

AN ACT concerning business.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Illinois Roofing Industry Licensing Act is amended by changing Section 5 and by adding Section 5.1 as follows:

(225 ILCS 335/5) (from Ch. 111, par. 7505)

(Section scheduled to be repealed on January 1, 2016)

Sec. 5. Display of license number; advertising.

(a) Each State licensed roofing contractor shall affix the roofing contractor license number and the licensee's name, as it appears on the license, to all of his or her contracts and bids. In addition, the official issuing building permits shall affix the roofing contractor license number to each application for a building permit and on each building permit issued and recorded.

(a-5) A person who knowingly, in the course of applying for a building permit with a unit of local government, provides the roofing license number of a roofing contractor whom he or she does not intend to have perform the work on the roofing portion of the project commits identity theft under paragraph (8) of subsection (a) of Section 16G-15 of the Criminal Code of 1961.

(b) (Blank). ~~In addition, every roofing contractor shall~~

~~affix the roofing contractor license number and the licensee's name, as it appears on the license, on all commercial vehicles used as part of his or her business as a roofing contractor.~~

(c) Every holder of a license shall display it in a conspicuous place in his or her principal office, place of business, or place of employment.

(d) No person licensed under this Act may advertise services regulated by this Act unless that person includes in the advertisement the roofing contractor license number and the licensee's name, as it appears on the license. Nothing contained in this subsection requires the publisher of advertising for roofing contractor services to investigate or verify the accuracy of the license number provided by the licensee.

(e) A person who advertises services regulated by this Act who knowingly (i) fails to display the license number and the licensee's name, as it appears on the license, in any manner required by this Section, (ii) fails to provide a publisher with the correct license number as required by subsection (d), or (iii) provides a publisher with a false license number or a license number of another person, or a person who knowingly allows his or her license number to be displayed or used by another person to circumvent any provisions of this Section, is guilty of a Class A misdemeanor with a fine of \$1,000, and, in addition, is subject to the administrative enforcement provisions of this Act. Each day that an advertisement runs or

each day that a person knowingly allows his or her license to be displayed or used in violation of this Section constitutes a separate offense.

(Source: P.A. 96-624, eff. 1-1-10; 96-1324, eff. 7-27-10.)

(225 ILCS 335/5.1 new)

Sec. 5.1. Commercial vehicles. Any entity offering services regulated by the Roofing Industry Licensing Act shall affix the roofing contractor license number and the licensee's name, as it appears on the license, on all commercial vehicles used in offering such services. An entity in violation of this Section shall be subject to a \$250 civil penalty. This Section may be enforced by local code enforcement officials employed by units of local government as it relates to roofing work being performed within the boundaries of their jurisdiction. For purposes of this Section, "code enforcement official" means an officer or other designated authority charged with the administration, interpretation, and enforcement of codes on behalf of a municipality or county. If the alleged violation has been corrected prior to or on the date of the hearing scheduled to adjudicate the alleged violation, it shall be dismissed.

Section 10. The Home Repair and Remodeling Act is amended by adding Section 18 and by changing Section 20 as follows:

(815 ILCS 513/18 new)

Sec. 18. Repairs following damaging weather.

(a) As used in this Section, "catastrophe" means a natural occurrence, including but not limited to flood, drought, earthquake, tornado, windstorm, or hailstorm, which damages or destroys more than one residence.

(b) A contractor offering home repair or remodeling services shall not advertise or promise to pay or rebate all or any portion of any insurance deductible as an inducement to the sale of goods or services. As used in this Section, a promise to pay or rebate includes granting any allowance or offering any discount against the fees to be charged or paying the insured or any person directly or indirectly associated with the property any form of compensation.

(c) A contractor offering home repair or remodeling services shall not accept money or any form of compensation in exchange for allowing an out of area contractor to use its business name or license.

(d) A contractor offering home repair or remodeling services shall include its Illinois State roofing contractor license name and number as it appears on its Illinois State roofing license on all contracts, bids, and advertisements involving roofing work as required by the Illinois Roofing Industry Licensing Act.

(e) A person who has entered into a written contract with a contractor offering home repair or remodeling services to

provide goods or services to be paid from the proceeds of a property and casualty insurance policy may cancel the contract prior to midnight on the earlier of the fifth business day after the insured has received written notice from the insurer that all or any part of the claim or contract is not a covered loss under the insurance policy or the thirtieth business day after receipt of a properly executed proof of loss by the insurer from the insured. Cancellation is evidenced by the insured giving written notice of cancellation to the contractor offering home repair or remodeling services at the address stated in the contract. Notice of cancellation, if given by mail, is effective upon deposit into the United States mail, postage prepaid and properly addressed to the contractor. Notice of cancellation may be given by delivering or mailing a signed and dated copy of the written notice of cancellation to the contractor's business address as stated in the contract. Notice of cancellation shall include a copy of the written notice from the insurer to the effect that all or part of the claim is not a covered loss under the insurance policy. Notice of cancellation need not take a particular form and is sufficient if it indicates, by any form of written expression, the intention of the insured not to be bound by the contract.

(f) Any contract referred to in subsection (e), must contain a statement in at least 10 point boldface, in substantially the following form:

"You may cancel this contract at any time before

midnight on the earlier of the fifth business day after you have received written notification from your insurer that all or any part of the claim or contract is not a covered loss under the insurance policy or the thirtieth business day after your insurer has received properly executed proof(s) of loss from you. See attached notice of cancellation form for an explanation of this right."

(g) Upon executing a contract referred to in subsection (e), furnish each insured a fully completed form in duplicate, captioned "NOTICE OF CANCELLATION", which shall be attached to the contract but easily detachable, and which shall contain boldface type of a minimum size of 10 points the following statement with the appropriate fields completed by the contractor:

"NOTICE OF CANCELLATION

If you are notified by your insurer that all or any part of the claim or contract is not a covered loss under the insurance policy, you may cancel the contract by mailing or delivering a signed and dated copy of this cancellation notice or any other written notice to (name of contractor) at (address of contractor's place of business) at any time prior to midnight on the earlier of the fifth business day after you have received such notice from your insurer or the thirtieth business day after your insurer has received properly

executed proof(s) of loss from you. If you cancel, any payments made by you under the contract, other than payments for goods or services related to a catastrophe which you agreed in writing to be necessary to prevent damage to your property, will be returned to you within 10 business days following receipt by the contractor of your cancellation notice.

I HEREBY CANCEL THIS TRANSACTION

.....

(date)

.....

(insured's signature)".

(h) Within 10 days after a contract referred to in subsection (e) has been cancelled, the contractor offering home repair or remodeling services shall tender to the insured any payments, partial payments, or deposits made by the insured and any note or other evidence of indebtedness. If, however, the contractor has provided any goods or services related to a catastrophe, acknowledged and agreed to by the insured in writing to be necessary to prevent damage to the premises, the contractor is entitled to the reasonable value of such goods and services. Any provision in a contract referred to in subsection (e) that requires the payment of any fee for anything except goods or services related to a catastrophe shall not be enforceable against any insured who has cancelled a contract pursuant to this Section.

(i) A contractor offering home repair or remodeling services shall not represent, or offer or advertise to represent, on behalf of a homeowner on any insurance claim in connection with the repair or replacement of roof systems, or the performance of any other interior or exterior repair, replacement, construction or reconstruction work; or otherwise violate the Public Adjusters Law (Public Act 96-1332). A Public Adjuster means any person who acts on behalf of the insured in preparing and adjusting a claim for loss or damage covered by an insurance contract. A contractor offering home repair or remodeling services shall not call in or file a claim to an insurance carrier on the insured's behalf. A contractor offering home repair or remodeling services shall not climb on a roof or inspect for exterior damage without the insured's express permission. Nothing in this subsection shall be construed to prohibit a residential contractor from: (1) providing an insured an estimate for repair, replacement, construction, or reconstruction of the insured's property and any such estimate may be submitted to the insured's insurance company; (2) conferring with an insurance company's representative about damage to an insured's property; or (3) discussing repair or replacement options with an insurance company's representative or the insured about options for the repair or replacement of the damage.

Sec. 20. Consumer rights brochure.

(a) For any contract over \$1,000, any person engaging in the business of home repair and remodeling shall provide to its customers a copy of the "Home Repair: Know Your Consumer Rights" pamphlet prior to the execution of any home repair and remodeling contract. The consumer shall sign and date an acknowledgment form entitled "Consumer Rights Acknowledgment Form" that states: "I, the homeowner, have received from the contractor a copy of the pamphlet entitled 'Home Repair: Know Your Consumer Rights.'" The contractor or his or her representative shall also sign and date the acknowledgment form, which includes the name and address of the home repair and remodeling business. The acknowledgment form shall be in duplicate and incorporated into the pamphlet. The original acknowledgment form shall be retained by the contractor and the duplicate copy shall be retained within the pamphlet by the consumer.

(b) For any contract for \$1,000 or under, any person engaging in the business of home repair and remodeling shall provide to its customers a copy of the "Home Repair: Know Your Consumer Rights" pamphlet. No written acknowledgment of receipt of the pamphlet is required for a contract of \$1,000 or under.

(c) The pamphlet must be a separate document, in at least 12 point type, and in legible ink. The pamphlet shall read as follows:

"HOME REPAIR: KNOW YOUR CONSUMER RIGHTS

As you plan for your home repair/improvement project, it is important to ask the right questions in order to protect your investment. The tips in this fact sheet should allow you to protect yourself and minimize the possibility that a misunderstanding may occur.

AVOIDING HOME REPAIR FRAUD

Please use extreme caution when confronted with the following warning signs of a potential scam:

(1) Door-to-door salespersons with no local connections who offer to do home repair work for substantially less than the market price.

(2) Solicitations for repair work from a company that lists only a telephone number or a post-office box number to contact, particularly if it is an out-of-state company.

(3) Contractors who fail to provide customers references when requested.

(4) Persons offering to inspect your home for free. Do not admit anyone into your home unless he or she can present authentic identification establishing his or her business status. When in doubt, do not hesitate to call the worker's employer to verify his or her identity.

(5) Contractors demanding cash payment for a job or who ask you to make a check payable to a person other than the owner or company name.

(6) Offers from a contractor to drive you to the bank to withdraw funds to pay for the work.

CONTRACTS

(1) Get all estimates in writing.

(2) Do not be induced into signing a contract by high-pressure sales tactics.

(3) Never sign a contract with blank spaces or one you do not fully understand. If you are taking out a loan to finance the work, do not sign the contract before your lender approves the loan.

(4) Remember, you have 3 business days from the time you sign your contract to cancel any contract if the sale is made at your home. The contractor cannot deprive you of this right by initiating work, selling your contract to a lender, or any other tactic.

(5) If the contractor does business under a name other than the contractor's real name, the business must either be incorporated or registered under the Assumed Business Name Act. Check with the Secretary of State to see if the business is incorporated or with the county clerk to see if the business has registered under the Assumed Business Name Act.

(6) Homeowners should check with local and county units of government to determine if permits or inspections are required.

(7) Determine whether the contractor will guarantee his or her work and products.

(8) Determine whether the contractor has the proper insurance.

(9) Do not sign a certificate of completion or make final payment until the work is done to your satisfaction.

(10) Remember, homeowners should know who provides supplies and labor for any work performed on your home. Suppliers and subcontractors have a right to file a lien against your property if the general contractor fails to pay them. To protect your property, request lien waivers from the general contractor.

BASIC TERMS TO BE INCLUDED IN A CONTRACT

(1) Contractor's full name, address, and telephone number. Illinois law requires that persons selling home repair and improvement services provide their customers with notice of any change to their business name or address that comes about prior to the agreed dates for beginning or completing the work.

(2) A description of the work to be performed.

(3) Starting and estimated completion dates.

(4) Total cost of work to be performed.

(5) Schedule and method of payment, including down payment,

subsequent payments, and final payment.

(6) A provision stating the grounds for termination of the contract by either party. However, the homeowner must pay the contractor for work completed. If the contractor fails to commence or complete work within the contracted time period, the homeowner may cancel and may be entitled to a refund of any down payment or other payments made towards the work, upon written demand by certified mail.

(7) A provision stating the grounds for termination of the contract if you are notified by your insurer that all or any part of the claim or contract is not a covered loss under the insurance policy, you may cancel the contract by mailing or delivering written notice to (name of contractor) at (address of contractor's place of business) at any time prior to the earlier of midnight on the fifth business day after you have received such notice from your insurer or the thirtieth business day after receipt of a properly executed proof of loss by the insurer from the insured. If you cancel, any payments made by you under the contract will be returned to you within 10 business days following receipt by the contractor of your cancellation notice. If, however, the contractor has provided any goods or services related to a catastrophe, acknowledged and agreed to by the insured homeowner in writing to be necessary to prevent damage to the premises, the contractor is entitled to the reasonable value of such goods and services.

Homeowners should obtain a copy of the signed contract and

keep it in a safe place for reference as needed.

To file a complaint against a roofing contractor, contact the Illinois Department of Financial and Professional Regulation at 312-814-6910 or file a complaint directly on its website.

IF YOU THINK YOU HAVE BEEN DEFRAUDED OR YOU HAVE QUESTIONS

If you think you have been defrauded by a contractor or have any questions, please bring it to the attention of your State's Attorney or the Illinois Attorney General's Office.

Attorney General Toll-Free Numbers

Carbondale	(800) 243-0607
Springfield	(800) 243-0618
Chicago	(800) 386-5438".

(Source: P.A. 91-230, eff. 1-1-00.)