

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

H

2

HOUSE BILL 643  
Committee Substitute Favorable 4/20/15

Short Title: Roofing Contractors/Consumer Protection. (Public)

Sponsors:

Referred to:

April 14, 2015

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE CONSUMER PROTECTIONS RELATED TO ROOFING REPAIR  
3 CONTRACTORS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Chapter 75 of the General Statutes is amended by adding a new  
6 Article to read:

7 "Article 9.

8 "Roofing Repair Contractors.

9 "**§ 75-150. Definitions.**

10 The following definitions apply in this Article:

- 11 (1) Consumer. – The person hiring a roofing repair contractor, including the  
12 property owner, person in legal possession of the property, or any agent  
13 thereof, including the State and any of its political subdivisions.
- 14 (2) Emergency services. – Any repair needed as the result of a serious,  
15 unexpected, or dangerous situation that requires immediate action.
- 16 (3) Roofing repair. – Repairs to an existing roofing system with an estimated  
17 cost of more than seven hundred fifty dollars (\$750.00), including a total  
18 replacement of the existing roofing system.
- 19 (4) Roofing repair contractor. – A person engaged in the business of residential  
20 roofing services in North Carolina for a fee or who offers to engage in or  
21 solicits roofing-related services, including construction, installation,  
22 renovation, repair, maintenance, alteration, or waterproofing. The term shall  
23 not include any of the following:
- 24 a. A licensed general contractor.
- 25 b. A person engaged in the demolition of a structure or the cleanup of  
26 construction waste and debris that contains roofing material.
- 27 c. A person working under the direct supervision of a roofing repair  
28 contractor who is hired either as an employee, day laborer, or  
29 contract laborer.
- 30 d. A person providing roofing-related services as a subcontractor,  
31 regardless of tier, under a licensed North Carolina general contractor.

32 "**§ 75-151. Construction of Article.**

33 The requirements of this Article shall be construed to be in addition to, and not in lieu of,  
34 any required licensure of persons for certain professions and trades in this State. This Article  
35 shall not be deemed to conflict with or affect the authority of any State or local agency, board,  
36 or commission whose duty and authority is to administer or enforce any law or ordinance or to



1 establish, administer, or enforce any policy, rule, qualification, or standard for any trade or  
2 profession.

3 "§ 75-152. Reserved.

4 "§ 75-153. Written contract required.

5 (a) All contracts for roofing repair shall be in writing. The written contract shall contain  
6 at least all of the following:

7 (1) The name, mailing address, physical address if different from the mailing  
8 address, and phone number of the roofing contractor. If the roofing  
9 contractor uses e-mail for business purposes, the contract shall also include  
10 that e-mail address.

11 (2) The name of the consumer.

12 (3) The physical location of the property subject to the roofing repair, and a  
13 brief description of the structure to be repaired.

14 (4) Include a copy of a repair estimate that addresses all of the following  
15 disclosures:

16 a. A precise description and location of all damage claimed on the  
17 repair estimate.

18 b. An itemized estimate of repair costs, including the cost of raw  
19 materials, hourly labor rate, and the number of hours for each item of  
20 repair or a unit cost basis.

21 c. If any damaged areas are not included on the repair estimate, a  
22 specification of those damaged areas and all reasons for the exclusion  
23 from the repair estimate.

24 d. A statement as to whether or not the property was inspected in any  
25 manner prior to the preparation of the estimate, and a description of  
26 the nature of that inspection if an inspection was done, including a  
27 statement of whether or not the roof was physically accessed.

28 (5) Be written in the same language as that principally used in the sales  
29 presentation, oral or otherwise, to the consumer.

30 (6) Clearly indicate the date on which the consumer actually signs the contract.

31 (7) Include a statement indicating that the roofing repair contractor shall hold in  
32 trust any payment from the consumer until the roofing repair contractor has  
33 delivered roofing materials at the property site or has performed a majority  
34 of the roofing work on the property, whichever occurs first.

35 (b) Any written contract for roofing repairs for which the consumer anticipates the  
36 proceeds of any insurance policy will be used to pay, in whole or in part, to pay for  
37 performance under the contract and the roofing repair contractor is aware of the source of the  
38 funds to pay for performance under the contract, shall also include all of the following:

39 (1) A disclosure that the consumer is responsible for payment for any work  
40 performed if the insurer should deny payment or coverage on any part of the  
41 loss.

42 (2) A statement that the roofing repair contractor has made no assurances that  
43 the claimed loss will be covered by an insurance policy.

44 (3) In immediate proximity to the space reserved for the signature of the  
45 consumer, in bold-face type of a minimum size of 10 points, a statement in  
46 substantially the following form:

47  
48 "You may cancel this contract or transaction at any time prior to midnight of  
49 the third business day after you have received written notification from your  
50 insurer that all or any part of the claim or contract is not a covered loss under

1 the insurance policy. See the attached Notice of Cancellation form for an  
 2 explanation of this right."

3  
 4 (4) A separate document as an attachment, which is easily detachable and is a  
 5 form in duplicate that is captioned "Notice of Cancellation." The notice of  
 6 cancellation form shall contain, in 10-point bold-face type, the following  
 7 information and statements in the same language as that used in the contract:

8  
 9 "Notice of Cancellation  
 10 (enter date of transaction)  
 11 (date)

12  
 13 On (enter date of notice), I have received notice from my insurer that all or  
 14 any part of my insurance claim will not be a covered loss under the  
 15 insurance policy, and I hereby cancel our contract for roofing. I request that  
 16 all payments made by me under our roofing repair contract to be returned to  
 17 me within 10 business days following your receipt of this cancellation  
 18 notice. I also request that any security interest arising out of the transaction  
 19 be cancelled.

20  
 21 I HEREBY CANCEL THIS TRANSACTION

22  
 23 \_\_\_\_\_  
 24 (date)

25 \_\_\_\_\_  
 26 (consumer's signature)"

27 **"§ 75-154-156. Reserved.**

28 **"§ 75-157. Limited right to cancel contract if not covered by insurance.**

29 (a) Right to Cancel. – A consumer who has entered into a written contract for roofing  
 30 repair with a roofing repair contractor to provide materials, labor, or services to be paid from  
 31 the proceeds of an insurance policy may cancel the written contract at any time prior to  
 32 midnight of the third business day after the consumer has received written notification from the  
 33 insurer that the insurer will not be paying a claim for the roofing repair under the insurance  
 34 policy covering the property subject to the roofing repair.

35 (b) Procedure for Cancellation. – Cancellation shall be evidenced by the consumer  
 36 giving written notice of cancellation to the roofing repair contractor at the mailing, physical, or  
 37 e-mail address stated in the contract. Notice of cancellation, if delivered to the mailing address  
 38 provided by the roofing repair contractor, is effective upon deposit into the United States mail,  
 39 postage prepaid, and properly addressed to the roofing repair contractor. Notice of cancellation  
 40 need not be on the form required to be attached to the written contract under G.S. 75-153(b) or  
 41 take a particular form. The notice of cancellation is sufficient if it indicates, by any form of  
 42 written expression, the intention of the consumer not to be bound by the contract and provides  
 43 information as to when the consumer received notice from the insurer of failure to pay.

44 (c) Refund of Payments to Consumer. – Within 10 days after a contract for roofing  
 45 repairs has been cancelled, the roofing repair contractor shall tender to the consumer any  
 46 payments, partial payments, or deposits made by the consumer and cancel any note or other  
 47 evidence of indebtedness.

48 (d) Emergency Services. – If the roofing repair contractor has performed any  
 49 emergency services, acknowledged by the consumer in writing to be necessary to prevent  
 50 further damage to the premises, the roofing repair contractor is entitled to the reasonable value  
 51 of such emergency services. Any provision in a written contract for roofing repairs that in the

1 event of cancellation requires the payment of any fee for anything except emergency services  
2 shall constitute a violation of G.S. 75-1.1 and shall not be enforceable against any consumer  
3 who has cancelled a contract under this section.

4 **"§ 75-158-159. Reserved.**

5 **"§ 75-160. Prohibited conduct.**

6 (a) A roofing repair contractor shall not do any of the following:

7 (1) Advertise or otherwise promise or offer to pay, or pay, all or any portion of  
8 any insurance deductible as an inducement to the sale of any materials,  
9 labor, and or services.

10 (2) Offer, or provide, any upgraded work, material, or product, grant any  
11 allowance or offer any discount against the fees to be charged, or pay the  
12 consumer any form of compensation, gift, prize, bonus, coupon, credit,  
13 referral fee, trade-in or trade-in payment, advertising, or other fee or  
14 payment as an inducement to the sale of any materials, labor, or services.

15 (3) Offer, or provide, anything of value in exchange for permitting the roofing  
16 repair contractor to display a sign or any other type of advertisement at the  
17 consumer's premises.

18 (4) With respect to any insurance claim in connection with the repair or  
19 replacement of roof systems, or the performance of any other exterior repair,  
20 replacement, construction, or reconstruction work, do any of the following:

21 a. Seek to obtain, or obtain, a power of attorney from or on behalf of a  
22 consumer.

23 b. Offer to report or adjust a claim on behalf of a consumer.

24 c. Represent or negotiate, obtain, or attempt to obtain, an assignment of  
25 claims, rights, benefits, or proceeds from or on behalf of a consumer.

26 d. Offer or advertise to represent or negotiate, obtain, or attempt to  
27 obtain an assignment of claims, rights, benefits, or proceeds.

28 (b) An adjuster as defined in G.S. 58-33-10(2) or a public adjuster as defined in  
29 G.S. 58-33A-5(7) shall not act as a roofing repair contractor.

30 **"§ 75-161-165. Reserved.**

31 **"§ 75-166. Violations an unfair and deceptive trade practice.**

32 A violation of this Article shall constitute an unfair and deceptive trade practice under  
33 G.S. 75-1.1."

34 **SECTION 2.** This act becomes effective October 1, 2016, and applies to contracts  
35 for roofing repair entered into on or after that date.