103A.71 Residential contractors.

1. As used in this section:

a. *"Catastrophe"* means a natural occurrence including but not limited to fire, earthquake, tornado, windstorm, flood, or hail storm, which damages or destroys residential real estate.

b. *"Residential contractor"* means a person in the business of contracting to repair or replace residential roof systems or perform any other exterior repair, exterior replacement, or exterior reconstruction work resulting from a catastrophe on residential real estate or a person offering to contract with an owner or possessor of residential real estate to carry out such work.

c. *"Residential real estate"* means a new or existing building, including a detached garage, constructed for habitation by one to four families.

d. *"Roof system"* includes roof coverings, roof sheathing, roof weatherproofing, and roof insulation.

2. A residential contractor shall not advertise or promise to rebate any insurance deductible or any portion thereof as an inducement to the sale of goods or services. A promise to rebate any insurance deductible includes granting any allowance or offering any discount against the fees to be charged or paying a person directly or indirectly associated with the residential real estate any form of compensation, except for items of nominal value. A residential contractor may display a sign or any other type of advertisement on a person's premises provided the person consents to the display and the person receives no compensation from the residential contractor for the placement of the sign or advertising.

3. A residential contractor shall not represent or negotiate on behalf of, or offer or advertise to represent or negotiate on behalf of, an owner or possessor of residential real estate on any insurance claim in connection with the repair or replacement of roof systems, or the performance of any other exterior repair, exterior replacement, or exterior reconstruction work on the residential real estate.

4. *a.* A residential contractor contracting to provide goods or services to repair damage resulting from a catastrophe shall provide the person with whom it is contracting a fully completed duplicate notice in at least ten-point bold type which shall contain the following statement:

NOTICE OF CONTRACT OBLIGATIONS AND RIGHTS

You may be responsible for payment to (insert name of residential contractor) for the cost of all goods and services provided whether or not you receive payment from any property and casualty insurance policy with respect to the damage. Pursuant to Iowa law your contract with (insert name of residential contractor) to provide goods and services to repair damage resulting from a naturally occurring catastrophe including but not limited to a fire, earthquake, tornado, windstorm, flood, or hail storm is void and you have no responsibility for payment under the contract if (insert name of residential contractor) either advertises or promises to rebate all or any portion of your insurance deductible, or represents or negotiates, or offers to represent or negotiate, on your behalf with your property and casualty insurance company on any insurance claim relating to the damage you have contracted to have repaired. Your signature below acknowledges your understanding of these legal obligations and rights.

....
Date

....
Signature

b. The notice shall be executed by the person with whom the residential contractor is contracting prior to or contemporaneously with entering into the contract.

5. A contract entered into with a residential contractor is void if the residential contractor violates subsection 2, 3, or 4.

6. *a.* A residential contractor violating this section is subject to the penalties and remedies prescribed by this chapter.

b. A violation of subsection 2 or 3 by a residential contractor is an unlawful practice pursuant to section 714.16.

2012 Acts, ch 1116, §1, 2
Section applies to contracts entered into on or after July 1, 2012; 2012 Acts, ch 1116, §2