

As Introduced

**135th General Assembly
Regular Session
2023-2024**

S. B. No. 77

**Senator Lang
Cosponsor: Senator Cirino**



A BILL

To amend sections 4722.01, 4722.03, 4722.06, 1
4722.07, and 4722.08 and to enact sections 2
4722.20, 4722.21, 4722.22, 4722.23, 4722.24, and 3
4722.25 of the Revised Code to regulate the 4
practices of roofing contractors and the terms 5
of their contracts. 6

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

Section 1. That sections 4722.01, 4722.03, 4722.06, 7
4722.07, and 4722.08 be amended and sections 4722.20, 4722.21, 8
4722.22, 4722.23, 4722.24, and 4722.25 of the Revised Code be 9
enacted to read as follows: 10

Sec. 4722.01. As used in ~~this chapter~~ sections 4722.01 to 11
4722.08 of the Revised Code: 12

(A) "Cost-plus contract" means a contract entered into 13
between an owner and a home construction service supplier under 14
which payment to the supplier is based on the cost of a product 15
plus the supplier's rate for labor to install the product plus 16
an agreed percentage of profit or a stipulated fee. 17

(B) "Home construction service" means the construction of 18

a residential building. "Home construction service" does not 19
include construction performed on a structure that contains four 20
or more dwelling units, except for work on an individual 21
dwelling unit within that structure, or construction performed 22
on the common area of a condominium property. 23

(C) "Home construction service contract" means a contract 24
between an owner and a supplier to perform home construction 25
services, including services rendered based on a cost-plus 26
contract, for an amount exceeding twenty-five thousand dollars. 27

(D) "Home construction service supplier" or "supplier" 28
means a person who contracts with an owner to provide home 29
construction services for compensation and who maintains in 30
force a general liability insurance policy in an amount of not 31
less than two hundred fifty thousand dollars. 32

(E) "Owner" means the person who contracts with a home 33
construction service supplier. "Owner" may include the owner of 34
the property, a tenant who occupies the dwelling unit on which 35
the home construction service is performed, or a person the 36
owner authorizes to act on the owner's behalf to contract for a 37
home construction service, and any other person who contracts 38
for a home construction service. 39

(F) "Residential building" means a one-, two-, or three- 40
family dwelling and any accessory construction incidental to the 41
dwelling. "Residential building" does not include any of the 42
following: 43

(1) An industrialized unit as described in section 3781.06 44
of the Revised Code; 45

(2) A manufactured home as described in section 3781.06 of 46
the Revised Code; 47

(3) A mobile home as described in section 4501.01 of the Revised Code. 48
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(G) "Workmanlike manner" means the home construction service supplier has engaged in construction that meets or exceeds the minimum quantifiable standards promulgated by the Ohio home builders association. 50
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Sec. 4722.03. (A) No home construction service supplier shall do any of the following: 54
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(1) Prior to commencing work related to the home construction service, fail to enter into a written contract that complies with ~~this chapter~~ sections 4722.01 to 4722.08 of the Revised Code; 56
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(2) After entering into a contract with an owner and prior to commencing any work that is related to an excess cost, fail to provide an estimate of the excess costs as ~~this chapter requires~~ required by sections 4722.01 to 4722.08 of the Revised Code; 60
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(3) After entering into a contract with an owner, do any of the following: 65
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(a) Fail to disclose, prior to the owner's acceptance of any goods or work related to an excess cost, that in failing to approve an excess cost, completion of the work may not be possible and a charge may be imposed for any disassembly, reassembly, or partially completed work, which shall be directly related to the actual labor or parts involved; 67
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(b) Charge for any excess cost that the owner has not approved; 73
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(c) Represent that repairs or work have been performed 75

when such is not the fact;	76
(d) Fail to perform the home construction service in a workmanlike manner;	77 78
(e) Fail to tender to the owner, within a reasonable time and upon the owner's request, any replaced parts, unless the parts are to be rebuilt or sold by the home construction service supplier, or returned to the manufacturer in connection with a warranted repair or service, and the intended reuse or return is made known to the owner prior to commencing any repair or services;	79 80 81 82 83 84 85
(f) Fail to provide a full refund within a reasonable time period for any goods or services that the home construction service supplier has failed to deliver in accordance with the terms and conditions of the contract required by section 4722.02 of the Revised Code and for which the supplier has received payment;	86 87 88 89 90 91
(g) Fail to provide to the owner, within a reasonable time and upon the owner's request, a written, itemized receipt for any item of goods that is left with, or turned over to, the home construction service supplier for repair or services. The receipt shall include all of the following:	92 93 94 95 96
(i) The identity of the person who will perform the repair or services;	97 98
(ii) The name and dated signature of the person or representative who actually accepts the goods;	99 100
(iii) A description, including make and model number or other features that will reasonably identify the goods that are turned over, and the repair or services that are to be performed.	101 102 103 104

(4) Make the performance of any home construction service	105
contingent upon an owner's waiver of any rights this chapter	106
provides <u>provided by sections 4722.01 to 4722.08 of the Revised</u>	107
<u>Code;</u>	108
(5) Represent that repairs, services, or work is necessary	109
to comply with the residential building code when such is not	110
the fact;	111
(6) Represent that an item of goods or any part thereof	112
that is being inspected or diagnosed for a home construction	113
service is in a dangerous condition, or that its continued use	114
may be harmful, when such is not the fact;	115
(7) Intentionally understate or intentionally misstate the	116
estimated cost of the home construction service;	117
(8) Intentionally misrepresent any aspect of the	118
transaction or the nature or the quality of the work or	119
materials;	120
(9) Fail at the time any owner signs or initials any	121
document to provide the owner with a copy of the document within	122
a reasonable time period;	123
(10) Fail to disclose to the owner prior to the	124
commencement of any repair or service that any part of the	125
repair or service will be performed by a person other than the	126
home construction service supplier or employee of the supplier	127
if the contract disclaims any warranty of the repair or service	128
that the other person performs;	129
(11) Represent that repairs or services must be performed	130
away from the property on which the home construction service is	131
being performed when that is not the fact.	132

(B) A home construction service supplier who enters into a 133
cost-plus contract with an owner for a home construction service 134
need not comply with the requirements regarding excess costs 135
provided in this section. 136

Sec. 4722.06. (A) If, by the attorney general's own 137
inquiries or as a result of complaints, the attorney general has 138
reasonable cause to believe that a person has engaged or is 139
engaging in an act or practice that violates ~~this-~~ 140
~~chapter~~sections 4722.01 to 4722.08 of the Revised Code, the 141
attorney general may investigate. 142

(B) For this purpose, the attorney general may administer 143
oaths, subpoena witnesses, adduce evidence, and require the 144
production of relevant matter. 145

If matter that the attorney general requires to be 146
produced is located outside the state, the attorney general may 147
designate representatives, including officials of the state in 148
which the matter is located, to inspect the matter on the 149
attorney general's behalf, and the attorney general may respond 150
to similar requests from officials of other states. The person 151
subpoenaed may make the matter available to the attorney general 152
at a convenient location within the state or pay the reasonable 153
and necessary expenses for the attorney general or the attorney 154
general's representative to examine the matter at the place 155
where it is located, provided that expenses shall not be charged 156
to a party not subsequently found to have engaged in an act or 157
practice violative of ~~this chapter~~sections 4722.01 to 4722.08 of 158
the Revised Code. 159

(C) Within twenty days after a subpoena has been served, a 160
motion to extend the return day, or to modify or quash the 161
subpoena, stating good cause, may be filed in the court of 162

common pleas of Franklin county or the county in which the 163
person served resides or has the person's principal place of 164
business. 165

(D) A person subpoenaed under this section shall comply 166
with the terms of the subpoena, unless the parties agree to 167
modify the terms of the subpoena or unless the court has 168
modified or quashed the subpoena, extended the return day of the 169
subpoena, or issued any other order with respect to the subpoena 170
prior to its return day. 171

If a person fails without lawful excuse to obey a subpoena 172
or to produce relevant matter, the attorney general may apply to 173
the court of common pleas of the county in which the person 174
subpoenaed resides or has the person's principal place of 175
business for an order compelling compliance. 176

(E) The attorney general may request that an individual 177
who refuses to testify or to produce relevant matter on the 178
ground that the testimony or matter may incriminate the 179
individual be ordered by the court to provide the testimony or 180
matter. With the exception of a prosecution for perjury and an 181
action for damages under ~~this chapter~~ sections 4722.01 to 4722.08 182
of the Revised Code, an individual who complies with a court 183
order to provide testimony or matter, after asserting a 184
privilege against self-incrimination to which the individual is 185
entitled by law, shall not be subjected to a criminal proceeding 186
or to a civil penalty or forfeiture on the basis of the 187
testimony or matter required to be disclosed or testimony or 188
matter discovered through that testimony or matter. 189

(F) The attorney general may: 190

(1) During an investigation under this section, afford, in 191

a manner considered appropriate to the attorney general, a 192
supplier an opportunity to cease and desist from any suspected 193
violation. The attorney general may suspend the investigation 194
during the time period that the attorney general permits the 195
supplier to cease and desist; however, the suspension of the 196
investigation or the affording of an opportunity to cease and 197
desist shall not prejudice or prohibit any further investigation 198
by the attorney general under this section. 199

(2) Terminate an investigation under this section upon 200
acceptance of a written assurance of voluntary compliance from a 201
supplier who is suspected of a violation of ~~this chapter~~sections 202
4722.01 to 4722.08 of the Revised Code. 203

Acceptance of an assurance may be conditioned upon an 204
undertaking to reimburse or to take other appropriate action 205
with respect to identifiable owners damaged by an alleged 206
violation of ~~this chapter~~sections 4722.01 to 4722.08 of the 207
Revised Code. An assurance of compliance given by a supplier is 208
not evidence of violation of ~~this chapter~~those sections. The 209
attorney general may, at any time, reopen an investigation 210
terminated by the acceptance of an assurance of voluntary 211
compliance, if the attorney general believes that further 212
proceedings are in the public interest. Evidence of a violation 213
of an assurance of voluntary compliance is prima-facie evidence 214
of an act or practice in violation of ~~this chapter~~sections 215
4722.01 to 4722.08 of the Revised Code, if presented after the 216
violation in an action brought under ~~this chapter~~those sections. 217
An assurance of voluntary compliance may be filed with the court 218
and if approved by the court, entered as a consent judgment. 219

(G) The procedures available to the attorney general under 220
this section are cumulative and concurrent, and the exercise of 221

one procedure by the attorney general does not preclude or 222
require the exercise of any other procedure. 223

Sec. 4722.07. (A) If the attorney general, by the attorney 224
general's own inquiries or as a result of complaints, has 225
reasonable cause to believe that a supplier has engaged or is 226
engaging in an act or practice that violates ~~this-~~ 227
~~chapter~~sections 4722.01 to 4722.08 of the Revised Code, and that 228
the action would be in the public interest, the attorney general 229
may bring any of the following: 230

(1) An action to obtain a declaratory judgment that the 231
act or practice violates ~~this chapter~~sections 4722.01 to 4722.08 232
of the Revised Code; 233

(2) (a) An action, with notice as required by Civil Rule 234
65, to obtain a temporary restraining order, preliminary 235
injunction, or permanent injunction to restrain the act or 236
practice. If the attorney general shows by a preponderance of 237
the evidence that the supplier has violated or is violating ~~this-~~ 238
~~chapter~~sections 4722.01 to 4722.08 of the Revised Code, the 239
court may issue a temporary restraining order, preliminary 240
injunction, or permanent injunction to restrain and prevent the 241
act or practice. 242

(b) On motion of the attorney general, or on its own 243
motion, the court may impose a civil penalty of not more than 244
five thousand dollars for each day of violation of a temporary 245
restraining order, preliminary injunction, or permanent 246
injunction issued under this section, if the supplier received 247
notice of the action. The civil penalties shall be paid as 248
provided in division (G) of this section. 249

(c) Upon the commencement of an action under division (A) 250

(2) of this section against a supplier who operates under a license, permit, certificate, commission, or other authorization issued by the supreme court or by a board, commission, department, division, or other agency of this state, the attorney general shall immediately notify the supreme court or agency that such an action has been commenced against the supplier.

(3) A class action under Civil Rule 23, as amended, on behalf of owners who have engaged in home construction service contracts in this state for damage caused by an act or practice described in ~~this chapter~~ sections 4722.01 to 4722.08 of the Revised Code.

(B) On motion of the attorney general and without bond, in the attorney general's action under this section, the court may make appropriate orders, including appointment of a referee or a receiver, for sequestration of assets, to reimburse owners found to have been damaged, to carry out a home construction service contract in accordance with an owner's reasonable expectations, to strike or limit the application of unconscionable clauses of contracts so as to avoid an unconscionable result, or to grant other appropriate relief. The court may assess the expenses of a referee or receiver against the supplier.

(C) Any moneys or property recovered by the attorney general in an action under this section that cannot with due diligence within five years be restored by a referee to owners shall be unclaimed funds reportable under Chapter 169. of the Revised Code.

(D) In addition to the other remedies provided in this section, the attorney general may request and the court may impose a civil penalty of not more than twenty-five thousand

dollars against the supplier for each violation of an act or 281
practice described in ~~this chapter~~sections 4722.01 to 4722.08 of 282
the Revised Code. The civil penalties shall be paid as provided 283
in division (G) of this section. 284

(E) No action may be brought by the attorney general under 285
this section to recover for a home construction service contract 286
more than two years after the occurrence of a violation. 287

(F) If a court determines that provision has been made for 288
reimbursement or other appropriate corrective action, insofar as 289
practicable, with respect to all consumers damaged by a 290
violation, or in any other appropriate case, the attorney 291
general, with court approval, may terminate enforcement 292
proceedings brought by the attorney general upon acceptance of 293
an assurance from the supplier of voluntary compliance with ~~this~~ 294
~~chapter~~sections 4722.01 to 4722.08 of the Revised Code, with 295
respect to the alleged violation. The assurance shall be filed 296
with the court and entered as a consent judgment. A consent 297
judgment is not evidence of prior violation of ~~such chapter~~those 298
sections. Disregard of the terms of a consent judgment entered 299
upon an assurance shall be treated as a violation of an 300
injunction issued under this section. 301

(G) Civil penalties ordered pursuant to divisions (A) or 302
(D) of this section shall be paid as follows: one-fourth of the 303
amount to the treasurer of the county in which the action is 304
brought and three-fourths to the consumer protection enforcement 305
fund created by section 1345.51 of the Revised Code. 306

(H) The remedies available to the attorney general under 307
this section are cumulative and concurrent, and the exercise of 308
one remedy by the attorney general does not preclude or require 309
the exercise of any other remedy. 310

(I) In carrying out the attorney general's official 311
duties, the attorney general shall not disclose publicly the 312
identity of any supplier who is or was the subject of an 313
investigation under ~~this chapter~~ sections 4722.01 to 4722.08 of 314
the Revised Code or any facts developed during such an 315
investigation unless those matters have become a matter of 316
public record in enforcement proceedings, or the supplier who is 317
the subject of the investigation gives written consent to public 318
disclosure of those matters. 319

(J) The attorney general shall cooperate with state and 320
local officials, officials of other states, and officials of the 321
federal government in the administration of statutes comparable 322
to ~~this chapter~~ sections 4722.01 to 4722.08 of the Revised Code. 323

Sec. 4722.08. For a violation of ~~Chapter 4722~~ sections 324
4722.01 to 4722.08 of the Revised Code, an owner has a cause of 325
action and is entitled to relief as follows: 326

(A) Where the violation was an act prohibited by section 327
4722.02, 4722.03, or 4722.04 of the Revised Code, the owner may, 328
in an individual action, rescind the transaction or recover the 329
owner's actual economic damages plus an amount not exceeding 330
five thousand dollars in noneconomic damages. 331

(B) In any action for rescission, revocation of the 332
transaction must occur within a reasonable time after the owner 333
discovers or should have discovered the ground for it and before 334
any substantial change in condition of the subject of the 335
transaction. 336

(C) Any owner may seek a declaratory judgment, an 337
injunction, or other appropriate relief against an act or 338
practice that violates ~~this chapter~~ sections 4722.01 to 4722.08 339

<u>of the Revised Code.</u>	340
(D) The court may award to the prevailing party a	341
reasonable attorney's fee limited to the work reasonably	342
performed, if either of the following apply:	343
(1) The owner complaining of the act or practice that	344
violated this chapter <u>sections 4722.01 to 4722.08 of the Revised</u>	345
<u>Code</u> has brought or maintained an action that is groundless, and	346
the owner filed or maintained the action in bad faith;	347
(2) The home construction service supplier has knowingly	348
committed an act or practice that violates this chapter <u>sections</u>	349
<u>4722.01 to 4722.08 of the Revised Code.</u>	350
(E) As used in this section, "actual economic damages"	351
means damages for direct, incidental, or consequential pecuniary	352
losses resulting from a violation of Chapter 4722 <u>sections</u>	353
<u>4722.01 to 4722.08</u> of the Revised Code and does not include	354
damages for noneconomic loss as defined in section 2315.18 of	355
the Revised Code.	356
(F) Nothing in this section shall preclude an owner from	357
also proceeding with a cause of action under any other theory of	358
law.	359
<u>Sec. 4722.20.</u> <u>As used in sections 4722.20 to 4722.25 of</u>	360
<u>the Revised Code:</u>	361
<u>(A) "Consumer" means a person who seeks roofing services.</u>	362
<u>(B) "Contractor" means a person engaged in roofing</u>	363
<u>services for a fee or who offers to engage in or solicits</u>	364
<u>roofing services for a fee. "Contractor" does not include any of</u>	365
<u>the following:</u>	366
<u>(1) The owner of a residential or farm property, when the</u>	367

<u>owner performs roofing services on that property;</u>	368
<u>(2) An employee of the owner of a residential or farm property, when the employee performs roofing services on that property;</u>	369 370 371
<u>(3) An authorized employee or representative of the United States government, this state, or a political subdivision, when the employee or representative performs roofing services on property owned by that governmental entity;</u>	372 373 374 375
<u>(4) A person who furnishes any fabricated or finished product, material, or article of merchandise that is not incorporated into or attached to real property by the consumer so as to become affixed to the property;</u>	376 377 378 379
<u>(5) A person who is acting as a contractor's employee or as a subcontractor;</u>	380 381
<u>(6) A person who is performing home construction service as that term is defined in section 4722.01 of the Revised Code;</u>	382 383
<u>(7) A contractor licensed under Chapter 4740. of the Revised Code.</u>	384 385
<u>(C) "Employee" means an individual who performs work in exchange for compensation that is reported as income from wages.</u>	386 387
<u>(D) "Person" includes any individual, partnership, corporation, business, trust, or other legal entity.</u>	388 389
<u>(E) "Principal business address" does not include a post office box.</u>	390 391
<u>(F) "Roofing services" means the installation, renovation, repair, maintenance, alteration, or waterproofing of any roof, gutter, downspout, or siding product with regard to a</u>	392 393 394

residential premises. 395

(G) "Subcontractor" means a person, other than a 396
contractor's employee, who undertakes, offers to undertake, 397
agrees to perform, or is otherwise awarded a portion of an 398
existing contract by a contractor. 399

Sec. 4722.21. The requirements of this section apply with 400
respect to a contract for roofing services for an amount greater 401
than seven hundred fifty dollars. 402

(A) The contract shall be in writing and shall include all 403
of the following: 404

(1) The complete agreement between the consumer and the 405
contractor, including a clear description of any other documents 406
that are or will be incorporated into the contract; 407

(2) The contractor's full legal name, business names, 408
principal business address, telephone number, and electronic 409
mail address, if available; 410

(3) Either of the following: 411

(a) A description of the contractor's insurance coverage 412
as described in division (A)(1) of section 4722.23 of the 413
Revised Code, including the insurance policy limits, the 414
effective dates of applicable policies, and the name of the 415
insurer; 416

(b) A statement that a description of the contractor's 417
insurance coverage may be accessed at a specific web site or 418
otherwise provided to the consumer on request. 419

(4) An itemized description of the work to be done, the 420
cost of labor, and the materials to be used in performing the 421
contract; 422

(5) The total amount agreed to be paid for the work to be performed under the contract, including all change orders and work orders; 423
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(6) An approximation of the cost expected to be borne by the consumer, if some or all of the cost will be paid by the consumer's insurer; 426
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(7) A provision allowing payment to be made by cash, check, or credit card, at the consumer's discretion; 429
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(8) The signatures of all persons party to the contract; 431

(9) In immediate proximity to the space reserved for the consumer's signature, a statement in substantially the following form and in at least ten-point boldface type: 432
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"You may cancel this contract not later than the third business day after entering into this contract. If this contract is related to an insurance claim, you may also cancel the contract not later than the third business day after you are notified that your insurer has denied all or any part of a claim or loss related to the contract. See the attached notice of cancellation form for an explanation of this right." 435
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(10) A fully completed form in duplicate, captioned "NOTICE OF CANCELLATION," which shall be attached to the contract but easily detachable, and which shall contain the following statement in at least ten-point boldface type: 442
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"NOTICE OF CANCELLATION" 446

You may cancel this contract not later than the third business day after entering into the contract. If this contract is related to an insurance claim, you may also cancel the contract not later than the third business day after you are 447
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notified that your insurer has denied all or any part of your 451
claim or loss. You may cancel the contract by mailing or 452
delivering a signed and dated copy of this cancellation notice 453
or any other written notice to (name of contractor) at 454
(contractor's principal business address) at any time before the 455
applicable deadline. You may also send a cancellation notice 456
through electronic mail if the contractor has provided an 457
electronic mail address. If you cancel, any payments you have 458
made under the contract will be returned to you, less a 459
reasonable charge for any services and materials provided, not 460
later than the tenth business day after you send the 461
cancellation notice to the contractor, and any security interest 462
arising out of the transaction will be canceled. You must retain 463
a copy of the cancellation notice. 464

I HEREBY CANCEL THIS TRANSACTION 465

_____ 466

(Date) 467

_____ 468

(Signature)" 469

(B) At the time the contract is signed, the contractor 470
shall provide to the consumer a copy of the contract signed by 471
both the contractor and the consumer. No work shall begin before 472
the contract is signed and a copy of the contract is provided to 473
the consumer. 474

(C) The contract and notice of cancellation required under 475
this section may be delivered and signed electronically in 476
accordance with Chapter 1306. of the Revised Code. 477

Sec. 4722.22. (A) A consumer may cancel a contract for 478

roofing services not later than the third business day after the 479
consumer enters into the contract. A consumer who has entered 480
into a contract that is to be paid from the proceeds of a 481
property or casualty insurance policy claim also may cancel the 482
contract not later than the third business day after the 483
consumer receives written notice from the insurer that all or 484
any part of the claim in question is not covered under the 485
insurance policy. 486

(B) A notice of cancellation is not required to be in any 487
particular form and is sufficient if it indicates, by any form 488
of written expression, the consumer's intention not to be bound 489
by the contract. The consumer shall retain a copy of the 490
cancellation notice for a reasonable period of time. 491

(C) A contract is canceled when the consumer gives written 492
notice of cancellation to the contractor at the principal 493
business address or, if applicable, electronic mail address, 494
stated in the contract. If the consumer gives notice of 495
cancellation by mail, the cancellation is effective when the 496
consumer deposits the notice into the United States mail, 497
postage prepaid, and properly addressed to the contractor. 498

(D) Not later than the tenth business day after a contract 499
is canceled, the contractor shall tender to the consumer or to 500
the possessor of the residential premises any payments, partial 501
payments, or deposits made by the consumer and any note of 502
indebtedness, except that if the contractor has performed 503
services or provided materials that have been acknowledged by 504
the consumer in writing, the contractor is entitled to the 505
reasonable value of those services or materials. 506

Sec. 4722.23. (A) A contractor shall do both of the 507
following: 508

<u>(1) Obtain both of the following in the name of the</u>	509
<u>contractor and maintain them in full force and effect while the</u>	510
<u>contractor is providing roofing services:</u>	511
<u>(a) Workers' compensation insurance;</u>	512
<u>(b) Contractor liability insurance, including completed</u>	513
<u>operations coverage, in an amount of at least five hundred</u>	514
<u>thousand dollars.</u>	515
<u>(2) Maintain a list of all subcontractors who have</u>	516
<u>performed work under any contract under which the contractor has</u>	517
<u>begun work during the past three years. The list shall include,</u>	518
<u>at a minimum, each subcontractor's full legal name and principal</u>	519
<u>business address.</u>	520
<u>(B) A contractor shall not do any of the following:</u>	521
<u>(1) Advertise, promise to pay, or rebate any portion of an</u>	522
<u>insurance deductible as an inducement to the sale of goods or</u>	523
<u>services, including granting an allowance or offering a discount</u>	524
<u>against the fees to be charged or paying the consumer, or any</u>	525
<u>person directly or indirectly associated with the property in</u>	526
<u>question, any form of compensation, except as permitted under</u>	527
<u>division (B) (2) of this section;</u>	528
<u>(2) Induce the sale of goods or services by doing any of</u>	529
<u>the following:</u>	530
<u>(a) Offering or providing any upgraded work, material, or</u>	531
<u>product not specified in the contract, unless the contractor and</u>	532
<u>the consumer sign a written addendum to the contract that</u>	533
<u>provides for that upgraded work, material, or product;</u>	534
<u>(b) Granting any allowance or offering any discount</u>	535
<u>against the fees to be charged, unless the allowance or discount</u>	536

is specified in the contract or unless the contractor and the 537
consumer sign a written addendum to the contract that provides 538
for that allowance or discount; 539

(c) Paying to the consumer, or to any other person 540
directly or indirectly associated with the property in question, 541
any form of compensation, including a gift, prize, bonus, 542
coupon, credit, referral fee, trade-in or trade-in payment, 543
advertising, or other fee or payment, unless the compensation is 544
specified in the contract or unless the contractor and the 545
consumer sign a written addendum to the contract that provides 546
for that compensation; 547

(3) Require a deposit of more than one-half of the 548
contract price; 549

(4) Abandon or fail to perform, without justification, any 550
ongoing contract or deviate from or disregard plans or 551
specifications in any material respect without the consent of 552
the consumer; 553

(5) Fail to credit the consumer for any payment the 554
consumer has made to the contractor in connection with the 555
contract; 556

(6) Make any material misrepresentation in the procurement 557
of a contract or make any false promise likely to influence, 558
persuade, or induce the procurement of a contract; 559

(7) Violate any applicable state or local building code; 560

(8) Fail to pay for materials or services rendered in 561
connection with operating as a contractor, if the contractor has 562
received sufficient funds as payment for the particular 563
construction work, project, or operation for which the services 564
or materials were rendered or purchased; 565

<u>(9) Report, adjust, or negotiate a claim on behalf of a</u>	566
<u>consumer or receive compensation for referring a claim to any</u>	567
<u>person who reports, adjusts, or negotiates a claim on behalf of</u>	568
<u>a consumer;</u>	569
<u>(10) Fail to possess any insurance required under state,</u>	570
<u>federal, or local laws;</u>	571
<u>(11) Seek or obtain a power of attorney on behalf of a</u>	572
<u>consumer;</u>	573
<u>(12) Represent, negotiate, obtain, or attempt to obtain an</u>	574
<u>assignment of claims, rights, benefits, or proceeds from a</u>	575
<u>consumer;</u>	576
<u>(13) Offer or advertise to represent, negotiate, obtain,</u>	577
<u>or attempt to obtain an assignment of claims, rights, benefits,</u>	578
<u>or proceeds from a consumer.</u>	579
<u>(C) A contractor may provide information or a professional</u>	580
<u>opinion about a claim directly to a consumer.</u>	581
<u>Sec. 4722.24. Failure to comply with sections 4722.20 to</u>	582
<u>4722.23 of the Revised Code constitutes a deceptive act or</u>	583
<u>practice in connection with a consumer transaction in violation</u>	584
<u>of section 1345.02 of the Revised Code.</u>	585
<u>Sec. 4722.25. Sections 4722.20 to 4722.24 of the Revised</u>	586
<u>Code shall not be construed to limit or diminish any rights or</u>	587
<u>remedies available under sections 1345.21 to 1345.28 of the</u>	588
<u>Revised Code.</u>	589
<u>The contract required under section 4722.21 of the Revised</u>	590
<u>Code shall be deemed to comply with the requirements of</u>	591
<u>divisions (A), (B) (1), (2), and (3) of section 1345.23 of the</u>	592
<u>Revised Code.</u>	593

Section 2. That existing sections 4722.01, 4722.03, 4722.06, 4722.07, and 4722.08 of the Revised Code are hereby repealed.

Section 3. Sections 4722.20, 4722.21, 4722.22, 4722.23, 4722.24, and 4722.25 of the Revised Code, as enacted by this act, take effect on the ninetieth day after the effective date of this section.

Section 4. The intent of the General Assembly in enacting this act is to establish minimum standards for roofing contracts and to promote fair and honest practices in the roofing services business.