

CHAPTER 417

INSURANCE

HOUSE BILL 24-1315

BY REPRESENTATIVE(S) Brown and Amabile, Bacon, Bird, Boesenecker, Clifford, Daugherty, Duran, Epps, Froelich, Garcia, Herod, Jodeh, Joseph, Lieder, Lindstedt, Mabrey, McCormick, Rutinel, Snyder, Story, Velasco, Weissman, Woodrow, McCluskie; also SENATOR(S) Cutter, Buckner, Exum, Jaquez Lewis, Michaelson Jenet, Priola.

AN ACT

CONCERNING A STUDY REGARDING STANDARDS FOR THE REMEDIATION OF RESIDENTIAL PREMISES AFTER A PROPERTY HAS BEEN DAMAGED IN A FIRE, AND, IN CONNECTION THEREWITH, STUDYING PROPERTIES DAMAGED BY SMOKE, SOOT, ASH, AND OTHER CONTAMINANTS AS A RESULT OF THE FIRE AND MAKING AN APPROPRIATION.

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

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) Colorado has experienced record-breaking wildfires in recent years, including the Marshall Fire, which destroyed nearly 1,100 homes and damaged thousands of homes as a result of contamination from smoke, soot, ash, and other contaminants;

(b) Smoke, soot, ash, and other contaminants that emanate from fires cause damage to homes by depositing particulate matter, volatile organic compounds, and chemicals onto personal property and into the walls, floors, furnishings, surfaces, and other infrastructure of a home. Those contaminants not only compromise the integrity of the residential premises, but they also may pose significant, long-term health issues for residents long after the fire has been extinguished.

(c) As homeowners return to their homes and the areas that have been damaged after a fire, many homeowners face uncertainty as to whether their homes have been properly cleaned, repaired, or remediated to the point where the homes are safe to inhabit;

(d) Residents whose homes are damaged from smoke, soot, ash, and other contaminants as a result of a fire should be assured of the safety and habitability of

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

their homes, as well as their personal property and furnishings, which should be returned to a pre-loss condition that is safe and healthy for homeowners and residents;

(e) In addition, inadequate remediation of homes after a fire exacerbates pressure on the housing market because it forces some individuals to find new homes, takes residential premises off the market, and extends the time that families and individuals are displaced;

(f) Consistent standards are needed regarding the inspection, testing, and remediation of residential premises after a fire so that homeowners and residents are able to have and insurance carriers are able to insure safe and habitable homes after a fire;

(g) Furthermore, while homeowners insurance policies might cover certain damage resulting from a fire, the extent to which insurance carriers are covering the cleaning, repair, and remediation of homes is inconsistent, and many homeowners are concerned that they will incur an additional financial burden to remediate their homes to the point where they are clean and safe to inhabit; and

(h) It is in the best interest of Colorado to protect the health and safety of Colorado residents by ensuring that their homes are returned to a healthy, habitable, and safe condition after suffering damage from fires, including damage from residual smoke, soot, ash, and other contaminants.

(2) The general assembly further declares that in order to properly clean, repair, and remediate homes and provide clarity and assurances to the many stakeholders involved with the remediation of residential premises that have been damaged due to fire, smoke, soot, ash, and other contaminants, the division of insurance shall conduct a study and make recommendations regarding the establishment of uniform standards for the remediation of residential premises that have been damaged by fires, including damage from smoke, soot, ash, and other contaminants, and regarding the extent to which the cleaning, repair, and remediation of those properties should be covered by homeowners insurance.

SECTION 2. In Colorado Revised Statutes, **add** 10-1-145 as follows:

10-1-145. Study regarding standards for the remediation of residential premises after fire - required considerations - report - repeal. (1) (a) THE DIVISION SHALL CONDUCT OR CAUSE TO BE CONDUCTED A STUDY THAT:

(I) EVALUATES METHODS OF INSPECTING, TESTING, AND REMEDIATING RESIDENTIAL PREMISES THAT HAVE BEEN DAMAGED BY SMOKE, SOOT, ASH, AND OTHER CONTAMINANTS AS A RESULT OF A FIRE;

(II) INCLUDES RECOMMENDATIONS REGARDING THE ESTABLISHMENT OF UNIFORM STANDARDS FOR THE INSPECTION, TESTING, AND REMEDIATION OF RESIDENTIAL PREMISES THAT HAVE BEEN DAMAGED BY SMOKE, SOOT, ASH, AND OTHER CONTAMINANTS AS A RESULT OF A FIRE; AND

(III) CONSIDERS THE EXTENT TO WHICH ANY RECOMMENDED UNIFORM

STANDARDS RELATED TO THE REMEDIATION OF RESIDENTIAL PREMISES DAMAGED BY FIRE, INCLUDING DAMAGE FROM SMOKE, SOOT, ASH, AND OTHER CONTAMINANTS, IMPACT THE COST AND AVAILABILITY OF HOMEOWNERS INSURANCE.

(b) THE DIVISION MAY CONTRACT WITH A THIRD PARTY TO CONDUCT ALL OR PART OF THE STUDY.

(2) THE STUDY CONDUCTED PURSUANT TO THIS SECTION MUST CONSIDER:

(a) EXISTING PRACTICES AND METHODS FOR THE CLEANING, REPAIR, AND REMEDIATION OF RESIDENTIAL PREMISES, STRUCTURES, PERSONAL PROPERTY, AND HOME FURNISHINGS THAT HAVE BEEN DAMAGED BY SMOKE, SOOT, ASH, AND OTHER CONTAMINANTS AS A RESULT OF A FIRE;

(b) EXISTING STANDARDS, IF ANY, FOR THE TESTING, INSPECTION, AND REMEDIATION OF RESIDENTIAL PREMISES, STRUCTURES, HOME FURNISHINGS, AND PERSONAL PROPERTY THAT HAVE BEEN DAMAGED BY SMOKE, SOOT, ASH, AND OTHER CONTAMINANTS AS A RESULT OF A FIRE, INCLUDING ANY RELEVANT STANDARDS ESTABLISHED BY THE INSTITUTE OF INSPECTION CLEANING AND RESTORATION CERTIFICATION OR A SUCCESSOR ENTITY;

(c) GUIDELINES FOR DETERMINING WHETHER STRUCTURES, HOME FURNISHINGS, AND PERSONAL PROPERTY CAN BE REMEDIATED AFTER EXPERIENCING DAMAGE FROM SMOKE, SOOT, ASH, AND OTHER CONTAMINANTS TO LEVELS THAT ARE PROTECTIVE OF HEALTH AND SAFETY;

(d) EXISTING INDOOR AIR QUALITY HEALTH AND SAFETY STANDARDS, IF AVAILABLE, REGARDING THE HABITABILITY OF RESIDENTIAL PREMISES, SPECIFICALLY AFTER THOSE RESIDENTIAL PREMISES HAVE BEEN DAMAGED BY SMOKE, SOOT, ASH, AND OTHER CONTAMINANTS AS A RESULT OF A FIRE, INCLUDING, TO THE EXTENT PRACTICABLE, INDOOR AIR QUALITY HEALTH AND SAFETY STANDARDS FOR INDIVIDUALS WHO ARE MORE SUSCEPTIBLE TO HEALTH ISSUES DUE TO EXPOSURE TO SMOKE, SOOT, ASH, AND OTHER CONTAMINANTS; AND

(e) THE EXTENT TO WHICH TYPICAL HOMEOWNERS INSURANCE POLICIES COVER DAMAGES TO RESIDENTIAL PREMISES THAT ARE THE RESULT OF A FIRE, INCLUDING DAMAGE FROM SMOKE, SOOT, ASH, AND OTHER CONTAMINANTS, AND THE EXTENT TO WHICH THOSE INSURANCE POLICIES EFFECTIVELY COVER THE COST OF CLEANING, REPAIR, AND REMEDIATION OF THE RESIDENTIAL PREMISES.

(3) THE DIVISION, OR A THIRD PARTY THE DIVISION CONTRACTS WITH, SHALL ENGAGE WITH RELEVANT STAKEHOLDERS IN CONDUCTING THE STUDY PURSUANT TO SUBSECTIONS (1) AND (2) OF THIS SECTION. RELEVANT STAKEHOLDERS MAY INCLUDE:

(a) REPRESENTATIVES FROM THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT;

(b) INDIVIDUALS WHO OWN HOMES OR OTHER RESIDENTIAL PREMISES;

(c) REPRESENTATIVES FROM THE HOMEOWNERS INSURANCE INDUSTRY IN COLORADO;

(d) PUBLIC HEALTH EXPERTS;

(e) REPRESENTATIVES FROM THE INDUSTRIAL HYGIENIST INDUSTRY IN COLORADO;

(f) REPRESENTATIVES FROM THE RESIDENTIAL REMEDIATION AND RESTORATION INDUSTRY IN COLORADO; AND

(g) REPRESENTATIVES FROM ORGANIZATIONS THAT ADVOCATE FOR THE INTERESTS OF CONSUMERS OF HOMEOWNERS INSURANCE POLICIES.

(4) ON OR BEFORE JANUARY 1, 2026, THE DIVISION SHALL SUBMIT A REPORT TO THE HOUSE OF REPRESENTATIVES HEALTH AND HUMAN SERVICES COMMITTEE AND THE SENATE LOCAL GOVERNMENT AND HOUSING COMMITTEE, OR THEIR SUCCESSOR COMMITTEES. THE REPORT MUST INCLUDE THE RESEARCH, FINDINGS, AND RECOMMENDATIONS OF THE STUDY CONDUCTED IN ACCORDANCE WITH SUBSECTIONS (1) AND (2) OF THIS SECTION.

(5) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2027.

SECTION 3. Appropriation. For the 2024-25 state fiscal year, \$219,909 is appropriated to the department of regulatory agencies for use by the division of insurance. This appropriation is from the division of insurance cash fund created in section 10-1-103 (3)(a)(I), C.R.S., and is based on an assumption that the division will require an additional 0.2 FTE. To implement this act, the division may use this appropriation for personal services. Of the amount appropriated in this section, any amount up to \$200,000 not expended prior to July 1, 2025, is further appropriated to the division for the 2025-26 state fiscal year for the same purpose.

SECTION 4. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 5, 2024