

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 25-0097.01 Yelana Love x2295

HOUSE BILL 25-1272

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A BILL FOR AN ACT

101 **CONCERNING HOUSING.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

For construction of middle market housing, **section 3** of the bill requires a person filing a construction defect action against an architect or engineer to file with the complaint an affidavit of a third-party licensed professional indicating the negligence or other action, error, or omission of the construction professional. **Section 3** also establishes a rebuttable presumption that a property does not have a construction defect when a state agency or local government has issued a certificate of occupancy for the property.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

HOUSE
Amended 2nd Reading
March 28, 2025

Section 4:

- Establishes a claimant's duty to mitigate an alleged construction defect and specifies how a claimant may satisfy this duty and the consequences to a claimant that fails to satisfy this duty;
- Requires that a construction professional must send or deliver to the claimant an offer to settle the claim or a written response that identifies the standards that apply to the claim and explains why the defect does not require repair; and
- Requires a construction professional who is the defendant in a construction defects action to submit specified information to the claimant.

Section 5 updates the statute of limitations for construction defect claims to 10 years unless the construction professional provided the consumer with a warranty that meets the requirements of the bill, in which case the statute of limitations is 6 years. **Section 6** tolls the statute of limitations or repose during a claimant's mitigation of an alleged construction defect claim brought for the construction of middle market housing.

Section 7 allows a construction professional that meets specified requirements to use certain affirmative defenses in construction claims brought against the construction professional for the construction of middle market housing.

Current law requires the executive board of a unit owners' association (executive board) to obtain approval from a majority of owners before initiating a construction defect claim on behalf of the owners. **Section 8** increases the approval amount to 65%. **Section 8** also requires an executive board that is successful in a construction defect claim to first use monetary damages received as a result of the claim to repair the construction defect.

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

2 **SECTION 1. Short title - legislative declaration.** (1) The short
3 title of this act is the "Colorado American Dream Act".

4 (2) The general assembly finds that:

5 (a) Homeownership is a cornerstone of economic stability, but for
6 many Coloradans, particularly first-time homebuyers, it has become
7 increasingly out of reach. Surveys show that while 90% of renters aspire

1 to own a home, more than half believe it is unattainable. This concern is
2 personal for many, with over 4 out of 5 parents expressing concerns about
3 whether their children will be able to afford to live in Colorado. Many
4 Coloradans agree that increasing the variety and availability of housing
5 options is crucial, as people want the ability to find and choose housing
6 that fits their needs, whether it's through more accessible price points or
7 housing types.

8 (b) Millennials, the largest group of homebuyers in Colorado at
9 38% of the market, are facing increasing challenges, as the median age of
10 first-time homebuyers has risen from 35 to 38 in just the past year. These
11 gaps are just a few of many that highlight the urgent need for policies that
12 facilitate affordable and attainable homeownership, particularly through
13 the construction of entry-level homes.

14 (c) Condominiums and townhomes have often served as
15 affordable starter home options, providing the first step on the
16 homeownership ladder for many Coloradans. Despite the clear need for
17 these homes, however, condominium development in Colorado has
18 drastically decreased. Before 2009, there were 1.25 new apartments for
19 every one condominium. This has shifted radically to 14 new apartments
20 for every condominium in recent years. The decline in condominium
21 construction coincides with a housing shortfall of at least 100,000 homes
22 in the state, further worsening the availability of affordable options for
23 first-time buyers.

24 (d) Current construction litigation laws are often cited as a
25 contributing factor to the high cost of construction and a deterrent for
26 developers to pursue condominium projects. At the same time,
27 homeowners have limited up-front assurances of high-quality

1 construction in new homes. It is critical that policies seek to support
2 homeowners' rights while spurring development in a key housing market.

3 (e) Without addressing these challenges, Colorado will continue
4 to experience a shortage of entry-level homes for its first-time
5 homebuyers and struggle to meet the needs of Coloradans. It is imperative
6 that the state creates policies that encourage the entire housing ecosystem
7 to work together to create more attainable housing options for
8 Coloradans.

9 (f) This act is intended to:

10 (I) Promote the construction of affordable homes so that
11 homeownership becomes a more attainable goal for a larger portion of the
12 population;

13 (II) Expand prospective homeowners' access to high-quality,
14 well-constructed homes;

15 (III) Ensure continued protections for homeowners when defects
16 in their homes exist;

17 (IV) Reform construction litigation to reduce the excessive costs
18 associated with entry-level home development;

19 (V) Strengthen Colorado's housing market by expanding
20 opportunities for first-time homebuyers; and

21 (VI) Ensure that future generations of Coloradans are able to
22 access the American dream of homeownership, which is integral to
23 long-term financial security and generational wealth-building; and

24 (g) This act is rationally related to the legitimate state interest of
25 increasing middle market housing in Colorado.

26 **SECTION 2.** In Colorado Revised Statutes, 13-20-802.5, **add**
27 (4.5) and (6) as follows:

1 **13-20-802.5. Definitions.** As used in this part 8, unless the
2 context otherwise requires:

3 (4.5) "MULTIFAMILY CONSTRUCTION INCENTIVE PROGRAM" OR
4 "PROGRAM" MEANS THE PROGRAM CREATED IN SECTION 13-20-803.3 (1).

5 (6) "THIRD-PARTY INSPECTION" MEANS A PROGRAM OF
6 INSPECTIONS OF A RESIDENTIAL HOUSING UNIT PERFORMED OVER THE
7 COURSE OF CONSTRUCTION ON THE UNIT AND DESIGNED TO ASSIST THE
8 CONSTRUCTION PROFESSIONAL PERFORMING THE CONSTRUCTION ON THE
9 UNIT IN IDENTIFYING AND RECTIFYING ANY INSTANCES IN WHICH THE
10 WORK BEING PERFORMED BY THE CONSTRUCTION PROFESSIONAL DEVIATES
11 FROM APPLICABLE BUILDING CODES OR CONSTRUCTION STANDARDS. THE
12 CONSTRUCTION PROFESSIONAL WHO SIGNS THE BUILDING PERMIT
13 APPLICATION SHALL CERTIFY IN WRITING FILED WITH THE BUILDING
14 DEPARTMENT THAT THE THIRD-PARTY INSPECTOR WAS QUALIFIED AND THE
15 INSPECTION COMPLIES WITH THE FOLLOWING REQUIREMENTS FOR ANY
16 COMPONENT, SYSTEM, OR IMPROVEMENT ALLEGED TO BE DEFECTIVE:

17 (a) THE INSPECTION WAS PERFORMED BY EITHER A LICENSED
18 CONSTRUCTION PROFESSIONAL OR A BUILDING CODE INSPECTOR,
19 ELECTRICAL INSPECTOR, ENERGY CONSERVATION CODE INSPECTOR, FIRE
20 CODE INSPECTOR, OR MECHANICAL CODE INSPECTOR, IF SUCH INSPECTOR
21 PROVIDES EVIDENCE OF SUCCESSFUL COMPLETION OF THE MOST RECENT
22 VERSION OF THE COMMERCIAL BUILDING INSPECTOR EXAMINATION BY THE
23 INTERNATIONAL CODE COUNCIL OR ITS SUCCESSOR ORGANIZATION:

24 (I) WHO HAS EXPERTISE DESIGNING, CONSTRUCTING, OR
25 INSPECTING THE COMPONENT, SYSTEM, OR IMPROVEMENT BEING
26 INSPECTED;

27 (II) WHO IS AN INDEPENDENT THIRD PARTY NOT OTHERWISE

1 EMPLOYED BY OR AFFILIATED WITH THE CONSTRUCTION PROFESSIONAL
2 WHO WAS INVOLVED IN THE DEVELOPMENT, DESIGN, OR CONSTRUCTION OF
3 THE COMPONENT, SYSTEM, OR IMPROVEMENT; ■

4 (III) WHO IS RESPONSIBLE FOR PERFORMING THE INSPECTION
5 DUTIES WITH A REASONABLE DEGREE OF CARE; AND

6 (IV) WHO IS NOT DESIGNATED AS A NONPARTY AT FAULT
7 PURSUANT TO SECTION 13-21-111.5 (3)(b); AND

8 (b) THE INSPECTION INCLUDES, FOR EACH COMPONENT, SYSTEM,
9 OR IMPROVEMENT, A SIGNED CERTIFICATION THAT, FOR EACH COMPONENT,
10 SYSTEM, OR IMPROVEMENT, VERIFIES THAT:

11 (I) THE COMPONENT, SYSTEM, OR IMPROVEMENT WAS INCLUDED
12 IN APPROVED CONSTRUCTION DOCUMENTS AND SPECIFICATIONS,
13 INCLUDING ADDENDUMS ISSUED DURING CONSTRUCTION, UNDER THE
14 VALID SEAL OF AN ARCHITECT OR ENGINEER LICENSED IN COLORADO;

15 (II) (A) PRIOR TO INSPECTION BY THE BUILDING DEPARTMENT, THE
16 COMPONENT, SYSTEM, OR IMPROVEMENT WAS SUBJECT TO A FIELD
17 INSPECTION AND APPROVAL BY THE THIRD-PARTY INSPECTOR WHO
18 CERTIFIES THAT, AT THE TIME OF INSPECTION, THE COMPONENT, SYSTEM,
19 OR IMPROVEMENT WAS SUFFICIENTLY ACCESSIBLE TO DETERMINE
20 COMPLIANCE WITH AND DID COMPLY WITH APPLICABLE MANUFACTURER'S
21 INSTRUCTIONS OR RECOMMENDATIONS, APPROVED CONSTRUCTION
22 DOCUMENTS AND SPECIFICATIONS, INCLUDING ADDENDUMS ISSUED
23 DURING CONSTRUCTION, AND THE APPLICABLE BUILDING CODES.

24 (B) IF THE FIELD INSPECTION DOES NOT INCLUDE EVERY LOCATION
25 WHERE THE COMPONENT, SYSTEM, OR IMPROVEMENT IS CONSTRUCTED,
26 THE SIGNED ■ CERTIFICATION MUST INCLUDE THE PERMIT NUMBER; THE
27 DATE OF INSPECTION; THE TYPE OF INSPECTION; THE CONTRACTOR'S NAME

1 AND LICENSE NUMBER; THE STREET ADDRESS OF THE JOB LOCATION; THE
2 NAME, ADDRESS, AND TELEPHONE NUMBER OF THE INSPECTOR WHO
3 PERFORMED THE INSPECTION; AND A STATEMENT THAT THE INSPECTOR
4 INSPECTED A SUFFICIENT NUMBER OF LOCATIONS TO CONCLUDE WITH A
5 REASONABLE DEGREE OF CERTAINTY THAT EVERY LOCATION OF THE
6 COMPONENT, SYSTEM, OR IMPROVEMENT COMPLIES WITH THE APPLICABLE
7 MANUFACTURER'S INSTRUCTIONS OR RECOMMENDATIONS, APPROVED
8 CONSTRUCTION DOCUMENTS AND SPECIFICATIONS, INCLUDING
9 ADDENDUMS ISSUED DURING CONSTRUCTION, AND THE APPLICABLE
10 BUILDING CODES.

11 (III) THE CONSTRUCTION PROFESSIONAL SUCCESSFULLY REPAIRED
12 OR RESOLVED ANY INSTANCE OF NONCOMPLIANT DESIGN OR
13 CONSTRUCTION IDENTIFIED DURING AN INSPECTION AND THAT THE
14 COMPONENT, SYSTEM, OR IMPROVEMENT COMPLIES WITH THE
15 APPLICABLE MANUFACTURER'S INSTRUCTIONS OR RECOMMENDATIONS AND
16 APPROVED CONSTRUCTION DOCUMENTS AND SPECIFICATIONS, INCLUDING
17 ADDENDUMS ISSUED DURING CONSTRUCTION; AND

18 (c) THE INSPECTION IS NOT AN INSPECTION PERFORMED BY OR ON
19 BEHALF OF A GOVERNMENTAL AUTHORITY HAVING JURISDICTION OVER
20 THE RESIDENTIAL HOUSING UNIT AS A CONDITION OF ANY PERMITTING OR
21 THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY.

22 **SECTION 3.** In Colorado Revised Statutes, **add 13-20-803.3**
23 as follows:

24 **13-20-803.3. Multifamily construction incentive program -**
25 **created - construction defect claims against architects and engineers**
26 **- statute of limitations - affirmative defenses. (1) THE MULTIFAMILY**
27 **CONSTRUCTION INCENTIVE PROGRAM IS CREATED. ON AND AFTER**

1 JANUARY 1, 2026, A BUILDER OF MULTIFAMILY, ATTACHED HOUSING OF
2 TWO OR MORE UNITS MAY PARTICIPATE IN THE PROGRAM BY:

3 (a) PROVIDING A WARRANTY THAT COVERS ANY DEFECT AND
4 DAMAGE AT NO COST TO THE HOMEOWNER FOR A MINIMUM PERIOD OF:

5 (I) ONE YEAR FOR WORKMANSHIP AND MATERIALS;

6 (II) TWO YEARS FOR PLUMBING, ELECTRICAL, AND MATERIALS;

7 AND

8 (III) SIX YEARS FOR MAJOR STRUCTURAL COMPONENTS;

9 (b) HAVING A THIRD-PARTY INSPECTION PERFORMED; AND

10 (c) RECORDING A NOTICE OF ELECTION TO PARTICIPATE IN THE
11 MULTIFAMILY CONSTRUCTION INCENTIVE PROGRAM IN THE CHAIN OF TITLE
12 IN THE REAL PROPERTY RECORDS FOR THE PROJECT INTENDED TO BE
13 COVERED BEFORE THE UNIT IS OFFERED FOR SALE.

14 (2) (a) EXCEPT AS PROVIDED IN SUBSECTION (3) OF THIS SECTION,
15 A PERSON MUST FILE WITH A COMPLAINT A CERTIFICATE OF REVIEW IN
16 COMPLIANCE WITH SECTION 13-20-602 FOR A CONSTRUCTION DEFECT
17 ACTION THAT IS:

18 (I) AGAINST A CONSTRUCTION PROFESSIONAL WHO IS AN
19 ARCHITECT OR ENGINEER; AND

20 (II) FOR A DEFECT IN THE CONSTRUCTION OF MIDDLE MARKET
21 HOUSING FOR WHICH THE BUILDER IS PARTICIPATING IN THE PROGRAM.

22 (b) THE CERTIFICATE OF REVIEW FILED IN ACCORDANCE WITH
23 SUBSECTION (2)(a) OF THIS SECTION MUST, BASED ON FACTS KNOWN TO
24 THE PARTY FILING THE CERTIFICATE OF REVIEW:

25 (I) SET FORTH THE ARCHITECT'S OR ENGINEER'S NEGLIGENCE,
26 INCLUDING ANY ACT OR OMISSION IN PROVIDING ADVICE, EXERCISING
27 JUDGMENT, GIVING AN OPINION, OR EXERCISING A SIMILAR PROFESSIONAL

1 SKILL; AND

2 (II) DECLARE THAT THE INDIVIDUAL CONSULTED CAN
3 DEMONSTRATE BY COMPETENT EVIDENCE THAT, AS A RESULT OF TRAINING,
4 EDUCATION, KNOWLEDGE, AND EXPERIENCE, THE CONSULTANT IS
5 COMPETENT TO EXPRESS AN OPINION AS TO THE NEGLIGENCE, INCLUDING
6 AN ACT OR OMISSION, ALLEGED.

7 (c) IF A CLAIMANT FAILS TO FILE THE CERTIFICATE OF REVIEW
8 REQUIRED IN THIS SUBSECTION (2), THE COURT SHALL DISMISS THE
9 COMPLAINT AGAINST THE DEFENDANT UNLESS THE CLAIMANT SHOWS
10 GOOD CAUSE FOR THE FAILURE.

11 (3) A CLAIMANT IS NOT REQUIRED TO COMPLY WITH THE
12 CERTIFICATE OF REVIEW REQUIREMENTS OF SUBSECTION (2) OF THIS
13 SECTION IF:

14 (a) A CLAIM IS FOR CONSTRUCTION IN WHICH A GOVERNMENTAL
15 ENTITY CONTRACTED WITH A SINGLE ENTITY TO PROVIDE BOTH DESIGN
16 AND CONSTRUCTION SERVICES FOR THE CONSTRUCTION, REHABILITATION,
17 ALTERATION, OR REPAIR OF A FACILITY, A BUILDING OR AN ASSOCIATED
18 STRUCTURE, A CIVIL WORKS PROJECT, OR A HIGHWAY PROJECT; OR

19 (b) THE PERIOD OF LIMITATION COULD REASONABLY EXPIRE
20 WITHIN TEN DAYS AFTER THE DATE OF FILING AND, BECAUSE OF THE TIME
21 CONSTRAINT, THE CLAIMANT HAS ALLEGED THAT A CERTIFICATE OF
22 REVIEW BY A THIRD-PARTY ARCHITECT OR ENGINEER COULD NOT BE
23 PREPARED. A CLAIMANT THAT DOES NOT FILE A CERTIFICATE OF REVIEW
24 UNDER THIS SECTION SHALL SUPPLEMENT THE COMPLAINT WITH A
25 CERTIFICATE OF REVIEW WITHIN TWENTY-EIGHT DAYS AFTER THE FILING
26 OF THE COMPLAINT; EXCEPT THAT A COURT MAY, ON MOTION AND FOR
27 GOOD CAUSE, GRANT A CLAIMANT ADDITIONAL TIME TO FILE THE

1 CERTIFICATE OF REVIEW.

2 (4) A DEFENDANT THAT DESIGNATES AN ARCHITECT OR ENGINEER
3 AS A NONPARTY AT FAULT IN ACCORDANCE WITH SECTION 13-21-111.5
4 (3)(b) MUST FILE A SUBSEQUENT CERTIFICATE OF REVIEW THAT COMPLIES
5 WITH SUBSECTION (2) OF THIS SECTION AND SECTION 13-20-602. THE
6 DEFENDANT SHALL FILE A CERTIFICATE OF REVIEW AT LEAST FORTY-FIVE
7 DAYS PRIOR TO ANY TRIAL OR PROCEEDING ON THE CLAIM. IF THE
8 DEFENDANT FAILS TO FILE THE CERTIFICATE OF REVIEW AS REQUIRED IN
9 THIS SUBSECTION (4), A COURT SHALL NOT CONSIDER THE NEGLIGENCE OR
10 FAULT OF THE NONPARTY.

11 (5) SUBSECTIONS (2) TO (4) OF THIS SECTION DO NOT:

12 (a) EXTEND THE APPLICABLE PERIOD OF LIMITATION OR REPOSE; OR

13 (b) APPLY TO A SUIT OR ACTION FOR THE PAYMENT OF FEES
14 ARISING OUT OF THE PROVISION OF PROFESSIONAL SERVICES.

15 (6) A PERSON SHALL NOT ASSERT A CLAIM SEEKING DAMAGES IN
16 A CONSTRUCTION DEFECT ACTION FOR HOUSING BUILT BY A BUILDER WHO
17 WAS A PARTICIPANT IN THE MULTIFAMILY CONSTRUCTION INCENTIVE
18 PROGRAM AT THE TIME OF THE CONSTRUCTION UNLESS THE CLAIM HAS
19 RESULTED IN ONE OR MORE OF THE FOLLOWING TYPES OF ACTUAL
20 DAMAGE:

21 (a) DAMAGE THAT SUBSTANTIALLY AFFECTS THE FUNCTIONALITY
22 OF A SYSTEM OR THE SAFETY OF REAL OR PERSONAL PROPERTY, OTHER
23 THAN A CONDITION THAT HAS NOT CAUSED ANY SUBSTANTIAL PHYSICAL
24 CHANGE;

25 (b) ACTUAL LOSS OF THE USE OF REAL OR PERSONAL PROPERTY;

26 (c) ACTUAL BODILY INJURY OR WRONGFUL DEATH;

27 (d) AN UNREASONABLE REDUCTION IN THE CAPABILITY OF, OR AN

1 ACTUAL FAILURE OF, A BUILDING COMPONENT TO PERFORM AN INTENDED
2 FUNCTION OR PURPOSE; OR

3 (e) AN UNREASONABLE RISK OF BODILY INJURY OR DEATH TO, OR
4 A THREAT TO THE LIFE, HEALTH, OR SAFETY OF, THE OCCUPANTS OF THE
5 RESIDENTIAL PROPERTY.

6 (7) (a) FOR HOUSING BUILT BY A BUILDER PARTICIPATING IN THE
7 PROGRAM AND SOLD ON OR AFTER JANUARY 1, 2026, AND EXCEPT AS
8 PROVIDED IN SUBSECTION (7)(b) OF THIS SECTION, A CLAIMANT MUST
9 BRING AN ACTION FOR DAMAGES FOR A CLAIM BASED ON THE
10 CONSTRUCTION AND FILED PURSUANT TO THIS PART 8 NOT LATER THAN
11 EIGHT YEARS AFTER THE SUBSTANTIAL COMPLETION OF THE IMPROVEMENT
12 IN AN ACTION ARISING OUT OF A DEFECTIVE OR AN UNSAFE CONDITION OF
13 THE REAL PROPERTY OR A DEFICIENCY IN THE CONSTRUCTION OR REPAIR
14 OF THE IMPROVEMENT.

15 (b) (I) IF THE DEFENDANT IS A CONSTRUCTION PROFESSIONAL WHO
16 IS NOT AN ARCHITECT OR ENGINEER AND WHO HAS PROVIDED THE
17 CLAIMANT A WRITTEN WARRANTY FOR THE RESIDENCE THAT COMPLIES
18 WITH SUBSECTION (1)(a) OF THIS SECTION, AND IF THE CLAIMANT
19 DISCOVERED OR SHOULD HAVE DISCOVERED THE ALLEGED DEFECT OR
20 DAMAGE WITHIN THE LONGEST APPLICABLE WARRANTY PERIOD, THE
21 CLAIMANT MUST BRING THE SUIT NOT LATER THAN SIX YEARS AFTER THE
22 SUBSTANTIAL COMPLETION OF THE IMPROVEMENT.

23 (II) IF THE DEFENDANT IS A CONSTRUCTION PROFESSIONAL WHO IS
24 AN ARCHITECT OR ENGINEER, AND THE CONSTRUCTION PROFESSIONAL
25 PERFORMED IN A MANNER CONSISTENT WITH THE DEGREE OF SKILL AND
26 CARE ORDINARILY EXERCISED BY MEMBERS OF THE SAME PROFESSION
27 CURRENTLY PRACTICING UNDER THE SAME OR SIMILAR CIRCUMSTANCES,

1 THE CLAIMANT MUST BRING THE SUIT NOT LATER THAN SIX YEARS AFTER
2 THE SUBSTANTIAL COMPLETION OF THE IMPROVEMENT.

3 (c) IF A CLAIM INVOLVES A DEFECT OR DAMAGE THAT IS COVERED
4 BY THE WARRANTY DESCRIBED IN SUBSECTION (7)(b) OF THIS SECTION,
5 THE CLAIMANT SHALL PURSUE ALL REMEDIES AVAILABLE UNDER THE
6 WARRANTY PROCESS BEFORE BRINGING AN ACTION FOR DAMAGES.

7 (d) SECTION 13-80-104 (2) AND (3) APPLIES TO THE LIMITATION
8 OF CLAIMS IN THIS SUBSECTION (7).

9 (8) (a) FOR HOUSING IN WHICH THE BUILDER IS A PARTICIPANT IN
10 THE PROGRAM, A CONSTRUCTION PROFESSIONAL WHO MAKES A
11 REASONABLE OFFER PURSUANT TO SECTION 13-20-803.5 MAY BE IMMUNE,
12 IN WHOLE OR IN PART, FROM AN OBLIGATION, DAMAGE, LOSS, OR LIABILITY
13 UNDER THIS PART 8 RELATED TO OR ARISING OUT OF THE CONSTRUCTION
14 DEFECT, BUT ONLY WITH RESPECT TO THE PORTION OF THE CLAIMANT'S
15 DAMAGES, IF ANY, THE CONSTRUCTION PROFESSIONAL CAN DEMONSTRATE
16 BY A PREPONDERANCE OF THE EVIDENCE WERE PROXIMATELY CAUSED OR
17 INCREASED BY AN AFFIRMATIVE DEFENSE SPECIFIED IN SUBSECTIONS (8)(b)
18 AND (8)(c) OF THIS SECTION AND NOT BY THE CONSTRUCTION DEFECT.

19 (b) IN ADDITION TO ANY OTHER AFFIRMATIVE DEFENSE AVAILABLE
20 UNDER ANY OTHER LAW, A CONSTRUCTION PROFESSIONAL IS NOT LIABLE
21 FOR A DAMAGE OR DEFECT TO THE EXTENT THE PROFESSIONAL CAN PROVE,
22 AS AN AFFIRMATIVE DEFENSE, THAT THE DAMAGE OR DEFECT WAS
23 CAUSED:

24 (I) BY A WEATHER CONDITION, EARTHQUAKE, OR OTHER NATURAL
25 PHENOMENON IN EXCESS OF THE DESIGN CRITERIA EXPRESSED BY THE
26 APPLICABLE BUILDING CODES, REGULATIONS, AND ORDINANCES IN EFFECT
27 AT THE TIME OF ORIGINAL CONSTRUCTION;

1 (II) BY A HUMAN-CAUSED EVENT, SUCH AS WAR, TERRORISM, OR
2 VANDALISM;

3 (III) BY A HOMEOWNER'S UNREASONABLE FAILURE TO TIMELY
4 MITIGATE DAMAGES AS REQUIRED IN SECTION 13-20-803.5 (1);

5 (IV) BY THE HOMEOWNER OR THE HOMEOWNER'S AGENT,
6 EMPLOYEE, OR CONSTRUCTION PROFESSIONAL BY VIRTUE OF THEIR
7 FAILURE TO FOLLOW THE BUILDER'S OR MANUFACTURER'S MAINTENANCE
8 RECOMMENDATIONS OR TO DO COMMONLY ACCEPTED HOMEOWNER
9 MAINTENANCE OBLIGATIONS. IN ORDER TO RELY UPON THIS DEFENSE AS
10 IT RELATES TO A CONSTRUCTION PROFESSIONAL'S RECOMMENDED
11 MAINTENANCE SCHEDULE, THE CONSTRUCTION PROFESSIONAL MUST SHOW
12 THAT THE HOMEOWNER HAD WRITTEN NOTICE OF THESE MAINTENANCE
13 SCHEDULES AND RECOMMENDATIONS AND THAT THE MAINTENANCE
14 RECOMMENDATIONS AND SCHEDULES WERE REASONABLE AT THE TIME
15 THEY WERE ISSUED AND THAT THE DAMAGE OR DEFECT DID NOT DIRECTLY
16 PREVENT THE HOMEOWNER FROM PERFORMING THE RECOMMENDED
17 MAINTENANCE.

18 (V) AFTER SALE OR TRANSFER OF OWNERSHIP TO THE CLAIMANT,
19 BY:

20 (A) THE HOMEOWNER'S OR HOMEOWNER'S AGENT'S ALTERATIONS;

21 (B) ORDINARY WEAR AND TEAR;

22 (C) MISUSE OF THE STRUCTURE OR COMPONENT;

23 (D) ABUSE OF THE STRUCTURE OR COMPONENT;

24 (E) NEGLIGENCE OF THE STRUCTURE OR COMPONENT; OR

25 (F) THE USE OF THE STRUCTURE OR COMPONENT FOR SOMETHING
26 OTHER THAN THE STRUCTURE'S OR COMPONENT'S INTENDED PURPOSE.

27 (c) A CONSTRUCTION PROFESSIONAL MAY ASSERT AN AFFIRMATIVE

1 DEFENSE TO THE EXTENT THAT:

2 (I) THE DAMAGE WAS CAUSED BY A PARTICULAR VIOLATION
3 COVERED BY A VALID RELEASE OBTAINED BY THE CONSTRUCTION
4 PROFESSIONAL, IF THE RELEASE IS ENFORCEABLE AGAINST THE CLAIMANT,
5 WAS EXECUTED WITH KNOWLEDGE OF THE PARTICULAR VIOLATION, AND
6 DOES NOT VIOLATE SECTION 13-20-806 (7); OR

7 (II) THE CONSTRUCTION PROFESSIONAL'S REPAIR COMPLETED
8 PURSUANT TO SECTION 13-20-803.5 (3) WAS SUCCESSFUL IN CORRECTING
9 THE PARTICULAR VIOLATION AND ANY DAMAGE RESULTING FROM THE
10 VIOLATION OF THE APPLICABLE STANDARD.

11 (9) (a) FOR PROPERTY IN WHICH THE BUILDER IS A PARTICIPANT IN
12 THE MULTIFAMILY CONSTRUCTION INCENTIVE PROGRAM, WITHIN THIRTY
13 DAYS AFTER THE COMPLETION OF THE INSPECTION PROCESS CONDUCTED
14 PURSUANT TO THIS SECTION, A CONSTRUCTION PROFESSIONAL SHALL SEND
15 OR DELIVER TO THE CLAIMANT, BY CERTIFIED MAIL, RETURN RECEIPT
16 REQUESTED, OR BY PERSONAL SERVICE:

17 (I) AN OFFER TO SETTLE THE CLAIM BY:

18 (A) PAYMENT OF A SUM CERTAIN; OR

19 (B) AGREEING TO REMEDY THE CLAIMED DEFECT DESCRIBED IN
20 THE NOTICE OF CLAIM;

21 (II) A WRITTEN RESPONSE THAT:

22 (A) IDENTIFIES THE STANDARDS THAT APPLY TO THE CLAIMED
23 DEFECT'S CONSTRUCTION OR PERFORMANCE; AND

24 (B) EXPLAINS WHY THE CLAIMED DEFECT DOES NOT REQUIRE
25 REPAIR; OR

26 (III) A WRITTEN RESPONSE THAT EXPLAINS THE CONSTRUCTION
27 PROFESSIONAL'S SCOPE OF WORK AND WHY THE CLAIMED DEFECT IS NOT

1 WITHIN THE WORK AND RESPONSIBILITY OF THE CONSTRUCTION
2 PROFESSIONAL.

3 (b) A WRITTEN OFFER TO REMEDY A CONSTRUCTION DEFECT MUST
4 INCLUDE A REPORT OF THE SCOPE OF THE INSPECTION, THE FINDINGS AND
5 RESULTS OF THE INSPECTION, A DESCRIPTION OF THE ADDITIONAL
6 CONSTRUCTION WORK NECESSARY TO REMEDY THE DEFECT DESCRIBED IN
7 THE NOTICE OF CLAIM AND ALL DAMAGE TO THE IMPROVEMENT TO REAL
8 PROPERTY CAUSED BY THE DEFECT, AND A TIMETABLE FOR THE
9 COMPLETION OF THE REMEDIAL CONSTRUCTION WORK.

10 (10) (a) WITHIN THIRTY DAYS AFTER THE REJECTION OF AN OFFER
11 MADE PURSUANT TO SUBSECTION (9) OF THIS SECTION, A CLAIMANT SHALL
12 PROVIDE A CONSTRUCTION PROFESSIONAL WITH A WRITTEN PROPOSAL TO
13 HAVE THE CONSTRUCTION DEFECT REPAIRED AT THE CONSTRUCTION
14 PROFESSIONAL'S EXPENSE OR TO SETTLE THE CLAIM.

15 (b) IF THE CONSTRUCTION PROFESSIONAL DOES NOT ACCEPT THE
16 PROPOSAL PROVIDED BY THE CLAIMANT PURSUANT TO SUBSECTION (10)(a)
17 OF THIS SECTION IN WRITING WITHIN FIFTEEN DAYS AFTER DELIVERY OF
18 THE PROPOSAL, THE PROPOSAL IS DEEMED TO HAVE BEEN REJECTED.

19 (c) IF THE CONSTRUCTION PROFESSIONAL ACCEPTS THE PROPOSAL
20 PROVIDED BY THE CLAIMANT PURSUANT TO SUBSECTION (10)(a) OF THIS
21 SECTION, THE CONSTRUCTION PROFESSIONAL SHALL PAY THE CLAIMANT'S
22 REASONABLE ATTORNEY FEES AND COSTS INCURRED IN INVESTIGATING
23 THE DEFECT AND PROPOSING THE REPAIR.

24 (11) NOTHING IN THIS SECTION:

25 (a) AFFECTS THE "COLORADO GOVERNMENTAL IMMUNITY ACT",
26 ARTICLE 10 OF TITLE 24, OR SECTION 13-20-806 (7); OR

27 (b) PROHIBITS, LIMITS, OR IMPAIRS A CONTRACTUAL CLAIM,

1 COUNTERCLAIM, CROSS-CLAIM, OR THIRD-PARTY CLAIM THAT IS NOT FOR
2 DAMAGES OR LOSS TO, OR THE LOSS OF USE OF, REAL OR PERSONAL
3 PROPERTY OR PERSONAL INJURY CAUSED BY A DEFECT IN THE DESIGN OR
4 CONSTRUCTION OF AN IMPROVEMENT TO REAL PROPERTY.

5 **SECTION 4.** In Colorado Revised Statutes, 13-20-803.5, **amend**
6 (1), (3), (7), and (12); and **add** (3.5), (3.7), and (13) as follows:

7 **13-20-803.5. Notice of claim process - duty to mitigate.**

8 (1) (a) No later than seventy-five days before filing an action against a
9 construction professional, or no later than ninety days before filing the
10 action in the case of a commercial property, a claimant shall send or
11 deliver a written notice of claim to the construction professional by
12 certified mail, return receipt requested, or by personal service.

13 (b) BEFORE FILING A CLAIM PURSUANT TO THIS SUBSECTION (1)
14 FOR THE CONSTRUCTION OF HOUSING FOR WHICH A BUILDER WAS A
15 PARTICIPANT IN THE MULTIFAMILY CONSTRUCTION INCENTIVE PROGRAM,
16 A CLAIMANT SHALL MITIGATE THE DAMAGE CAUSED BY THE ALLEGED
17 CONSTRUCTION DEFECT. A CLAIMANT SATISFIES THE DUTY TO MITIGATE
18 BY TAKING REASONABLE ACTION TO PREVENT FURTHER DAMAGE FROM
19 THE CONSTRUCTION DEFECT. A CLAIMANT MUST CERTIFY IN THE
20 COMPLAINT THAT THE CLAIMANT HAS SATISFIED THE DUTY TO MITIGATE.

21 (c) IF THE CLAIMANT AND CONSTRUCTION PROFESSIONAL DISPUTE
22 WHETHER THE CLAIMANT HAS SATISFIED THE DUTY TO MITIGATE
23 DESCRIBED IN SUBSECTION (1)(b) OF THIS SECTION, THE CLAIMANT MAY
24 PROCEED WITH THE ACTION BUT DOES NOT RECOVER ANY DAMAGES THAT
25 THE CONSTRUCTION PROFESSIONAL PROVES WERE CAUSED BY THE
26 CLAIMANT'S UNREASONABLE FAILURE TO MITIGATE.

27 (d) A CLAIMANT DOES NOT BREACH THE DUTY TO MITIGATE IF THE

1 COST TO MITIGATE IS UNREASONABLE UNDER THE CIRCUMSTANCES OR WAS
2 BEYOND THE CLAIMANT'S FINANCIAL ABILITY TO PERFORM.

3 [REDACTED]

4 (3) EXCEPT AS PROVIDED IN SECTION 13-20-803.3 (9), within thirty
5 days following AFTER the completion of the inspection process conducted
6 pursuant to subsection (2) of this section, or within forty-five days
7 following AFTER the completion of the inspection process in the case of
8 a commercial property, a construction professional may send or deliver
9 to the claimant, by certified mail, return receipt requested, or personal
10 service, an offer to settle the claim by payment of a sum certain or by
11 agreeing to remedy the claimed defect described in the notice of claim. A
12 written offer to remedy the construction defect shall include a report of
13 the scope of the inspection, the findings and results of the inspection, a
14 description of the additional construction work necessary to remedy the
15 defect described in the notice of claim and all damage to the improvement
16 to real property caused by the defect, and a timetable for the completion
17 of the remedial construction work.

18 (3.5) (a) BY THE EARLIER OF WHEN A CONSTRUCTION
19 PROFESSIONAL, OTHER THAN AN ARCHITECT OR ENGINEER, OFFERS TO
20 SETTLE A CLAIM OR SIXTY DAYS AFTER A CONSTRUCTION PROFESSIONAL
21 RECEIVES ACTUAL NOTICE OF CLAIM, THE CONSTRUCTION PROFESSIONAL
22 SHALL PROVIDE THE CLAIMANT WITH THE FOLLOWING DOCUMENTS AND
23 INFORMATION, TO THE EXTENT THE DOCUMENTS AND INFORMATION ARE
24 WITHIN THE CONSTRUCTION PROFESSIONAL'S POSSESSION, CUSTODY, OR
25 CONTROL:

26 (I) COPIES OF ALL PLANS, SPECIFICATIONS, AND SOIL REPORTS
27 RELATED TO THE CLAIM;

1 (II) MAINTENANCE AND PREVENTIVE MAINTENANCE
2 RECOMMENDATIONS RELATED TO THE CLAIM;

3 (III) THE NAME, LAST-KNOWN ADDRESS, AND SCOPE OF WORK OF
4 EACH CONSTRUCTION PROFESSIONAL WHO CONTRACTED TO PERFORM
5 WORK OR PROVIDE SERVICES AND DID PERFORM WORK OR PROVIDE
6 SERVICES RELATED TO THE CLAIM;

7 (IV) ALL DOCUMENTS RELATED TO THE THIRD-PARTY INSPECTION
8 OF THE PROPERTY AND THE NAME AND LAST-KNOWN ADDRESS OF THE
9 INSPECTOR WHO PERFORMED THE THIRD-PARTY INSPECTION; AND

10 (V) COPIES OF EACH INSURANCE POLICY PURCHASED BY THE
11 CONSTRUCTION PROFESSIONAL AND RELATED TO THE CLAIM THROUGH THE
12 DATE OF THE NOTICE OF CLAIM AND FROM THE EARLIER START DATE OF:

13 (A) THE DATE THE CONSTRUCTION OF THE ALLEGED DEFECT WAS
14 SUBSTANTIALLY COMPLETED; OR

15 (B) THE DATE THE CONSTRUCTION PROFESSIONAL SUBSTANTIALLY
16 COMPLETED WORK ON THE ALLEGED DEFECT.

17 (b) A CONSTRUCTION PROFESSIONAL MAY CHARGE REASONABLE
18 COPYING COSTS FOR THE DOCUMENTS DESCRIBED IN SUBSECTIONS
19 (3.5)(a)(I), (3.5)(a)(II), (3.5)(a)(IV), AND (3.5)(a)(V) OF THIS SECTION.

20 (c) FAILURE TO PROVIDE THE IDENTIFYING INFORMATION
21 REQUIRED IN SUBSECTION (3.5)(a)(III) OF THIS SECTION BY THE
22 APPLICABLE DEADLINE FOR DESIGNATING A NONPARTY AT FAULT BARS THE
23 CONSTRUCTION PROFESSIONAL FROM DESIGNATING THE UNIDENTIFIED
24 CONSTRUCTION PROFESSIONAL AS A NONPARTY AT FAULT UNDER SECTION
25 13-21-111.5 (3)(b) IN A SUBSEQUENT ACTION. IF THE CONSTRUCTION
26 PROFESSIONAL FAILS TO PROVIDE THE INFORMATION REQUIRED IN
27 SUBSECTION (3.5)(a)(I) OF THIS SECTION, THE CLAIMANT NEED NOT

1 COMPLY WITH THE CERTIFICATE OF REVIEW REQUIREMENT IN SECTION
2 13-20-803.3 (2).

3 (3.7) (a) BY THE EARLIER OF WHEN A CONSTRUCTION
4 PROFESSIONAL WHO IS AN ARCHITECT OR ENGINEER OFFERS TO SETTLE A
5 CLAIM OR SIXTY DAYS AFTER A CONSTRUCTION PROFESSIONAL RECEIVES
6 ACTUAL NOTICE OF CLAIM, THE ARCHITECT OR ENGINEER SHALL PROVIDE
7 THE CLAIMANT WITH THE FOLLOWING DOCUMENTS AND INFORMATION, TO
8 THE EXTENT THE DOCUMENTS AND INFORMATION ARE WITHIN THE
9 ARCHITECT'S OR ENGINEER'S POSSESSION, CUSTODY, OR CONTROL:

10 (I) COPIES OF ALL APPROVED CONSTRUCTION DOCUMENTS AND
11 SPECIFICATIONS, INCLUDING ADDENDUMS ISSUED DURING CONSTRUCTION,
12 PREPARED BY THE ARCHITECT, ENGINEER, OR CONSULTANTS;

13 (II) THE NAME, LAST-KNOWN ADDRESS, AND SCOPE OF WORK OF
14 EACH ARCHITECT OR ENGINEER WHO PERFORMED WORK OR PROVIDED
15 SERVICES AS A CONSULTANT RELATED TO THE CLAIM AND ON THE
16 CLAIMANT'S PROPERTY; AND

17 (III) COPIES OF EACH INSURANCE POLICY PURCHASED BY THE
18 ARCHITECT OR ENGINEER AND RELATED TO THE CLAIM THROUGH THE DATE
19 OF THE NOTICE OF CLAIM AND FROM THE EARLIER START DATE OF:

20 (A) THE DATE THE CONSTRUCTION OF THE ALLEGED DEFECT WAS
21 SUBSTANTIALLY COMPLETED; OR

22 (B) THE DATE THE ARCHITECTS AND ENGINEERS SUBSTANTIALLY
23 COMPLETED WORK RELATED TO THE ALLEGED DEFECT.

24 (b) AN ARCHITECT OR ENGINEER MAY CHARGE REASONABLE
25 COPYING COSTS FOR THE DOCUMENTS DESCRIBED IN SUBSECTION (3.7)(a)
26 OF THIS SECTION.

27

1 (7) If an offer by a construction professional is made and accepted
2 OR IF A PROPOSAL MADE BY A CLAIMANT IS ACCEPTED, and if thereafter the
3 construction professional does not comply with ~~its~~ THE offer to remedy
4 or settle a claim for a construction defect OR WITH THE CLAIMANT'S
5 PROPOSAL, the claimant may file an action against the construction
6 professional for claims arising out of the defect or damage described in
7 the notice of claim without further notice.

8 (12) (a) Except as provided in THIS SECTION AND section
9 13-20-806, a claimant shall not recover more than actual damages in an
10 action.

11 (b) IF A CLAIMANT UNREASONABLY REJECTS A REASONABLE
12 WRITTEN OFFER OF SETTLEMENT MADE PURSUANT SECTION 13-20-803.3
13 AND SUBSEQUENTLY COMMENCES AN ACTION AGAINST THE
14 CONSTRUCTION PROFESSIONAL, THE COURT MAY AWARD ATTORNEY FEES
15 AND COSTS TO THE CONSTRUCTION PROFESSIONAL.

16 (c) IF A CONSTRUCTION PROFESSIONAL FAILS TO MAKE A
17 REASONABLE WRITTEN OFFER OF SETTLEMENT PURSUANT TO SECTION
18 13-20-803.3, THE LIMITATIONS ON DAMAGES AND DEFENSES TO LIABILITY
19 PROVIDED IN SECTIONS 13-20-804 AND 13-20-806 DO NOT APPLY AND THE
20 COURT MAY AWARD ATTORNEY FEES AND COSTS TO THE CLAIMANT.

21 [REDACTED]

22 (d) (I) A CONSTRUCTION PROFESSIONAL'S WRITTEN OFFER OF
23 SETTLEMENT IS REASONABLE, AND A CLAIMANT'S REJECTION OF THE OFFER
24 IS UNREASONABLE, IF THE CLAIMANT RECOVERS A FINAL JUDGMENT IN AN
25 AMOUNT THAT IS LESS THAN THE AMOUNT OFFERED OR THE REASONABLE
26 VALUE OF THE REPAIR OFFERED BY THE CONSTRUCTION PROFESSIONAL.

27 (II) A CONSTRUCTION PROFESSIONAL'S WRITTEN OFFER OF

1 SETTLEMENT IS UNREASONABLE, AND A CLAIMANT'S REJECTION OF THE
2 OFFER IS REASONABLE, IF THE CLAIMANT RECOVERS A FINAL JUDGMENT IN
3 AN AMOUNT THAT EXCEEDS THE AMOUNT OFFERED OR THE REASONABLE
4 VALUE OF THE REPAIR OFFERED BY THE CONSTRUCTION PROFESSIONAL.

5 (e) SUBSECTIONS (12)(a) TO (12)(d) OF THIS SECTION APPLY ONLY
6 TO CLAIMS FOR PROPERTY FOR WHICH THE BUILDER IS A PARTICIPANT IN
7 THE MULTIFAMILY CONSTRUCTION INCENTIVE PROGRAM.

8 (13) AN INSURER, AS DEFINED IN SECTION 10-1-102 (13) SHALL
9 NOT CANCEL OR DENY A LIABILITY INSURANCE POLICY ISSUED TO A
10 CONSTRUCTION PROFESSIONAL BASED ON THE CONSTRUCTION
11 PROFESSIONAL MAKING AN OFFER TO REPAIR OR SETTLE A CONSTRUCTION
12 DEFECT CLAIM PURSUANT TO THIS SECTION. ANY SETTLEMENT OR REPAIR
13 AGREEMENT THAT AFFECTS COVERAGE IS SUBJECT TO INSURER APPROVAL.

14 **SECTION 5.** In Colorado Revised Statutes, **amend** 13-20-805 as
15 follows:

16 **13-20-805. Tolling of statutes of limitation.** (1) If a notice of
17 claim is sent to a construction professional in accordance with section
18 13-20-803.5 within the time prescribed for the filing of an action under
19 **any** THE applicable statute of limitations or repose, then the statute of
20 limitations or repose is tolled until sixty days after the completion of the
21 notice of claim process described in section 13-20-803.5.

22 (2) IF AN ALLEGED CONSTRUCTION DEFECT IS BEING MITIGATED
23 PURSUANT TO SUBSECTION 13-20-803.5, THE STATUTE OF LIMITATIONS OR
24 REPOSE IS TOLLED FOR THE DURATION OF THE MITIGATION; EXCEPT THAT
25 THE MAXIMUM LENGTH OF TOLLING UNDER THIS SUBSECTION (2) CANNOT
26 EXCEED ONE YEAR.

27 (3) THE TOLLING OF THE STATUTE OF LIMITATIONS OR REPOSE

1 UNDER SUBSECTION (1) OR (2) OF THIS SECTION DOES NOT PRECLUDE THE
2 TOLLING OF THE STATUTE OF LIMITATIONS OR REPOSE UNDER THE OTHER
3 SUBSECTION OF THIS SECTION.

4

5 **SECTION 6.** In Colorado Revised Statutes, 38-33.3-303.5,
6 **amend** (1)(d)(I)(A) and (1)(d)(III) introductory portion; and **add** (5) as
7 follows:

8 **38-33.3-303.5. Construction defect actions - disclosure -**
9 **approval by unit owners - definitions - exemptions.** (1) (d) **Approval**
10 **by unit owners - procedures.** (I) (A) Notwithstanding any provision of
11 law or any requirement in the governing documents, the executive board
12 ~~may~~ HAS THE RIGHT TO initiate ~~the~~ A construction defect action ~~only~~ if
13 authorized within the voting period by owners of units to which a
14 ~~majority~~ AT LEAST SIXTY-FIVE PERCENT of votes in the association are
15 allocated. ~~Such~~ THE approval is not required for an association to proceed
16 with a construction defect action if the alleged construction defect
17 pertains to a facility that is intended and used for nonresidential purposes
18 and if the cost to repair the alleged defect does not exceed fifty thousand
19 dollars. ~~Such~~ THE approval is not required for an association to proceed
20 with a construction defect action when the association is the contracting
21 party for the performance of labor or purchase of services or materials.

22 (III) **Vote count - exclusions.** For purposes of calculating the
23 required ~~majority~~ vote under this subsection (1)(d) only, the following
24 votes are excluded:

25 (5) AN EXECUTIVE BOARD THAT IS SUCCESSFUL UNDER A
26 CONSTRUCTION DEFECT CLAIM OR SETTLEMENT SHALL FIRST USE
27 MONETARY DAMAGES OR PROCEEDS RECEIVED PURSUANT TO THE CLAIM

1 TO REPAIR THE CONSTRUCTION DEFECT.

2 **SECTION 7.** In Colorado Revised Statutes, 29-32-105, **amend**
3 **(2)(a)** as follows:

4 **29-32-105. Affordable housing commitments - local**
5 **governments - tribal governments - three-year commitment cycle -**
6 **expedited development approval process - eligibility for assistance**
7 **from the fund.** (2) (a) In order to receive financial assistance under this
8 ~~article~~ ARTICLE 32, or for affordable housing projects within a tribal
9 government, municipality, a city and county, or the unincorporated area
10 of a county to be eligible for funding, the tribal government or local
11 government, other than a local affordable housing authority, must
12 establish processes to enable it to provide a final decision on any
13 application for a special permit, variance, or other development permit,
14 **INCLUDING A FOR-SALE MULTIFAMILY CONDOMINIUM PROJECT AND**
15 **excluding subdivisions,** of a development project, for which fifty percent
16 or more of the residential units in the development constitute affordable
17 housing not more than ninety calendar days after submission of a
18 complete application, referred to herein as a "fast-track approval process.

19 **SECTION 8. Act subject to petition - effective date -**
20 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
21 the expiration of the ninety-day period after final adjournment of the
22 general assembly; except that, if a referendum petition is filed pursuant
23 to section 1 (3) of article V of the state constitution against this act or an
24 item, section, or part of this act within such period, then the act, item,
25 section, or part will not take effect unless approved by the people at the
26 general election to be held in November 2026 and, in such case, will take
27 effect on the date of the official declaration of the vote thereon by the

1 governor.

2 (2) This act applies to construction defect claims brought on or

3 after the applicable effective date of this act.