



**Colorado  
Legislative  
Council  
Staff**

**HB17-1169**

**FINAL  
FISCAL NOTE**

**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

**Drafting Number:** LLS 17-0501  
**Prime Sponsor(s):** Rep. Leonard  
Sen. Tate

**Date:** July 13, 2017  
**Bill Status:** Postponed Indefinitely  
**Fiscal Analyst:** Josh Abram (303-866-3561)

**BILL TOPIC:** CONSTRUCTION DEFECT LITIGATION BUILDER'S RIGHT TO REPAIR

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
<b>State Revenue</b>		
<b>State Expenditures</b> General Fund	Minimal workload reduction.	
<b>Appropriation Required:</b> None.		
<b>Future Year Impacts:</b> Ongoing minimal workload reduction.		

**NOTE: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.**

**Summary of Legislation**

Under current law, before a claimant can bring suit against a builder for alleged construction defects, the claimant must notify the builder of the intent to bring suit, and allow the builder and his or her sub contractors reasonable access to the property to inspect the claimed defect. Following this inspection, the builder may offer to settle the claim with a monetary offer, or agree to remedy the claimed defect. A written offer to remedy the defect must include details concerning the defect found as a result of the inspection, a description of the additional work necessary to remedy the defect, and a timetable for completion.

This bill requires that a builder's written notice also include an offer of monetary compensation for lodging and storage if the claimant will be required to vacate the property during the remedy. If the construction professional does not give notice of an election to repair, or if the claimant rejects either a monetary settlement or an offer to repair, the claimant may commence an action in the courts.

**State Expenditures**

This bill may decrease workload in the Judicial Department beginning with FY 2017-18. The bill does not affect a claimants' right to pursue a remedy in the courts; however, the bill may facilitate the resolution of construction defect claims prior to the courts involvement in those cases where construction professionals elect to repair the defect. This change may produce a minimal savings for the courts, but does not require a change in appropriations.

## Effective Date

The bill was postponed indefinitely by the House State, Veterans, and Military Affairs Committee on March 1, 2017.

## State and Local Government Contacts

Counties  
Municipalities

Judicial  
Regulatory Agencies

Local Affairs