C.R.S., TO PAY  
24 FOR THE ROOFING WORK, PURSUANT TO SECTION 6-22-105, THE ROOFING  
25 CONTRACTOR CANNOT PAY, WAIVE, REBATE, OR PROMISE TO PAY, WAIVE,  
26 OR REBATE ALL OR PART OF ANY INSURANCE DEDUCTIBLE APPLICABLE TO  
27 THE INSURANCE CLAIM FOR PAYMENT FOR ROOFING WORK ON THE

1 COVERED RESIDENTIAL PROPERTY.

2 (2) IN ADDITION TO THE CONTRACT TERMS REQUIRED IN  
3 SUBSECTION (1) OF THIS SECTION, A ROOFING CONTRACTOR SHALL  
4 INCLUDE, ON THE FACE OF THE CONTRACT, IN BOLD-FACED TYPE, A  
5 STATEMENT INDICATING THAT THE ROOFING CONTRACTOR SHALL HOLD IN  
6 TRUST ANY PAYMENT FROM THE PROPERTY OWNER UNTIL THE ROOFING  
7 CONTRACTOR HAS DELIVERED ROOFING MATERIALS AT THE RESIDENTIAL  
8 PROPERTY SITE OR HAS PERFORMED A MAJORITY OF THE ROOFING WORK ON  
9 THE RESIDENTIAL PROPERTY.

10 **6-22-104. Residential roofing contract - payment from**  
11 **insurance proceeds - right to rescind - return of payments.** (1) A  
12 PROPERTY OWNER WHO ENTERS INTO A WRITTEN CONTRACT WITH A  
13 ROOFING CONTRACTOR TO PERFORM ROOFING WORK ON THE PROPERTY  
14 OWNER'S RESIDENTIAL PROPERTY, THE PAYMENT FOR WHICH WILL BE  
15 MADE FROM THE PROCEEDS OF A PROPERTY AND CASUALTY INSURANCE  
16 POLICY ISSUED PURSUANT TO PART 1 OF ARTICLE 4 OF TITLE 10, C.R.S.,  
17 MAY RESCIND THE CONTRACT WITHIN SEVENTY-TWO HOURS AFTER THE  
18 PROPERTY OWNER RECEIVES WRITTEN NOTICE FROM THE PROPERTY AND  
19 CASUALTY INSURER THAT THE CLAIM FOR PAYMENT FOR ROOFING WORK  
20 ON THE RESIDENTIAL PROPERTY IS DENIED IN WHOLE OR IN PART. THE  
21 PROPERTY OWNER SHALL GIVE WRITTEN NOTICE OF RESCISSION OF THE  
22 CONTRACT TO THE ROOFING CONTRACTOR AT THE PHYSICAL ADDRESS  
23 PROVIDED IN THE CONTRACT WITHIN SEVENTY-TWO HOURS AFTER HE OR  
24 SHE IS NOTIFIED OF THE DENIAL. THE PROPERTY OWNER MAY GIVE NOTICE  
25 OF RESCISSION OF THE CONTRACT:

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

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

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

6 (2) WITHIN TEN DAYS AFTER RESCISSION OF A CONTRACT IN  
7 ACCORDANCE WITH SUBSECTION (1) OF THIS SECTION, THE ROOFING  
8 CONTRACTOR SHALL RETURN TO THE PROPERTY OWNER ANY PAYMENTS OR  
9 DEPOSITS MADE BY OR EVIDENCE OF INDEBTEDNESS OF THE PROPERTY  
10 OWNER IN CONNECTION WITH THE CONTRACT FOR ROOFING WORK ON THE  
11 RESIDENTIAL PROPERTY.

12 (3) NOTHING IN THIS SECTION PRECLUDES A ROOFING CONTRACTOR  
13 FROM RETAINING ALL OR A PORTION OF ANY PAYMENTS OR DEPOSITS MADE  
14 BY A PROPERTY OWNER TO COMPENSATE THE ROOFING CONTRACTOR FOR  
15 ROOFING WORK ACTUALLY PERFORMED ON THE RESIDENTIAL PROPERTY IN  
16 A WORKMANLIKE MANNER CONSISTENT WITH STANDARD ROOFING  
17 INDUSTRY PRACTICES, BUT THE ROOFING CONTRACTOR MAY RETAIN ONLY  
18 AN AMOUNT REQUIRED TO COMPENSATE THE ROOFING CONTRACTOR FOR  
19 THE ACTUAL WORK PERFORMED.

20 (4) NOTHING IN THIS SECTION ABROGATES THE ROOFING  
21 CONTRACTOR'S RIGHT TO PURSUE COMMON LAW REMEDIES FOR THE  
22 REASONABLE VALUE OF ROOFING MATERIALS ORDERED AND ACTUALLY  
23 INSTALLED ON THE RESIDENTIAL PROPERTY PURSUANT TO A CONTRACT  
24 FOR ROOFING WORK BEFORE THE PROPERTY OWNER RESCINDED THE  
25 CONTRACT, AS LONG AS THE ROOFING CONTRACTOR PERFORMED THE  
26 ROOFING SERVICES CONSISTENT WITH ROOFING INDUSTRY STANDARDS FOR  
27 WORKMANLIKE PERFORMANCE OF ROOFING SERVICES.

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

4           **6-22-105. Waiver of insurance deductible prohibited.** (1) A  
5 ROOFING CONTRACTOR THAT PERFORMS ROOFING WORK, THE PAYMENT  
6 FOR WHICH WILL BE MADE FROM THE PROCEEDS OF A PROPERTY AND  
7 CASUALTY INSURANCE POLICY ISSUED PURSUANT TO PART 1 OF ARTICLE 4  
8 OF TITLE 10, C.R.S., SHALL NOT ADVERTISE OR PROMISE TO PAY, WAIVE,  
9 OR REBATE ALL OR PART OF ANY INSURANCE DEDUCTIBLE APPLICABLE TO  
10 THE CLAIM FOR PAYMENT FOR ROOFING WORK ON THE COVERED  
11 RESIDENTIAL PROPERTY.

12           (2) IF A ROOFING CONTRACTOR VIOLATES SUBSECTION (1) OF THIS  
13 SECTION:

14           (a) THE INSURER TO WHOM THE PROPERTY OWNER SUBMITTED THE  
15 CLAIM FOR PAYMENT FOR THE ROOFING WORK IS NOT OBLIGATED TO  
16 CONSIDER THE ESTIMATE OF COSTS FOR THE ROOFING WORK PREPARED BY  
17 THE ROOFING CONTRACTOR; AND

18           (b) THE PROPERTY OWNER WHOSE RESIDENTIAL PROPERTY IS  
19 INSURED UNDER THE PROPERTY AND CASUALTY INSURANCE POLICY OR THE  
20 INSURER THAT ISSUED THE POLICY MAY BRING AN ACTION AGAINST THE  
21 ROOFING CONTRACTOR IN A COURT OF COMPETENT JURISDICTION TO  
22 RECOVER DAMAGES SUSTAINED BY THE PROPERTY OWNER OR INSURER AS  
23 A CONSEQUENCE OF THE VIOLATION.

24           (3) A ROOFING CONTRACTOR SOLICITING ROOFING SERVICES IN  
25 THIS STATE SHALL NOT CLAIM TO BE OR ACT AS A PUBLIC INSURANCE  
26 ADJUSTER ADJUSTING CLAIMS FOR LOSSES OR DAMAGES. NOTHING IN THIS  
27 ARTICLE PREVENTS A PUBLIC INSURANCE ADJUSTER LICENSED PURSUANT



1 TO SECTION 10-2-417, C.R.S., FROM ACTING OR HOLDING HIMSELF OR  
2 HERSELF OUT AS A PUBLIC INSURANCE ADJUSTER. NOTHING IN THIS  
3 SUBSECTION (3) PRECLUDES A ROOFING CONTRACTOR FROM DISCUSSING,  
4 ON BEHALF OF THE PROPERTY OWNER, THE SCOPE OF REPAIRS WITH A  
5 PROPERTY AND CASUALTY INSURER WHEN THE ROOFING CONTRACTOR HAS  
6 A VALID CONTRACT WITH THE PROPERTY OWNER OF THE RESIDENTIAL  
7 PROPERTY ON WHICH THE ROOFING CONTRACTOR HAS CONTRACTED TO  
8 PERFORM ROOFING WORK.

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

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