

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

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HOUSE BILL 880  
Committee Substitute Favorable 7/11/13

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

Sponsors:

Referred to:

April 15, 2013

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

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Chapter 87 of the General Statutes is amended by adding the  
6 following new Article to read:

7 "Article 1B.

8 "Roofing Contractors.

9 "§ 87-15.20. Short title.

10 This Article shall be known and may be cited as the "North Carolina Roofing Contractor  
11 Licensure Act."

12 "§ 87-15.21. Definitions.

13 The following definitions apply in this Article:

- 14 (1) Board. – The State Licensing Board for General Contractors or any person  
15 designated by the Board to administer the provisions of this Article.
- 16 (2) Nonresident roofing contractor. – A roofing contractor who (i) has not  
17 established and maintained a place of business as a roofing contractor in this  
18 State within the preceding year, (ii) claims residency in another state, and  
19 (iii) has not submitted an income tax return as a resident of this State within  
20 the preceding year.
- 21 (3) Public contract. – A contract with the State of North Carolina, its political  
22 subdivisions, or any board, commission, agency, or department thereof or  
23 with any board of county commissioners or with any city council, school  
24 board, or with any State or municipal agency or with any other public board,  
25 body, commission, or agency authorized to award contracts for the  
26 construction or reconstruction of public work. The term includes  
27 subcontracts undertaken to perform works covered by the original contract  
28 or any part thereof.
- 29 (4) Roofing contractor. – A person, including a subcontractor or nonresident  
30 roofing contractor, engaged in the business of commercial or residential  
31 roofing services for a fee or who offers to engage in or solicits  
32 roofing-related services, including construction, installation, renovation,  
33 repair, maintenance, alteration, or waterproofing. The term shall not include  
34 a person engaged in the demolition of a structure or the cleanup of  
35 construction waste and debris that contains roofing material nor a person



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1 working under the direct supervision of a roofing contractor who is hired  
2 either as an employee, day laborer, or contract laborer.

3 **"§ 87-15.22. Administration of Article.**

4 (a) The State Licensing Board for General Contractors is authorized to administer and  
5 enforce the provisions of this Article. In administering this Article, the Board shall have the  
6 following powers and duties:

- 7 (1) To adopt, amend, or repeal rules to carry out the provisions of this Article.  
8 (2) To determine the qualifications and fitness of applicants for licensure and  
9 license renewal.  
10 (3) To issue, renew, deny, restrict, suspend, or revoke licenses.  
11 (4) To reprimand or otherwise discipline licensees under this Article.  
12 (5) To receive and investigate complaints from members of the public.  
13 (6) To conduct investigations to determine whether violations of this Article  
14 exist or constitute grounds for disciplinary action against licensees under this  
15 Article.  
16 (7) To conduct administrative hearings in accordance with Chapter 150B of the  
17 General Statutes.  
18 (8) To seek injunctive relief through any court of competent jurisdiction for  
19 violations of this Article.  
20 (9) To collect fees required by G.S. 87-15.27 and other monies permitted by law  
21 to be paid to the Board.  
22 (10) To require licensees to file and maintain a certificate of liability insurance.  
23 (11) To employ personnel and procure any supplies and equipment as may be  
24 necessary to carry out and implement the provisions of this Article, subject  
25 to budgetary limitations and funding.

26 **"§ 87-15.23. Licensure required; violations; unfair trade practices.**

27 (a) No person shall engage in business as or act in the capacity of a roofing contractor  
28 within this State or bring or maintain any claim, action, suit, or proceeding in any court of this  
29 State related to the person's business or capacity as a roofing contractor unless the person is  
30 licensed as a roofing contractor under this Article.

31 (b) A person who fails to obtain a valid license before engaging in business as a roofing  
32 contractor, a person who acts as a roofing contractor while his or her license is suspended or  
33 revoked, or a person who violates any provision of this Article or rules adopted by the Board  
34 shall be guilty of a Class 2 misdemeanor, punishable upon conviction by a fine not to exceed  
35 five hundred dollars (\$500.00) for each violation.

36 (c) During any period in which a roofing contractor's license is suspended or revoked,  
37 that roofing contractor shall not seek to be licensed as a roofing contractor under any other  
38 name. For purposes of this subsection, the suspension or revocation of the roofing contractor  
39 license of a corporate or other business entity shall be deemed to be a suspension or revocation  
40 of the roofing contractor license of every owner, employee, and affiliate of the entity whose  
41 license is suspended or revoked.

42 (d) Failure to comply with the provisions of this Article shall constitute a violation of  
43 G.S. 75-1.1.

44 **"§ 87-15.24. Exemptions.**

45 (a) The provisions of this Article shall not apply to:

- 46 (1) An actual owner of residential or farm property who physically performs, or  
47 has employees who perform, roofing services, including construction,  
48 installation, renovation, repair, maintenance, alteration, waterproofing, or  
49 removal of materials or structures on his or her own dwelling or another  
50 structure located on the residential or farm property owned by the person  
51 without the assistance of a roofing contractor licensed under this Article.

1           (2)    Any authorized employee or representative of the United States government,  
2           this State, or any county, municipality, or other political subdivision of this  
3           State performing roofing services upon government property.

4           (3)    Any person who furnishes any fabricated or finished product, material, or  
5           article of merchandise that is not incorporated into or attached to real  
6           property by the person so as to become affixed to the property.

7           (4)    A licensed North Carolina general contractor.

8           (b)    Any administrative or governing body with authority to enter into public contracts  
9           shall require any person performing roofing services to be licensed under this Article for the  
10          purpose of submitting or entering into any bid or contract.

11          **"§ 87-15.25. Requirements for licensure; issuance.**

12          (a)    Upon application to the Board and the payment of the required fees, an applicant  
13          may be licensed under this Article as a roofing contractor if the applicant submits evidence that  
14          demonstrates his or her qualifications as prescribed in rules adopted by the Board and meets all  
15          of the following qualifications:

16               (1)    Is at least 18 years of age.

17               (2)    Is of good moral character as determined by the Board.

18               (3)    Submits to the Board a sworn statement of the applicant's experience and  
19               qualifications as a roofing contractor.

20               (4)    Files with the Board and maintains a certificate of liability insurance  
21               executed by a company authorized to do business in this State. The liability  
22               insurance shall be in the amount of five hundred thousand dollars  
23               (\$500,000). Any insurance company issuing a liability policy to a roofing  
24               contractor pursuant to the provisions of this Article shall be required to  
25               notify the Board in the event the liability policy is cancelled for any reason  
26               or lapses for nonpayment of premiums. A roofing contractor's license shall  
27               be suspended on the date of the policy cancellation or lapse for nonpayment  
28               of premiums, and shall not be restored without proof that the roofing  
29               contractor is covered under an active insurance policy.

30               (5)    Submit proof to the Board that the applicant has secured workers'  
31               compensation coverage as required by Chapter 97 of the General Statutes.

32               (6)    Any other information the Board deems appropriate in licensing an applicant  
33               as a roofing contractor.

34          (b)    When the Board determines that an applicant has met all the requirements for  
35          license, the Board shall issue a license to the applicant.

36          **"§ 87-15.26. License renewal; late renewal; reinstatement.**

37          Every license issued under this Article shall be renewed on or before June 30 of each year.  
38          Any person who desires to continue to practice shall apply for license renewal and shall submit  
39          the required fees. Upon submitting the renewal application, the licensee shall include a copy of  
40          the certificate of liability insurance, unless the Board has a current valid certificate of insurance  
41          on file, and proof of workers' compensation coverage, unless exempt under Chapter 97 of the  
42          General Statutes. A licensee shall have a 30-day grace period after June 30 to renew the license  
43          without a late fee. After the 30-day grace period, a license shall be subject to a late fee. A  
44          license not renewed by August 30 shall be suspended for failure to renew, and a license not  
45          renewed by January 1 shall be revoked. A license that has been revoked may be renewed if (i)  
46          the applicant pays the required reinstatement fee, renewal fee, and late fee; (ii) the Board finds  
47          that the applicant has not used the license in a manner inconsistent with the provisions of this  
48          Article or performed roofing services after notice of revocation; and (iii) the applicant is  
49          otherwise eligible for licensure under the provisions of this Article. When necessary, the Board  
50          may require a licensee to demonstrate continued competence as a condition of license renewal.

51          **"§ 87-15.27. Fees.**

The Board may impose the following fees not to exceed the amounts listed below:

(1)	<u>Application and license fee</u>	<u>\$125.00</u>
(2)	<u>Renewal fee</u>	<u>75.00</u>
(3)	<u>Late fee</u>	<u>10.00</u>
(4)	<u>Reinstatement fee</u>	<u>75.00</u>
(5)	<u>Name change</u>	<u>25.00</u>
(6)	<u>Certified copy of indexed information</u>	<u>10.00.</u>

**"§ 87-15.28. Change in roofing contractor's name, address, legal service agent, or cease of business; notification of Board.**

No later than 10 days after the date of a change in a roofing contractor's name, address, or legal service agent, or upon a licensed roofing contractor ceasing business as a roofing contractor, the person shall notify the Board of the change on a form provided by the Board. A name, address, or legal service agent change shall be accompanied by a fee pursuant to G.S. 87-15.27. A person may not change his or her name under an active license if the change is associated with a change in the legal status of the business entity other than a change in marital status. Doing business under a new business name or a change in legal status of a business requires issuance of a new license. When a licensed roofing contractor ceases to be active as a roofing contractor, the Board shall suspend the license of the roofing contractor.

**"§ 87-15.29. Business limitations on license.**

The holder of a roofing contractor license is entitled to engage in the roofing business within this State pursuant to the provisions of this Article and subject to the following limitations:

- (1) A roofing contractor's license shall be valid and in good standing at the time of soliciting a project and during subsequent job performance.
- (2) A roofing contractor's license number shall be submitted when applying for any permit issued by the State, or any of its political subdivisions, for commercial or residential roofing services or projects if a permit is required by the authority. The license number shall be written upon each permit issued.
- (3) A person providing services as a roofing contractor on the roofing contractor's own property shall, when applying for any permit required for the project, supply the permit-issuing official with the roofing contractor license number of each roofing subcontractor engaged in roofing services covered by the permit. The permit-issuing official shall enter each roofing contractor license number so supplied on the permit before inspection of the job.
- (4) A licensed roofing contractor shall display the license number issued to it pursuant to this Article upon each business sign, card, correspondence, estimate, contract, and commercial vehicle used by that roofing contractor to solicit or conduct roofing services in this State.
- (5) A roofing contractor license shall not be shared or used by any individual or business entity to whom it was not issued. However, two or more individuals or business entities or a combination thereof acting as a business unit may apply for a single roofing license number to be used by roofing contractors designated in the application acting as agents for the business unit. If, in the discretion of the Board, the application contains sufficient information regarding each member, partner, officer, and agent of the entities constituting the business unit, the Board may issue a single roofing license number for use by each of the roofing contractors designated in the application.

1           (6) Upon any change to the name, address, business entity, or legal service agent  
2 of a roofing contractor or upon adjudication by a court of competent  
3 jurisdiction for a violation of this Article or an act or omission specified in  
4 Article 8 of Chapter 75 of the General Statutes, the Board shall be notified in  
5 writing. The holder of a roofing contractor license shall provide the Board  
6 with the reasons or basis for requesting any changes to name, address,  
7 business entity, or legal service agent.

8           (7) A roofing contractor shall comply with State laws and local ordinances  
9 relating to standards and permits for roofing services and projects and pay  
10 any taxes required of the roofing contractor due in this State.

11 **"§ 87-15.30. Index of licensees.**

12           (a) The Board shall maintain in the Board's office in Raleigh, North Carolina, open to  
13 public inspection during normal office hours, a complete indexed record of all roofing  
14 contractor licenses and information maintained on individual roofing contractors. The Board  
15 may dispose of an inactive roofing contractor file after three years. Before disposal and upon  
16 written request by any person, the Board shall furnish a certified copy of any information  
17 maintained on an individual roofing contractor upon payment of a fee for each annual record.  
18 Each certified copy of a roofing contractor's record from the Board shall be received in all  
19 courts in this State as prima facie evidence of the facts stated therein. The Board may condense  
20 or provide an abstract of a roofing contractor's record for public inspection at any time for  
21 purposes of data management so long as a complete record is available for public inspection  
22 upon written request.

23           (b) Upon request of State and local enforcement officials and members of the public,  
24 the Board shall verify a roofing contractor's license number. The Board shall establish, through  
25 the Internet or other publicly accessible technology, a system through the use of which State  
26 and local enforcement officials and members of the public can verify the license status of every  
27 licensed roofing contractor. The information provided by the system shall include a notation of  
28 the disposition of each complaint filed with the Board against a roofing contractor with an  
29 indication of whether the roofing contractor contested the allegations in the complaint, and any  
30 criminal conviction for a violation of the provisions of this Article. In addition, the system may  
31 include a notation of the disposition of any civil action brought against the roofing contractor in  
32 the General Court of Justice, if known, and any criminal conviction other than under this  
33 Article for violation of any State or federal law as disclosed by a search of the criminal history  
34 of that roofing contractor. Disclosure of any information through use of the roofing contractor  
35 license system or information maintained by the Board shall not be deemed to be an  
36 endorsement of any roofing contractor or a determination of any facts, qualifications,  
37 information, or reputation of any roofing contractor by the Board, by the State, or by any of  
38 their agents, officers, employees, or assigns.

39 **"§ 87-15.31. Disciplinary action; licensees not in good standing.**

40           (a) The Board may deny, restrict, suspend, or revoke a license or refuse to issue or  
41 renew a license if a licensee or applicant:

42           (1) Employs the use of fraud, deceit, or misrepresentation in obtaining or  
43 attempting to obtain a license or the renewal of a license.

44           (2) Practices or attempts to practice roofing services by fraudulent  
45 misrepresentation.

46           (3) Commits an act of gross malpractice or incompetence as determined by the  
47 Board.

48           (4) Has been convicted of or pled guilty or no contest to a crime that indicates  
49 that the person is unfit or incompetent to practice as a roofing contractor or  
50 that indicates that the person has deceived or defrauded the public.

51           (5) Has been declared incompetent by a court of competent jurisdiction.

- 1           (6)   Has willfully violated any provision in this Article or any rules adopted by  
2           the Board pursuant to this Article.  
3           (7)   Has violated any provisions of Article 8 of Chapter 75 of the General  
4           Statutes.  
5           (8)   Has had a roofing contractor license revoked or suspended in another state.  
6           (9)   Fails to file the required certificate of liability insurance and workers'  
7           compensation coverage or to keep the liability insurance or workers'  
8           compensation coverage in force.  
9           (10) Fails or refuses to pay any taxes due in this State.

10 The Board shall notify the applicant in writing if the Board denies a license or license renewal  
11 and shall provide the applicant an opportunity to respond to or cure any defect in the written  
12 application or renewal for a period of 10 days from the date of the written notification. An  
13 applicant aggrieved by a decision of the Board denying a license or renewal may appeal the  
14 decision or the applicant may reapply after a 90-day waiting period if the applicant is otherwise  
15 eligible under the provisions of this Article. The application and renewal fees shall not be  
16 refundable.

17       (b)   The Board may determine that a licensee is not in good standing on the basis of  
18 violations of this Article, violations of Article 8 of Chapter 75 of the General Statutes, or rules  
19 adopted by the Board. If the Board determines that a licensee is not in good standing, the Board  
20 shall send a written notice to the person when the person's license is not in good standing. Any  
21 roofing contractor notified by the Board that the roofing contractor's license is not in good  
22 standing shall cease soliciting or entering into new roofing services and projects as of the date  
23 of the notification. However, the roofing contractor shall be allowed to complete roofing  
24 projects where actual physical work has begun prior to the date of issuance of the notice that  
25 the roofing contractor's license is not in good standing with the Board. If the roofing contractor  
26 fails to correct the deficiency specified in the notice by evidence satisfactory to the Board  
27 within 30 days of the date of the notice or if the roofing contractor solicits or enters into new  
28 roofing services contracts or projects while the roofing contractor's license is not in good  
29 standing or while the license is suspended or revoked, the roofing contractor shall be in  
30 violation of the provisions of this Article. Any license that is not in good standing for a 60-day  
31 period shall be suspended on or after 60 days from the date of issuance of the notice to the  
32 roofing contractor that the roofing contractor's license is not in good standing. Any license that  
33 does not remain in good standing and is suspended for such cause shall be revoked on or after  
34 90 days from the date of issuance of the notice to the roofing contractor that the license is not in  
35 good standing. The Board shall notify the roofing contractor upon suspension or revocation of  
36 the roofing contractor's license for failure to comply with bringing the license into good  
37 standing as required by this Article. The roofing contractor may reinstate the license to good  
38 standing by paying the required fees provided in G.S. 87-15.27 and complying with all other  
39 requirements for issuance of a license in good standing. Any person aggrieved by the decision  
40 of the Board to suspend or revoke a license pursuant to this section may appeal the decision.

41 **"§ 87-15.32. Complaints.**

42       (a)   The Board shall read each complaint received and shall enter a notation in the  
43 individual roofing contractor's record showing the date that the verified complaint was received  
44 and the nature of the complaint. The Board shall notify the roofing contractor against whom the  
45 complaint is made, in writing, within five days of the receipt of the written complaint. The  
46 roofing contractor shall have 10 days from the date notice is received to respond, in writing, to  
47 the Board. A copy of the complaint and any response by the roofing contractor shall be referred  
48 to the North Carolina Attorney General's Consumer Protection Division. In addition, the Board  
49 shall enter a notation in the individual roofing contractor's record showing the date that the  
50 roofing contractor's response was received, if any, and whether the response admitted or denied  
51 the basis of the complaint.

1       **(b)** After referral of a complaint to the North Carolina Attorney General's Consumer  
2 Protection Division, if the roofing contractor is adjudicated by a court to have violated any  
3 provision under this Article or under Article 8 of Chapter 75 of the General Statutes, the Board  
4 shall suspend, revoke, or deny the roofing contractor's license for such period of time as may be  
5 ordered by the court, or in the event that the court orders the license suspended, revoked, or  
6 denied without setting the term of the suspension, revocation, or denial, the period shall be six  
7 months from the date the order is issued.

8       **(c)** The Board shall not renew, reinstate, or issue a new roofing contractor license to  
9 any person subject to any term of denial, suspension, or revocation pursuant to this section until  
10 the term has been completed and the person has made application and has paid the required fees  
11 as provided for in this Article.

12 **"§ 87-15.33. Criminal history record checks of applicants for license.**

13       **(a)** All applicants for license shall consent to a criminal history record check, and no  
14 license shall be issued to an applicant who refuses to consent to a criminal history record check.  
15 The Board shall ensure that the State and national criminal history of an applicant is checked.  
16 The Board shall be responsible for providing to the North Carolina Department of Justice the  
17 fingerprints of the applicant to be checked, a form signed by the applicant consenting to the  
18 criminal history record check and the use of fingerprints and other identifying information  
19 required by the State or National Repositories, and any additional information required by the  
20 Department of Justice. The Board shall keep all information obtained pursuant to this section  
21 confidential. For purposes of this section, a "criminal history record check" is a report resulting  
22 from a request made by the Board to the North Carolina Department of Justice for a history of  
23 conviction of a crime, whether a misdemeanor or felony, that in the discretion of the Board  
24 bears on an applicant's fitness for licensure as a roofing contractor.

25       **(b)** The cost of the criminal history record check and the fingerprinting shall be borne  
26 by the applicant.

27       **(c)** If an applicant's criminal history record check reveals one or more criminal  
28 convictions, the conviction shall not automatically bar licensure. The Board shall consider all  
29 of the following factors regarding the conviction:

30           **(1)** The level of seriousness of the crime.

31           **(2)** The date of the crime.

32           **(3)** The age of the person at the time of the conviction.

33           **(4)** The circumstances surrounding the commission of the crime, if known.

34           **(5)** The nexus between the criminal conduct of the person and the job duties of  
35 the position to be filled.

36           **(6)** The person's prison, jail, probation, parole, rehabilitation, and employment  
37 records since the date the crime was committed.

38 If after reviewing the factors, the Board determines that any of the grounds set forth in the  
39 subdivisions of G.S. 87-15.31 exist, the Board may deny licensure of the applicant. The Board  
40 may disclose to the applicant information contained in the criminal history record check that is  
41 relevant to the denial. The Board shall not provide a copy of the criminal history record check  
42 to the applicant. The applicant shall have the right to appear before the Board to appeal the  
43 Board's decision. However, an appearance before the full Board shall constitute an exhaustion  
44 of administrative remedies in accordance with Chapter 150B of the General Statutes.

45       **(d)** The Board, its officers, and employees, acting in good faith and in compliance with  
46 this section, shall be immune from civil liability for denying licensure to an applicant based on  
47 information provided in the applicant's criminal history record check.

48 **"§ 87-15.34. Roofing contractor's agent for service of process.**

49       **(a)** Except as provided in subsection (c) of this section, by signing and filing an  
50 application for a roofing contractor license, a nonresident roofing contractor as defined by this  
51 Article appoints the Secretary of State as the applicant's true and lawful agent upon whom may

1 be served all lawful process in any action or proceeding arising out of construction projects  
2 performed in this State, and the applicant shall be deemed to have consented to such process  
3 served upon the Secretary of State being given the same legal force and effect as if it had been  
4 served personally upon the applicant within this State.

5 (b) Within 10 days of being served with process as agent for a nonresident roofing  
6 contractor pursuant to this section, the Secretary of State shall send notice of such service with  
7 the process to the nonresident roofing contractor at its last-known address by registered or  
8 certified mail, with return receipt requested, and proof of such mailing shall be attached to the  
9 process. The Secretary of State shall keep a record of all process served upon it pursuant to this  
10 section, showing the day and hour of service. Before entering a default judgment against a  
11 nonresident roofing contractor served with process pursuant to this section in any civil action,  
12 the court may order such continuance as may be necessary to afford the nonresident roofing  
13 contractor a reasonable opportunity to appear and defend the action.

14 (c) This section shall not apply to nonresident roofing contractors that are foreign  
15 corporations, foreign limited liability companies, foreign limited liability partnerships, and  
16 foreign limited partnerships authorized to do business in this State and having a current  
17 licensed agent and licensed address on file in the Office of the Secretary of State.

18 **"§ 87-15.35. Roofing Contractor License Revolving Fund.**

19 There is hereby created in the State Treasury a revolving fund for the Board to be  
20 designated the "North Carolina Roofing Contractor License Revolving Fund." The fund shall  
21 be a continuing fund, shall not be subject to fiscal year limitations, and shall consist of  
22 application and renewal fees, late fees, administrative fees, reinstatement fees, and any other  
23 monies collected pursuant to this Article. All monies accruing to the credit of the fund are  
24 hereby appropriated and may be budgeted and expended by the Board for the purpose of  
25 implementing the provisions of this Article. Expenditures from the fund shall be made upon  
26 warrants issued by the State Treasurer against claims filed as prescribed by law with the  
27 Director of State Finance for approval and payment."

28 **SECTION 2.** Chapter 75 of the General Statutes is amended by adding a new  
29 Article to read:

30 "Article 8.

31 "Roofing Contractors.

32 **"§ 75-140. Definitions.**

33 As used in this Article, the terms "nonresident roofing contractor," "public contract," and  
34 "roofing contractor" shall have the same definitions as in G.S. 87-15.21.

35 **"§ 75-141. Construction of Article.**

36 The requirements of this Article shall be construed to be in addition to, and not in lieu of,  
37 any required licensure of persons for certain professions and trades in this State. This Article  
38 shall not be deemed to conflict with or affect the authority of any State or local agency, board,  
39 or commission whose duty and authority is to administer or enforce any law or ordinance or to  
40 establish, administer, or enforce any policy, rule, qualification, or standard for any trade or  
41 profession.

42 **"§ 75-142. Prohibited conduct.**

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

- 44 (1) Advertise or promise or offer to pay or rebate all or any portion of any  
45 insurance deductible as an inducement to the sale of any goods or services.
- 46 (2) Offer or provide any upgraded work, material, or product, grant any  
47 allowance or offer any discount against the fees to be charged or paying the  
48 consumer or any person directly or indirectly associated with the property  
49 any form of compensation, gift, prize, bonus, coupon, credit, referral fee,  
50 trade-in or trade-in payment, advertising, or other fee or payment as an  
51 inducement to the sale of any goods or services.



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

4           (4)   Seek to obtain a power of attorney from or on behalf of a consumer, offer to  
5           report or adjust a claim on behalf of a consumer, represent or negotiate, or  
6           offer or advertise to represent or negotiate, obtain or attempt to obtain an  
7           assignment of claims rights or assignment of benefits or assignment of  
8           proceeds, from or on behalf of either a consumer or of an owner or possessor  
9           of residential real estate, on any insurance claim in connection with the  
10          repair or replacement of roof systems, or the performance of any other  
11          exterior repair, replacement, construction, or reconstruction work.

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

14          "**§ 75-143. Written contract required; required contents.**"

15          A contract for roofing repairs, including a public contract, shall be in writing, signed by  
16          both parties, and shall do all of the following:

17           (1)   Include a copy of a repair estimate that contains all of the following  
18           disclosures:

19           a.   A precise description and location of all damage claimed on the  
20           repair estimate.

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

24           c.   If damaged areas are not included on the repair estimate, a  
25           specification of those areas and any reason for their exclusion from  
26           the repair estimate.

27           d.   A statement of whether or not the property was inspected prior to the  
28           preparation of the estimate and a description of the nature of that  
29           inspection, including a statement of whether or not the roof was  
30           physically accessed.

31           e.   A statement that the roofing contractor has made no assurances that  
32           the claimed loss will be covered by an insurance policy.

33           f.   A copy of the roofing contractor's license certification issued  
34           pursuant to Article 1B of Chapter 87 of the General Statutes.

35           (2)   Include a disclosure that the consumer is responsible for payment for any  
36           work performed if the insurer should deny payment or coverage on any part  
37           of the loss.

38           (3)   Be written in the same language as that principally used in any sales  
39           presentation, oral or otherwise.

40           (4)   Designate as the date of the transaction the date on which the consumer  
41           actually signs the agreement or offer.

42           (5)   Contain the name and physical address of the roofing contractor.

43           (6)   Contain in immediate proximity to the space reserved for the signature of the  
44           buyer in bold-face type of a minimum size of 10 points, a statement in  
45           substantially the following form:

46  
47                   "You may cancel this contract or transaction at any time prior to  
48                   midnight of the third business day after you have received written  
49                   notification from your insurer that all or any part of the claim or  
50                   contract is not a covered loss under the insurance policy. See the

1 attached Notice of Cancellation form for an explanation of this  
2 right."

- 3  
4 (7) Be accompanied by a completed form in duplicate that is captioned "Notice  
5 of Cancellation," which shall be attached to the contract and easily  
6 detachable and which 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 If you are notified by your insurer that all or any part of the claim or  
14 contract is not a covered loss under the insurance policy, you may  
15 cancel the contract by mailing or delivering a signed and dated copy  
16 of this cancellation notice or any other written notice to (name of  
17 roofing contractor) at (address of roofing contractor's place of  
18 business) at any time prior to midnight on the third business day after  
19 you have received such written notice from your insurer. If you  
20 cancel, any payments made by you under the contract will be  
21 returned to you within 10 business days following receipt by the  
22 roofing contractor of your cancellation notice, and any security  
23 interest arising out of the transaction will be canceled.

24  
25 I HEREBY CANCEL THIS TRANSACTION

26  
27 (date)

28  
29 (consumer's signature)"

- 30  
31 (8) Include a statement indicating that the roofing contractor shall hold in trust  
32 any payment from the property owner until the roofing contractor has  
33 delivered roofing materials at the property site or has performed a majority  
34 of the roofing work on the property.

35 **"§ 75-144. Consumer's right to cancel contract if not covered by insurance.**

36 (a) Right to Cancel. – A consumer who has entered into a written contract with a  
37 roofing contractor to provide goods or services to be paid from the proceeds of a property and  
38 casualty insurance policy may cancel the contract at any time prior to midnight of the third  
39 business day after the consumer has received written notification from the insurer that all or  
40 any part of the claim or contract is not a covered loss under the insurance policy.

41 (b) Procedure for Cancellation. – Cancellation shall be evidenced by the consumer  
42 giving written notice of cancellation to the roofing contractor at the address stated in the  
43 contract. Notice of cancellation, if given by mail, is effective upon deposit into the United  
44 States mail, postage prepaid, and properly addressed to the roofing contractor. Notice of  
45 cancellation need not take a particular form and is sufficient if it indicates, by any form of  
46 written expression, the intention of the consumer not to be bound by the contract.

47 (c) Refund of Payments to Consumer. – Within 10 days after a contract for roofing  
48 repairs has been cancelled, the roofing contractor shall tender to the consumer any payments,  
49 partial payments, or deposits made by the consumer and any note or other evidence of  
50 indebtedness. If, however, the roofing contractor has performed any emergency services,  
51 acknowledged by the consumer in writing to be necessary to prevent damage to the premises,

1 the roofing contractor is entitled to the reasonable value of such services. Any provision in a  
2 contract for roofing repairs that in the event of cancellation requires the payment of any fee for  
3 anything except emergency services shall constitute a violation of G.S. 75-1.1 and shall not be  
4 enforceable against any consumer who has cancelled a contract under this section.

5 **"§ 75-145. Violations an unfair and deceptive trade practice.**

6 In addition to the other penalties set forth in this Article, a violation of this Article shall  
7 constitute an unfair and deceptive trade practice under G.S. 75-1.1."

8 **SECTION 3.** Article 4 of Chapter 114 of the General Statutes is amended by  
9 adding the following new section to read:

10 **"§ 114-19.33. Criminal history record checks of applicants for licensure as roofing**  
11 **contractors.**

12 The Department of Justice may provide to the State Licensing Board of General  
13 Contractors a criminal history record check from the State and National Repositories of  
14 Criminal Histories for applicants for licensure by the Board. Along with a request for criminal  
15 history records, the Board shall provide to the Department of Justice the fingerprints of the  
16 applicant, a form signed by the applicant consenting to the criminal history record check and  
17 use of the fingerprints and other identifying information required by the Repositories, and any  
18 additional information required by the Department. The fingerprints shall be forwarded to the  
19 State Bureau of Investigation for a search of the State's criminal history record file, and the  
20 State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau of  
21 Investigation for a national criminal history record check. The Board shall keep all information  
22 obtained pursuant to this section confidential. The Department of Justice may charge a fee to  
23 offset the cost incurred by the Department of Justice to conduct a criminal history record check  
24 under this section, but the fee shall not exceed the actual cost of locating, editing, researching,  
25 and retrieving the information."

26 **SECTION 4.** Section 2 of this act becomes effective October 1, 2013. The  
27 remainder of this act is effective when it becomes law.