

Second Regular Session

Sixty-second General Assembly

LLS NO. 00-0678.01 Bart Miller

HOUSE BILL 00-1285

STATE OF COLORADO

BY REPRESENTATIVE Kaufman

A BILL FOR AN ACT

101 CONCERNING ENACTMENT OF THE "COLORADO HOME IMPROVEMENT
102 CONTRACT REQUIREMENT" UNDER THE "COLORADO CONSUMER
103 PROTECTION ACT".

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Enacts the "Colorado Home Improvement Contract Requirement" under the "Colorado Consumer Protection Act". Defines the terms "home improvement", "home improvement contract", "home improvement contractor", "homeowner", and "residential building or structure" for purposes of this act. Requires that any home improvement contract with a cost of over \$500 be in writing. Specifies the required contents for such home improvement contracts. Makes it a deceptive trade practice under the "Colorado Consumer Protection Act" and a class 2 misdemeanor crime to violate the Colorado home improvement contract requirement.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 6-1-105 (1), Colorado Revised Statutes, is amended
3 BY THE ADDITION OF A NEW PARAGRAPH to read:

4 **6-1-105. Deceptive trade practices.** (1) A person engages in a
5 deceptive trade practice when, in the course of such person's business,
6 vocation, or occupation, such person:

1 (rr) VIOLATES ANY PROVISION OF SECTION 6-1-106.5.

2 **SECTION 2.** Part 1 of article 1 of title 6, Colorado Revised
3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
4 read:

5 **6-1-106.5. Colorado home improvement contract requirement**

6 - **short title.** (1) THIS SECTION SHALL BE KNOWN AND MAY BE CITED AS
7 THE "COLORADO HOME IMPROVEMENT CONTRACT REQUIREMENT".

8 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
9 REQUIRES:

10 (a) "HOME IMPROVEMENT" MEANS ANY IMPROVEMENT, INCLUDING
11 NEW WORK, ADDITIONS, ALTERATIONS, RECONSTRUCTION, INSTALLATIONS,
12 OR REPAIRS ON ANY RESIDENTIAL BUILDING OR STRUCTURE OR
13 LANDSCAPING.

14 (b) "HOME IMPROVEMENT CONTRACT" MEANS ANY PROPOSAL OR
15 AGREEMENT FOR ANY HOME IMPROVEMENT WORK TO BE PERFORMED ON
16 A RESIDENTIAL BUILDING OR STRUCTURE OR UPON LAND ADJACENT
17 THERETO.

18 (c) "HOME IMPROVEMENT CONTRACTOR" MEANS ANY PERSON
19 THAT SOLICITS, BIDS ON, CONTRACTS FOR, OR PERFORMS HOME
20 IMPROVEMENTS FOR A MONETARY FEE AND ANY OTHER PERSON
21 ARRANGING FOR A MONETARY FEE FOR THE PERFORMANCE OF HOME
22 IMPROVEMENTS ON ANY RESIDENTIAL BUILDING OR STRUCTURE.

23 (d) "HOMEOWNER" MEANS ANY NATURAL PERSON WHO OWNS A
24 RESIDENTIAL BUILDING OR STRUCTURE OR THE LAND AND APPURTENANT
25 STRUCTURES ADJACENT THERETO.

26 (e) "RESIDENTIAL BUILDING OR STRUCTURE" MEANS ANY PRIVATE

1 RESIDENCE INCLUDING ALL ADJACENT LAND AND APPURTENANT
2 STRUCTURES THAT IS INTENDED FOR PERMANENT OCCUPANCY BY ONE OR
3 MORE FAMILIES, BUT DOES NOT INCLUDE COMMERCIAL PROPERTIES,
4 APARTMENT HOUSES, LODGING HOUSES, HOTELS, OR MOTELS.

5 (3) ANY HOME IMPROVEMENT CONTRACT BETWEEN A HOME
6 IMPROVEMENT CONTRACTOR AND A HOMEOWNER FOR ANY PROJECT
7 ESTIMATED TO HAVE A COST OF OVER FIVE HUNDRED DOLLARS SHALL BE
8 IN WRITING. A HOME IMPROVEMENT CONTRACT SHALL BE PRINTED IN AT
9 LEAST TWELVE-POINT TYPE AND SHALL CONTAIN THE FOLLOWING:

10 (a) A DESCRIPTION OF THE WORK TO BE PERFORMED, THE
11 MATERIALS TO BE USED, AND THE AGREED UPON COST OF THE PROJECT;

12 (b) A DATE CERTAIN INDICATING WHEN THE WORK WILL BEGIN;

13 (c) A DATE CERTAIN INDICATING WHEN THE WORK WILL BE
14 COMPLETED;

15 (d) A STATEMENT THAT, IF THE HOME IMPROVEMENT CONTRACTOR
16 FAILS TO BEGIN WORK WITHIN FIFTEEN DAYS AFTER THE BEGINNING DATE
17 OF THE PROJECT INDICATED PURSUANT TO PARAGRAPH (b) OF THIS
18 SUBSECTION (3), ALL DEPOSIT MONEYS PAID TO THE HOME IMPROVEMENT
19 CONTRACTOR, IF ANY, WILL BE RETURNED TO THE HOMEOWNER WITHIN
20 THREE DAYS AFTER THE HOMEOWNER, ORALLY OR IN WRITING, REQUESTS
21 RETURN OF SUCH MONEYS;

22 (e) A STATEMENT THAT THE HOMEOWNER AND THE HOME
23 IMPROVEMENT CONTRACTOR MAY AGREE TO CHANGE ANY TERM OF THE
24 HOME IMPROVEMENT CONTRACT IF ANY SUCH CHANGE OR ADDENDUM TO
25 THE CONTRACT IS IN WRITING, SIGNED, AND DATED BY THE HOMEOWNER
26 AND THE HOME IMPROVEMENT CONTRACTOR;

1 (f) A STATEMENT AS TO WHETHER THE HOMEOWNER OR THE HOME
2 IMPROVEMENT CONTRACTOR WILL OBTAIN ANY REQUIRED PERMIT FROM
3 THE APPROPRIATE UNIT OF LOCAL GOVERNMENT;

4 (g) THE ACTUAL PHYSICAL ADDRESS, NAME, BUSINESS NAME, IF
5 APPLICABLE, AND CURRENT TELEPHONE NUMBER OF THE HOME
6 IMPROVEMENT CONTRACTOR. A POST OFFICE OR OTHER MAIL BOX
7 ADDRESS SHALL NOT SATISFY THE REQUIREMENTS OF THIS PARAGRAPH (g).

8 (h) THE SIGNATURES OF THE HOME IMPROVEMENT CONTRACTOR
9 AND THE HOMEOWNER;

10 (i) THE DATE ON WHICH THE HOME IMPROVEMENT CONTRACT WAS
11 SIGNED;

12 (j) IF A WARRANTY IS OFFERED, THE TERMS OF THE WARRANTY
13 WHICH SHALL BE CLEARLY DEFINED;

14 (k) THE FOLLOWING STATEMENT IN CAPITAL LETTERS OF AT LEAST
15 TWELVE-POINT BOLD-FACED TYPE:

16 **"THE HOMEOWNER HAS THE RIGHT TO CANCEL**
17 **THIS CONTRACT FOR ANY REASON AT ANY**
18 **TIME WITHIN THREE DAYS AFTER THE SIGNING**
19 **OF THE CONTRACT, UNLESS WORK HAS**
20 **COMMENCED. NOTICE OF CANCELLATION**
21 **MUST BE GIVEN BY CERTIFIED MAIL, RETURN**
22 **RECEIPT REQUESTED, TO THE HOME**
23 **IMPROVEMENT CONTRACTOR. IT SHALL BE**
24 **DEEMED COMPLIANCE WITH THE THREE-DAY**
25 **CANCELLATION PERIOD IF THE NOTICE TO**
26 **CANCEL IS MAILED WITHIN THREE DAYS**

1 **AFTER THE CONTRACT SIGNING, EXCLUDING**
2 **SUNDAYS AND HOLIDAYS. WITHIN THREE DAYS**
3 **AFTER RECEIPT OF THE WRITTEN NOTICE OF**
4 **CANCELLATION, THE CONTRACTOR SHALL**
5 **REFUND ALL MONEYS RECEIVED FROM THE**
6 **HOMEOWNER."**

7 (4) NO HOME IMPROVEMENT CONTRACTOR THAT FAILS TO COMPLY
8 WITH THE PROVISIONS OF THIS SECTION SHALL BE ENTITLED TO CLAIM ANY
9 LIEN RIGHTS UNDER THE PROVISIONS OF ARTICLE 22 OF TITLE 38, C.R.S.,
10 AND ANY LIEN FILED THEREUNDER BY ANY SUCH HOME IMPROVEMENT
11 CONTRACTOR SHALL BE VOID AND UNENFORCEABLE.

12 **SECTION 3.** 6-1-114, Colorado Revised Statutes, is amended to
13 read:

14 **6-1-114. Criminal penalties.** (1) Upon a first conviction any
15 person who promotes a pyramid promotional scheme in this state or who
16 violates any provision of section 6-1-701 is guilty of a class 1
17 misdemeanor, as defined in section 18-1-106, C.R.S., and upon a second
18 or subsequent conviction is guilty of a class 6 felony, as defined in
19 section 18-1-105, C.R.S.

20 (2) ANY PERSON WHO VIOLATES ANY PROVISION OF SECTION
21 6-1-106.5 COMMITS A CLASS 2 MISDEMEANOR FOR EACH OFFENSE AND
22 SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1-106, C.R.S.

23 **SECTION 4. Effective date - applicability.** This act shall take
24 effect July 1, 2000, and shall apply to acts committed on or after said
25 date.

1 **SECTION 5. Safety clause.** The general assembly hereby finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, and safety.