

**As Introduced**

**132nd General Assembly  
Regular Session  
2017-2018**

**S. B. No. 115**

**Senators Bacon, Hackett**

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**A BILL**

To enact sections 4740.20, 4740.21, 4740.22, 1  
4740.23, 4740.24, 4740.25, 4740.26, 4740.27, and 2  
4740.28 of the Revised Code to require the 3  
registration of roofing contractors. 4

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 4740.20, 4740.21, 4740.22, 5  
4740.23, 4740.24, 4740.25, 4740.26, 4740.27, and 4740.28 of the 6  
Revised Code be enacted to read as follows: 7

**Sec. 4740.20.** As used in sections 4740.20 to 4740.28 of 8  
the Revised Code: 9

(A) "Board" means the Ohio construction industry licensing 10  
board. 11

(B) "Consumer" means any individual seeking the services 12  
of a roofing contractor. 13

(C) "Contract" includes the entire cost of the 14  
construction undertaking, including labor, materials, rentals, 15  
and all direct and indirect project expenses. 16

(D) "Person" includes any individual, partnership, 17  
corporation, business, trust, or other legal entity. 18

(E) "Roofing contract" means a contract issued under sections 4740.20 to 4740.28 of the Revised Code to provide roofing, gutter, downspout, and siding services. 19  
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(F) "Roofing contractor" means a person who has a certificate of registration under sections 4740.20 to 4740.28 of the Revised Code. 22  
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(G) "Roofing, gutter, downspout, and siding services" means the installation, renovation, repair, maintenance, alteration, or waterproofing of any roof, gutter, downspout, or siding product with regard to a residential premises. 25  
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**Sec. 4740.21.** (A) Sections 4740.20 to 4740.28 of the Revised Code shall apply to any person seeking to provide roofing, gutter, downspout, and siding services, including any nonresident contractor, independent contractor, day laborer, or subcontractor. 29  
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(B) Any roofing contract for an amount greater than seven hundred fifty dollars shall be in writing and shall include all of the following documentation and information: 34  
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(1) The complete agreement between the consumer and the roofing contractor, with a clear description of any other documents that are or will be incorporated into the contract; 37  
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(2) (a) The roofing contractor's full legal name, business names, principal address, telephone number, electronic mail address, if available, and registration number issued pursuant to section 4740.24 of the Revised Code; 40  
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(b) A post office box shall not be considered a roofing contractor's principal address. 44  
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(3) The name of the consumer's insurer, if applicable; 46

(4) A description of insurance coverage obtained by the roofing contractor as required by section 4740.25 of the Revised Code, including the insurance policy limits and the name of the insurer; 47  
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(5) An itemized description of the work to be done and the materials to be used in performance of the contract; 51  
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(6) The total itemized amount agreed to be paid for the work to be performed under the contract, including all change orders and work orders; 53  
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(7) (a) A description of who will be performing the work, including any subcontractors, independent contractors, day laborers, and any others meeting the definition of roofing contractor; 56  
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(b) For each individual or entity listed under division (B) (7) (a) of this section, the roofing contractor shall provide all of the following information: 60  
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(i) Full legal name of the individual or business name of the entity, as applicable; 63  
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(ii) Principal address, except a post office box shall not be considered a principal address; 65  
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(iii) Telephone number; 67

(iv) Electronic mail address, if available; 68

(v) Roofing contractor registration number issued pursuant to section 4740.24 of the Revised Code. 69  
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(8) An approximation of the cost expected to be borne by the consumer, if some or all of the cost will be paid for by the consumer's insurer; 71  
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(9) A provision allowing payment to be made by cash, 74  
check, or credit card, at the consumer's discretion; 75

(10) The signatures of all persons party to the contract; 76

(11) In immediate proximity to the space reserved for the 77  
signature of the consumer in boldface type of a minimum size of 78  
ten points, a statement in substantially the following form: 79

"You may cancel this contract at any time within three 80  
business days of entering into this contract with your 81  
contractor. If this contract is related to an insurance claim, 82  
you may also cancel the contract with your contractor within 83  
three business days of being notified that your insurer has 84  
denied all or any part of a claim or loss related to the 85  
contract. See the attached notice of cancellation form for an 86  
explanation of this right." 87

(C) A roofing contract shall be accompanied by a fully 88  
completed form in duplicate, captioned "NOTICE OF CANCELLATION," 89  
which shall be attached to the contract but easily detachable, 90  
and that shall contain, in boldface type of a minimum size of 91  
ten points, the following statement: 92

"NOTICE OF CANCELLATION 93

You may cancel this contract at any time within three 94  
business days of entering into the contract with your 95  
contractor. If this contract is in relation to an insurance 96  
claim, you may also cancel the contract with your contractor 97  
within three business days of being notified that your insurer 98  
has denied all or any part of your claim or loss. You may cancel 99  
the contract by mailing or delivering a signed and dated copy of 100  
this cancellation notice or any other written notice to (name of 101  
roofing contractor) at (address of roofing contractor's place of 102

business) at any time within three business days of receiving 103  
such notice from your insurer. You may also send a cancellation 104  
notice through electronic mail. If you cancel, any payments made 105  
by you under the contract will be returned to you, less a 106  
reasonable charge for services and materials provided, within 107  
ten business days following receipt by the contractor of your 108  
cancellation notice, and any security interest arising out of 109  
the transaction will be canceled. You shall retain a copy of the 110  
notice of cancellation that is transmitted to the contractor. 111

I HEREBY CANCEL THIS TRANSACTION 112

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(Date) 114

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(Signature)" 116

(D) At the time of signing of a roofing contract, the 117  
roofing contractor shall provide to the consumer a copy of the 118  
contract signed by both the contractor and the consumer. No work 119  
shall begin prior to the signing of the contract and transmittal 120  
to the consumer of a copy of the contract. 121

**Sec. 4740.22. (A) (1) A consumer has the right to rescind a** 122  
**roofing contract within three business days after the consumer** 123  
**signs the contract.** 124

(2) A consumer who has entered into a written contract 125  
with a roofing contractor to provide goods or services to be 126  
paid from the proceeds of a property or casualty insurance 127  
policy claim may also cancel the contract at any time prior to 128  
midnight of the third business day after he or she has received 129  
written notification from the insurer that all or any part of 130

the claim in question is not covered under the insurance policy. 131

(B) (1) Cancellation shall be evidenced by the consumer 132  
giving written notice of cancellation to the roofing contractor 133  
at the physical or electronic mail address stated in the 134  
contract. 135

(2) Notice of cancellation, if given by physical mail 136  
shall be effective upon deposit into the United States mail, 137  
postage prepaid, and properly addressed to the roofing 138  
contractor. 139

(3) Notice of cancellation need not take a particular form 140  
and shall be sufficient if it indicates, by any form of written 141  
expression, the intention of the consumer not to be bound by the 142  
contract. The consumer shall retain a copy of the cancellation 143  
notice. 144

**Sec. 4740.23.** Within ten days after a roofing contract has 145  
been canceled, the roofing contractor shall tender to the 146  
consumer or possessor of the residential premises in question 147  
any payments, partial payments, or deposits made by the consumer 148  
and any note of indebtedness. If, however, the contractor has 149  
performed services or provided materials that have been 150  
acknowledged by the consumer in writing, the contractor shall be 151  
entitled to the reasonable value of such services or materials. 152

**Sec. 4740.24.** (A) On or after thirty days after the 153  
effective date of this section, no person shall undertake, offer 154  
to undertake, or agree to perform roofing, gutter, downspout, or 155  
siding services unless that person is registered with and 156  
approved by the Ohio construction industry licensing board as a 157  
roofing contractor. 158

(B) On or after thirty days after the effective date of 159

this section, any person who does not possess a certificate of registration from the board but who is a party to a preexisting contract to perform roofing, gutter, downspout, and siding services, shall be entitled to complete the preexisting roofing contract. 160  
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(C) A person seeking to be registered as a roofing contractor shall submit an application to the board containing all of the following information: 165  
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(1) The applicant's name, home address, business address, telephone number, electronic mail address, web site address, and social security number; 168  
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(2) The name and addresses of any and all affiliates, subsidiaries, partners, or trustees of the applicant, including, in the case of corporate entities, the names and addresses of any and all officers, directors, and principal shareholders; 171  
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(3) A statement of whether the applicant has ever been previously registered in the state as a roofing contractor, under what other names the applicant was previously registered, whether there have been previous judgments or arbitration awards against the applicant, and whether that registration has ever been suspended or revoked. 175  
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(D) If requested, the applicant shall furnish the board with proof of insurance as described in section 4740.25 of the Revised Code. 181  
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(E) (1) The board may charge a fee for registering a roofing contractor under this section. The board shall adopt rules setting the registration fee at an amount not to exceed one hundred dollars. 184  
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(2) If the board requires periodic renewal of the 188

registration, the board shall adopt rules setting the 189  
registration renewal fee at an amount not to exceed two hundred 190  
dollars. 191

(3) Any fees collected under this section shall be used 192  
for the purpose of administering sections 4740.20 to 4740.28 of 193  
the Revised Code. 194

(F)(1) The board may deny, restrict, suspend, or revoke 195  
the registration of a roofing contractor, or refuse to register 196  
an applicant, if the board finds that any of the following apply 197  
to the contractor or applicant: 198

(a) Employed the use of fraud, deceit, or 199  
misrepresentation in the registration process; 200

(b) Practiced or attempted to practice roofing, gutter, 201  
downspout, or siding services by fraudulent misrepresentation; 202

(c) Committed an act of gross malpractice or incompetence; 203

(d) Has been convicted of or pleaded guilty to a crime 204  
that indicates that the person is unfit or incompetent to 205  
practice as a roofing contractor, or that indicates that the 206  
person has deceived or defrauded the public, as set forth by the 207  
board in rule; 208

(e) Has been declared incompetent by a court of competent 209  
jurisdiction; 210

(f) Has knowingly violated any provision of sections 211  
4740.20 to 4740.28 of the Revised Code or any related rules 212  
adopted by the board; 213

(g) Has had a roofing contractor license or registration 214  
suspended or revoked in this or any other state; 215

<u>(h) Failed to maintain insurance required by section</u>	216
<u>4740.25 of the Revised Code;</u>	217
<u>(i) Failed or refused to pay taxes due in this state.</u>	218
<u>(2) For each violation of sections 4740.21 to 4740.28 of</u>	219
<u>the Revised Code or any rules adopted thereunder, the board may</u>	220
<u>impose a reasonable administrative penalty of not more than the</u>	221
<u>contract price plus any administrative costs. The penalty and</u>	222
<u>costs shall be paid within thirty days of the order. In</u>	223
<u>determining whether to impose an administrative penalty, the</u>	224
<u>board shall consider the seriousness of the violation, the</u>	225
<u>impact of the violation on the complainant, any mitigating</u>	226
<u>factors on the part of the offender, and any previous violations</u>	227
<u>by the offender.</u>	228
<u>(G) The board may accelerate the registration for any</u>	229
<u>applicant that is registered and in good standing as a roofing</u>	230
<u>contractor in another state with similar registration standards.</u>	231
<u>(H) A certificate of registration issued under this</u>	232
<u>section shall contain a unique registration number and other</u>	233
<u>information the board considers appropriate.</u>	234
<u>(I) A certificate of registration issued under this</u>	235
<u>section shall be valid for roofing, gutter, downspout, and</u>	236
<u>siding services from the date of issuance and may be renewed</u>	237
<u>upon approval of the board on a basis specified by the board in</u>	238
<u>rule.</u>	239
<u>(J) Certificates of registration issued under this section</u>	240
<u>are not transferable.</u>	241
<b><u>Sec. 4740.25. A roofing contractor, while providing</u></b>	242
<b><u>roofing, gutter, downspout, or siding services, shall obtain and</u></b>	243
<b><u>maintain in full force and effect workers' compensation</u></b>	244

insurance, contractor's liability insurance, including complete 245  
operations coverage, in the amount of at least five hundred 246  
thousand dollars, and a surety license bond in an amount set by 247  
the board. If the holder of the certificate of registration is a 248  
corporate entity, then the contractor liability insurance and 249  
the surety bond shall be in the name of the corporate entity. 250

Sec. 4740.26. (A) A roofing contractor shall not 251  
advertise, promise to pay, or rebate any portion of any 252  
insurance deductible as an inducement to the sale of goods or 253  
services. This includes granting any allowance or offering any 254  
discount against the fees to be charged or paying the consumer, 255  
or any person directly or indirectly associated with the 256  
property in question, any form of compensation. 257

(B) A roofing contractor shall not require a deposit of 258  
more than one-half of the contract price. 259

(C) A roofing contractor shall not induce the sale of any 260  
goods or services by doing any of the following: 261

(1) Offering or providing any upgraded work, material, or 262  
product in contrast with the terms of the contract; 263

(2) Granting any allowance or offering any discount 264  
against the fees to be charged; 265

(3) Paying to the consumer, any other person directly or 266  
indirectly associated with the property in question, any form of 267  
compensation, including a gift, prize, bonus, coupon, credit, 268  
referral fee, trade-in or trade-in payment, advertising, or 269  
other fee or payment. 270

(D) A roofing contractor shall not abandon or fail to 271  
perform, without justification, any ongoing contract or project, 272  
or deviate from or disregard plans or specifications in any 273

<u>material respect without the consent of the consumer.</u>	274
<u>(E) A roofing contractor shall not fail to credit the</u>	275
<u>consumer for any payment the consumer has made to the contractor</u>	276
<u>in connection with the contract.</u>	277
<u>(F) A roofing contractor shall not make any material</u>	278
<u>misrepresentation in the procurement of a contract or make any</u>	279
<u>false promise likely to influence, persuade, or induce the</u>	280
<u>procurement of a contract.</u>	281
<u>(G) A roofing contractor shall not violate any state or</u>	282
<u>local building codes, as pertinent.</u>	283
<u>(H) A roofing contractor shall notify the board within</u>	284
<u>thirty business days of any change of trade name or address, or</u>	285
<u>of providing roofing services in any name other than the one in</u>	286
<u>which the contractor is registered.</u>	287
<u>(I) A roofing contractor shall not fail to pay for</u>	288
<u>materials or services rendered in connection with operating as a</u>	289
<u>contractor where the contractor has received sufficient funds as</u>	290
<u>payment for the particular construction work, project, or</u>	291
<u>operation for which the services or materials were rendered or</u>	292
<u>purchased.</u>	293
<u>(J) A roofing contractor shall not perform the reporting,</u>	294
<u>adjusting, or negotiating of a claim on behalf of the consumer</u>	295
<u>and shall not receive compensation for the referral to any</u>	296
<u>entity that reports, adjusts, or negotiates a claim on behalf of</u>	297
<u>a consumer.</u>	298
<u>(K) A roofing contractor shall not fail to possess any</u>	299
<u>insurance required under state, federal, or local laws.</u>	300
<b><u>Sec. 4740.27.</u></b> All of the following individuals are	301

exempted from the requirements of sections 4740.20 to 4740.28 of 302  
the Revised Code: 303

(A) Residential or farm property owners, including their 304  
employees, who perform roofing, siding, gutter, or downspout 305  
services on the property that they own; 306

(B) Any authorized employee or representative of the 307  
United States government, this state, or any political 308  
subdivision of this state performing roofing services on 309  
property owned by that governmental entity; 310

(C) Any person who furnishes any fabricated or finished 311  
product, material, or article of merchandise that is not 312  
incorporated into or attached to real property by the consumer 313  
so as to become affixed to the property. 314

**Sec. 4740.28.** (A) Sections 4740.20 to 4740.28 of the 315  
Revised Code shall be enforced by the board. 316

(B) The board shall be provided with sufficient funding to 317  
carry out the requirements of sections 4740.20 to 4740.28 of the 318  
Revised Code. 319

(C) The board shall adopt rules as necessary to enforce 320  
the provisions of sections 4740.20 to 4740.28 of the Revised 321  
Code. 322

**Section 2.** Sections 4740.20, 4740.21, 4740.22, 4740.23, 323  
4740.24, 4740.25, 4740.26, 4740.27, and 4740.28 of the Revised 324  
Code, as enacted by this act, shall take effect on the ninetieth 325  
day after the effective date of this act. 326

**Section 3.** The intent of the General Assembly in enacting 327  
this act is to establish minimum standards for roofing contracts 328  
and to promote fair and honest practices in the roofing services 329

business.

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