

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0620.01 Brita Darling x2241

SENATE BILL 26-155

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SENATE SPONSORSHIP

Mullica,

HOUSE SPONSORSHIP

McCluskie and Brown,

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Senate Committees  
Finance

House Committees

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A BILL FOR AN ACT

101 CONCERNING INCREASING THE AVAILABILITY OF HOMEOWNER'S  
102 INSURANCE IN THE STATE.

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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>.)*

The bill creates the strengthen Colorado homes enterprise (enterprise), which is a government-owned business created in the division of insurance (division) in the department of regulatory agencies. The enterprise is governed by a 7-member board (board), including the commissioner of insurance (commissioner), or their designee; members with expertise in home hardening and resilient roof systems; and members

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.*

representing the interests of insurance companies, consumers, and counties.

The primary purpose of the enterprise is to impose and collect an annual fee (fee) from an insurance company that offers multiperil homeowner's insurance policies in the state (insurer) to reduce risks and losses to insurers that pay the fee by using fee revenue to provide grants to homeowners (grants) to defray the cost of retrofitting residential property by purchasing and installing resilient roof systems. In awarding grants, the board shall prioritize homes that are the homeowner applicant's (applicant) primary residence and shall consider other criteria, including applicant income, the age of the roof, the size of the home, the number of grant applicants, and whether the applicant lives in a location that has historically had a higher susceptibility to extreme weather events. In order to ensure the necessary workforce, fee revenue may also be used to award grants to defray the costs of training and certification related to installing and certifying resilient roof systems. A contractor that is awarded bids and receives money from a grant is prohibited from waiving homeowner's insurance deductibles.

In addition, fee revenue shall be used for contracting with the division to conduct or contract for a study to analyze insurance risk in high-risk wildfire areas of the state, including an analysis of market competition in those areas and the impact of a high risk program on the potential losses and the availability of homeowner's insurance in those areas.

Beginning in the 2027 calendar year, the amount of the insurer fee imposed and collected by the enterprise is an amount equal to 0.5% of the total premium collected by an insurer on multiperil homeowner's insurance policies in the state in the immediately preceding calendar year. The insurer shall not surcharge the fee amount to policyholders. The enterprise may lower or cease collecting the fee from an insurer in any calendar year if the commissioner determines that the insurer paying the fee would become insolvent and notifies the board.

The board shall adopt rules and policies for the regulation of the enterprise's affairs and the conduct of enterprise business, including standards for resilient roof systems and standards for contractor-specialized training in the installation of impact-resistant roof systems.

Beginning with rate filings submitted on and after January 1, 2027, an insurer offering multiperil homeowner's insurance for property or risks located in the state shall demonstrate in the insurer's rate filings that savings from the installation of resilient roof systems are passed through to homeowners through the application of discounts or reduced premiums on homeowner's insurance policies.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 20 to article  
3 4 of title 10 as follows:

4 PART 20

5 STRENGTHEN COLORADO HOMES ENTERPRISE

6 **10-4-2001. Legislative declaration.**

7 (1) THE GENERAL ASSEMBLY:

8 (a) FINDS AND DETERMINES THAT:

9 (I) INCREASED GREENHOUSE GAS EMISSIONS AND RAPIDLY RISING  
10 TEMPERATURES ARE CHANGING THE CLIMATE IN WAYS THAT THREATEN  
11 COLORADO'S ECONOMY, THE HEALTH OF ITS RESIDENTS, AND ITS NATURAL  
12 LANDSCAPE;

13 (II) THESE TEMPERATURE INCREASES HAVE AN IMPACT ON  
14 COLORADO'S ENVIRONMENT, WITH DROUGHT, HEAT WAVES, WINDSTORMS,  
15 WILDFIRES, HAIL, AND OTHER EXTREME WEATHER EVENTS INCREASING IN  
16 RECENT YEARS;

17 (III) THE ECONOMIC IMPACTS OF THESE INCREASINGLY FREQUENT  
18 AND SEVERE WEATHER EVENTS ARE SIGNIFICANT;

19 (IV) COLORADO PROPERTY OWNERS ARE FACED WITH CHALLENGES  
20 IN FINDING INSURANCE COVERAGE AND INCREASING INSURANCE  
21 PREMIUMS, UNDERMINING THE ABILITY TO PURCHASE, SELL, AND OWN A  
22 HOME;

23 (V) THERE IS A NEED IN THE STATE TO ENCOURAGE INVESTMENTS  
24 IN HOME HARDENING, WHICH MEANS MAKING HOMES AND COMMUNITIES  
25 MORE RESILIENT TO EXTREME WEATHER EVENTS SUCH AS HAIL,  
26 WINDSTORMS, AND WILDFIRE, AND INCLUDES SCIENCE-BASED HAIL AND  
27 WIND MITIGATION MEASURES DESIGNED TO REDUCE INSURER LOSSES;

1 (VI) MAKING INVESTMENTS IN HOME HARDENING WILL IMPROVE  
2 INSURERS' FINANCIAL STABILITY BY DECREASING LOSSES THAT WOULD  
3 OTHERWISE BE PAID BY THE INSURERS;

4 (VII) INVESTMENTS IN HOME HARDENING WILL ALSO ENCOURAGE  
5 INSURER PARTICIPATION AND INCREASE COMPETITION IN THE INSURANCE  
6 MARKET TO OFFER COVERAGE THROUGHOUT THE STATE TO ALL  
7 COLORADANS, RESULTING IN LONG-TERM SAVINGS FOR HOMEOWNERS AND  
8 INSURERS;

9 (VIII) TARGETING HOMES IN HIGH-RISK AREAS FOR INVESTMENTS  
10 IN HOME HARDENING WILL IMPROVE THE OVERALL STABILITY OF THE  
11 HOMEOWNER'S INSURANCE MARKET FOR INSURERS; AND

12 (IX) ACCORDINGLY, IT IS APPROPRIATE TO FINANCE A HOME  
13 HARDENING PROGRAM THROUGH A FEE IMPOSED ON INSURERS THAT OFFER  
14 MULTIPERIL HOMEOWNER'S INSURANCE POLICIES IN THE STATE; AND

15 (b) DECLARES THAT:

16 (I) THE STRENGTHEN COLORADO HOMES ENTERPRISE PROVIDES  
17 VALUABLE BUSINESS SERVICES AND BENEFITS TO INSURERS WHEN, IN  
18 EXCHANGE FOR PAYMENT OF THE FEE DESCRIBED IN SECTION 10-4-2003,  
19 THE ENTERPRISE USES THE FEE REVENUE TO PROVIDE GRANTS TO  
20 HOMEOWNERS TO FORTIFY THE ROOFS OF INSURED PROPERTY AND  
21 OTHERWISE MITIGATE THE RISK OF LOSSES TO INSURED PROPERTY  
22 RESULTING FROM NATURAL DISASTERS AND EXTREME WEATHER,  
23 INCLUDING HAIL AND WINDSTORMS, THUS REDUCING RISK AND LOSSES TO  
24 INSURERS IN THE STATE THAT PAY THE FEE;

25 (II) BY PROVIDING THE BENEFITS AND SERVICES SPECIFIED IN THIS  
26 PART 20, THE STRENGTHEN COLORADO HOMES ENTERPRISE ENGAGES IN  
27 ACTIVITIES CONDUCTED IN THE PURSUIT OF A BENEFIT, GAIN, OR

1 LIVELIHOOD AND THEREFORE OPERATES AS A BUSINESS;

2 (III) CONSISTENT WITH THE DETERMINATION OF THE COLORADO  
3 SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896  
4 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS  
5 INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE  
6 X OF THE STATE CONSTITUTION, THE GENERAL ASSEMBLY CONCLUDES  
7 THAT THE REVENUE COLLECTED BY THE ENTERPRISE IS GENERATED BY  
8 FEES, NOT TAXES, BECAUSE THE MONEY CREDITED TO THE ENTERPRISE IS:

9 (A) FOR THE SPECIFIC PURPOSE OF ALLOWING THE ENTERPRISE TO  
10 DEFRAID THE COSTS OF PROVIDING THE SERVICES DESCRIBED IN THIS PART  
11 20;

12 (B) COLLECTED AT RATES THAT ARE REASONABLY CALCULATED  
13 BASED ON THE COSTS OF THE SERVICES PROVIDED BY THE ENTERPRISE;  
14 AND

15 (C) NOT STATE FISCAL YEAR SPENDING, AS DEFINED IN SECTION  
16 24-77-102 (17), OR STATE REVENUES, AS DEFINED IN SECTION 24-77-103.6  
17 (6)(c), AND DOES NOT COUNT AGAINST EITHER THE STATE FISCAL YEAR  
18 SPENDING LIMIT IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE  
19 CONSTITUTION OR THE EXCESS STATE REVENUES CAP, AS DEFINED IN  
20 SECTION 24-77-103.6 (6)(b), SO LONG AS THE ENTERPRISE QUALIFIES AS  
21 AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE  
22 CONSTITUTION; AND

23 (IV) NO OTHER ENTERPRISE CREATED SIMULTANEOUSLY OR  
24 WITHIN THE PRECEDING FIVE YEARS SERVES PRIMARILY THE SAME PURPOSE  
25 AS THE ENTERPRISE, AND THE ENTERPRISE WILL GENERATE REVENUE FROM  
26 FEES AND SURCHARGES OF LESS THAN ONE HUNDRED MILLION DOLLARS  
27 TOTAL IN ITS FIRST FIVE FISCAL YEARS. ACCORDINGLY, THE CREATION OF

1 THE ENTERPRISE DOES NOT REQUIRE VOTER APPROVAL PURSUANT TO  
2 SECTION 24-77-108.

3 **10-4-2002. Definitions.**

4 AS USED IN THIS PART 20, UNLESS THE CONTEXT OTHERWISE  
5 REQUIRES:

6 (1) "BOARD" OR "ENTERPRISE BOARD" MEANS THE GOVERNING  
7 BOARD OF THE STRENGTHEN COLORADO HOMES ENTERPRISE.

8 (2) "FEE" MEANS THE FEE THAT THE ENTERPRISE BOARD IMPOSES  
9 AND COLLECTS PURSUANT TO SECTION 10-4-2003 (4).

10 (3) "FUND" MEANS THE STRENGTHEN COLORADO HOMES  
11 ENTERPRISE FUND CREATED IN SECTION 10-4-2003 (5).

12 (4) "GRANT PROGRAM" MEANS THE STRENGTHEN COLORADO  
13 HOMES ENTERPRISE GRANT PROGRAM CREATED IN SECTION 10-4-2004.

14 (5) (a) "INSURER" MEANS AN INSURANCE COMPANY THAT OFFERS  
15 MULTIPERIL HOMEOWNER'S INSURANCE POLICIES IN THE STATE.

16 (b) "INSURER" DOES NOT INCLUDE THE FAIR ACCESS TO INSURANCE  
17 REQUIREMENTS PLAN ASSOCIATION CREATED IN SECTION 10-4-1804.

18 (6) "RESILIENT ROOF SYSTEM" MEANS A ROOF THAT HAS OBTAINED  
19 A VERIFIED WIND AND HAIL CERTIFICATION FROM THE INSURANCE  
20 INSTITUTE FOR BUSINESS AND HOME SAFETY "FORTIFIED" PROGRAM OR  
21 A SIMILAR SCIENCE-BASED, VERIFIABLE CERTIFICATION, AS DETERMINED  
22 BY THE BOARD BY RULE.

23 (7) "STRENGTHEN COLORADO HOMES ENTERPRISE" OR  
24 "ENTERPRISE" MEANS THE STRENGTHEN COLORADO HOMES ENTERPRISE  
25 CREATED IN SECTION 10-4-2003 (1).

26 **10-4-2003. Strengthen Colorado homes enterprise - creation**  
27 **- purpose - enterprise board - powers and duties - fee - penalty - fund**

1     **- gifts, grants, or donations - rules - reporting - repeal.**

2             **(1) Enterprise - creation - purpose.**

3             (a) (I) THE STRENGTHEN COLORADO HOMES ENTERPRISE IS  
4     CREATED IN THE DIVISION. THE ENTERPRISE IS A **TYPE 1** ENTITY, AS  
5     DEFINED IN SECTION 24-1-105, AND EXERCISES ITS POWERS AND PERFORMS  
6     ITS DUTIES AND FUNCTIONS UNDER THE DIVISION. THE ENTERPRISE IS AND  
7     OPERATES AS A GOVERNMENT-OWNED BUSINESS WITHIN THE DIVISION.

8             (II) THE BUSINESS PURPOSE OF THE ENTERPRISE, ACTING THROUGH  
9     THE BOARD, IS TO IMPOSE AND COLLECT A FEE CHARGED TO INSURERS  
10    THAT OFFER MULTIPERIL HOMEOWNER'S INSURANCE POLICIES AND TO USE  
11    THE REVENUE FROM THE FEE TO PROVIDE THE FOLLOWING BUSINESS  
12    SERVICES, AS DETERMINED BY THE BOARD, TO INSURERS PAYING THE FEE:

13            (A) REDUCING INSURER AND HOMEOWNER LOSSES DUE TO  
14    COMMON PERILS, INCLUDING HAIL AND WINDSTORMS, BY AWARDING  
15    GRANTS TO INSURED HOMEOWNERS PURSUANT TO SECTION 10-4-2004 TO  
16    DEFRAY THE COST OF RETROFITTING RESIDENTIAL PROPERTY BY  
17    PURCHASING AND INSTALLING RESILIENT ROOF SYSTEMS;

18            (B) AWARDING GRANTS TO INDIVIDUALS TO DEFRAY THE COSTS OF  
19    TRAINING AND CERTIFICATION RELATING TO INSTALLING AND CERTIFYING  
20    RESILIENT ROOF SYSTEMS AND TO DEVELOP THE WORKFORCE FOR  
21    INSTALLING AND CERTIFYING RESILIENT ROOF SYSTEMS;

22            (C) REDUCING THE FREQUENCY OF WIND AND HAIL DAMAGE  
23    CLAIMS ON INSURED RESIDENCES;

24            (D) IMPROVING INSURANCE MARKET STABILITY THROUGHOUT THE  
25    STATE; AND

26            (E) CONTRACTING WITH THE DIVISION TO CONDUCT OR CAUSE TO  
27    BE CONDUCTED A STUDY PURSUANT TO SECTION 10-1-146 TO ANALYZE

1 INSURANCE RISK IN HIGH-RISK WILDFIRE AREAS OF THE STATE, WHICH  
2 ANALYSIS INCLUDES THE DEGREE OF MARKET COMPETITION AMONG  
3 INSURERS IN THOSE AREAS AND THE IMPACT OF A HIGH RISK PROGRAM ON  
4 THE POTENTIAL LOSSES IN AND THE AVAILABILITY OF HOMEOWNER'S  
5 INSURANCE IN HIGH-RISK WILDFIRE AREAS OF THE STATE.

6 (b) THE ENTERPRISE IS AUTHORIZED TO ISSUE REVENUE BONDS.

7 (c) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR PURPOSES  
8 OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS IT  
9 RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND RECEIVES LESS  
10 THAN TEN PERCENT OF ITS TOTAL REVENUES IN GRANTS FROM ALL  
11 COLORADO STATE AND LOCAL GOVERNMENTS COMBINED. SO LONG AS IT  
12 CONSTITUTES AN ENTERPRISE PURSUANT TO THIS SUBSECTION (1), THE  
13 ENTERPRISE IS NOT SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE  
14 CONSTITUTION.

15 (2) **Enterprise board.**

16 (a) THE ENTERPRISE IS GOVERNED BY THE ENTERPRISE BOARD.

17 (b) THE BOARD CONSISTS OF THE FOLLOWING SEVEN VOTING  
18 MEMBERS:

19 (I) THE COMMISSIONER OR THE COMMISSIONER'S DESIGNEE; AND

20 (II) THE FOLLOWING SIX MEMBERS APPOINTED BY THE GOVERNOR  
21 AND CONFIRMED BY THE SENATE TO SERVE THREE-YEAR TERMS:

22 (A) TWO MEMBERS WHO REPRESENT INSURERS WITH EXPERTISE IN  
23 HOMEOWNER'S INSURANCE;

24 (B) ONE MEMBER WHO IS A COUNTY COMMISSIONER OR A COUNTY  
25 EMPLOYEE WHO HAS EXPERTISE OR EXPERIENCE IN HOME HARDENING OR  
26 OTHER RISK MITIGATION ACTIVITIES;

27 (C) ONE MEMBER WHO REPRESENTS CONSUMERS;

1 (D) ONE MEMBER WITH EXPERTISE IN HOME HARDENING, ROOFING  
2 CONSTRUCTION, OR MANUFACTURING RESILIENT ROOF SYSTEMS OR  
3 MATERIALS; AND

4 (E) ONE MEMBER WITH EXPERTISE IN HOMEOWNER'S INSURANCE  
5 OR HOME MITIGATION.

6 (c) OF THE FIRST MEMBERS APPOINTED TO THE BOARD PURSUANT  
7 TO SUBSECTION (2)(b)(II) OF THIS SECTION, THE GOVERNOR SHALL SELECT  
8 TWO MEMBERS TO SERVE AN INITIAL TERM OF TWO YEARS.

9 (d) (I) THE GOVERNOR SHALL MAKE THE INITIAL APPOINTMENTS TO  
10 THE BOARD NO LATER THAN JANUARY 1, 2027.

11 (II) SUBSECTION (2)(c) OF THIS SECTION AND THIS SUBSECTION  
12 (2)(d) ARE REPEALED, EFFECTIVE JULY 1, 2027.

13 (e) THE COMMISSIONER OR THE COMMISSIONER'S DESIGNEE IS THE  
14 CHAIR OF THE BOARD.

15 (f) MEMBERS OF THE BOARD SERVE WITHOUT COMPENSATION BUT  
16 MUST BE REIMBURSED FROM MONEY IN THE FUND FOR ACTUAL AND  
17 NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES  
18 PURSUANT TO THIS PART 20.

19 (g) EACH MEMBER OF THE BOARD SHALL DISCLOSE ANY ACTUAL OR  
20 POTENTIAL CONFLICT OF INTEREST, INCLUDING ANY FINANCIAL INTEREST  
21 IN CONTRACTS, GRANTS, OR STANDARDS CONSIDERED, AWARDED,  
22 ADOPTED, OR RECOMMENDED BY THE BOARD.

23 (h) THE ENTERPRISE BOARD IS SUBJECT TO THE OPEN MEETINGS  
24 PROVISIONS OF THE "COLORADO SUNSHINE ACT OF 1972" CONTAINED IN  
25 PART 4 OF ARTICLE 6 OF TITLE 24. EXCEPT AS MAY OTHERWISE BE  
26 PROVIDED BY FEDERAL LAW OR STATE LAW, THE RECORDS OF THE  
27 ENTERPRISE ARE PUBLIC RECORDS, AS DEFINED IN SECTION 24-72-202 (6),

1 AND ARE SUBJECT TO THE "COLORADO OPEN RECORDS ACT", PART 2 OF  
2 ARTICLE 72 OF TITLE 24.

3 (3) **Powers and duties.**

4 (a) THE PRIMARY POWERS AND DUTIES OF THE ENTERPRISE, ACTING  
5 THROUGH THE BOARD, ARE TO:

6 (I) IMPOSE AND COLLECT THE FEE PURSUANT TO SUBSECTION (4)  
7 OF THIS SECTION;

8 (II) AWARD GRANTS FROM MONEY IN THE FUND IN ACCORDANCE  
9 WITH THE GRANT PROGRAM REQUIREMENTS SPECIFIED IN SECTION  
10 10-4-2004;

11 (III) ISSUE REVENUE BONDS FOR THE EXPENSES OF THE  
12 ENTERPRISE, SECURED BY REVENUE OF THE ENTERPRISE;

13 (IV) INVEST THE REVENUE FROM THE ISSUANCE AND SALE OF  
14 REVENUE BONDS AND THE IMPOSITION AND COLLECTION OF THE FEE. IN  
15 INVESTING THE REVENUE, THE ENTERPRISE MAY:

16 (A) INVEST THE REVENUE WITHOUT REGARD TO THE LIMITATIONS  
17 SET FORTH IN SECTION 24-36-103, 24-75-601.1, OR 24-75-603; AND

18 (B) ENTER INTO CONTRACTS WITH PRIVATE PROFESSIONAL FUND  
19 MANAGERS TO PROVIDE EXPERTISE, TECHNICAL SUPPORT, AND ADVICE ON  
20 INVESTMENT MARKET CONDITIONS. IN SEEKING BIDS FOR SUCH  
21 CONTRACTS, THE ENTERPRISE SHALL EMPLOY STANDARD PUBLIC BIDDING  
22 PRACTICES, INCLUDING THE USE OF REQUESTS FOR INFORMATION,  
23 REQUESTS FOR PROPOSALS, OR ANY OTHER STANDARD VENDOR SELECTION  
24 PRACTICES DETERMINED BY THE ENTERPRISE TO BE BEST SUITED TO  
25 SELECTING AN APPROPRIATE PRIVATE PROFESSIONAL FUND MANAGER.

26 (V) PAY THE ADMINISTRATIVE EXPENSES OF THE ENTERPRISE;

27 (VI) ENGAGE THE SERVICES OF PUBLIC OR PRIVATE ENTITIES,

1 CONTRACTORS, OR CONSULTANTS FOR PROFESSIONAL AND TECHNICAL  
2 ASSISTANCE AND TO PROVIDE ADVICE AND OTHER SERVICES RELATED TO  
3 CONDUCTING THE AFFAIRS OF THE ENTERPRISE, WITHOUT REGARD TO THE  
4 "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24. IN  
5 CONDUCTING ITS AFFAIRS, THE ENTERPRISE SHALL:

6 (A) ENGAGE THE ATTORNEY GENERAL'S OFFICE FOR LEGAL  
7 SERVICES;

8 (B) ENTER INTO A CONTRACT OR CONTRACTS WITH THE DIVISION  
9 AT FAIR MARKET RATES FOR OFFICE SPACE AND ADMINISTRATIVE STAFF  
10 FOR THE ENTERPRISE; AND

11 (C) ENTER INTO A CONTRACT WITH THE DIVISION TO CONDUCT OR  
12 CAUSE TO BE CONDUCTED THE STUDY DESCRIBED IN SECTION 10-1-146  
13 REGARDING INSURANCE RISK IN HIGH-RISK WILDFIRE AREAS OF THE STATE;

14 (VII) PREPARE AND SUBMIT AN ANNUAL FINANCIAL REPORT  
15 PURSUANT TO SUBSECTION (7) OF THIS SECTION CONCERNING THE  
16 ADMINISTRATION OF THE ENTERPRISE AND THE GRANT PROGRAM AND POST  
17 THE REPORT ON THE ENTERPRISE'S PUBLIC-FACING WEBSITE; AND

18 (VIII) EXERCISE ALL RIGHTS AND POWERS NECESSARY OR  
19 INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS AND DUTIES  
20 GRANTED IN THIS PART 20.

21 (b) THE ENTERPRISE, ACTING THROUGH THE BOARD, MAY SEEK,  
22 ACCEPT, AND EXPEND GRANTS OR OTHER MONEY FROM THE FEDERAL  
23 GOVERNMENT AND GIFTS, GRANTS, OR DONATIONS FROM OTHER PUBLIC  
24 AND PRIVATE SOURCES TO SUPPORT AND ENHANCE ENTERPRISE  
25 ACTIVITIES; EXCEPT THAT THE ENTERPRISE SHALL NOT ACCEPT GRANTS  
26 FROM THE STATE OR FROM LOCAL GOVERNMENTS UNLESS THE COMBINED  
27 TOTAL OF ALL GRANTS FROM SUCH SOURCES IS UNDER TEN PERCENT OF

1 THE ENTERPRISE'S ANNUAL REVENUE.

2 (4) **Fee - fines - penalties.**

3 (a) BEGINNING IN THE 2027 CALENDAR YEAR, ON OR BEFORE A  
4 DATE DETERMINED BY THE ENTERPRISE BOARD, AND ANNUALLY EACH  
5 CALENDAR YEAR THEREAFTER ON OR BEFORE THE SAME DATE, THE  
6 ENTERPRISE BOARD SHALL IMPOSE AND COLLECT A FEE ON EACH INSURER  
7 IN AN AMOUNT EQUAL TO ONE-HALF OF ONE PERCENT OF THE TOTAL  
8 PREMIUM COLLECTED BY THE INSURER ON MULTIPERIL HOMEOWNER'S  
9 INSURANCE POLICIES ISSUED IN THE STATE IN THE IMMEDIATELY  
10 PRECEDING CALENDAR YEAR.

11 (b) EACH INSURER SHALL PAY THE FEE TO THE ENTERPRISE AND  
12 SHALL NOT SURCHARGE THE FEE AMOUNT TO POLICYHOLDERS.

13 (c) THE STATE TREASURER SHALL CREDIT THE FEES COLLECTED TO  
14 THE FUND. A FEE COLLECTED BY THE ENTERPRISE IS EXCLUDED FROM THE  
15 STATE'S FISCAL YEAR SPENDING.

16 (d) NOTWITHSTANDING SUBSECTION (4)(a) OF THIS SECTION, THE  
17 ENTERPRISE MAY LOWER THE FEE OR CEASE COLLECTING THE FEE IN ANY  
18 CALENDAR YEAR:

19 (I) TO ENSURE THAT THE TOTAL AMOUNT OF FEE REVENUE DOES  
20 NOT EXCEED ONE HUNDRED MILLION DOLLARS OVER THE FIRST FIVE FISCAL  
21 YEARS OF THE ENTERPRISE'S EXISTENCE; OR

22 (II) FOR AN INSURER, IF THE COMMISSIONER HAS DETERMINED  
23 THAT PAYING THE FEE WOULD CAUSE THE INSURER TO BECOME INSOLVENT  
24 UNDER CRITERIA ESTABLISHED BY THE COMMISSIONER. THE  
25 COMMISSIONER SHALL INFORM THE ENTERPRISE OF ANY SUCH  
26 DETERMINATION.

27 (e) THE ENTERPRISE MAY ANNUALLY REQUEST FROM INSURERS

1 INFORMATION ABOUT POLICIES AND CONTRACTS AS NECESSARY TO  
2 IMPLEMENT AND ENFORCE THIS PART 20 AND MAY RECOMMEND THAT THE  
3 DIVISION IMPOSE, AFTER A PUBLIC HEARING, A CIVIL FINE OR PENALTY OF  
4 NOT MORE THAN ONE HUNDRED TWENTY PERCENT OF THE FEE DUE TO THE  
5 ENTERPRISE FOR A VIOLATION OF THIS PART 20. THE DIVISION SHALL  
6 TRANSMIT THE FINE TO THE STATE TREASURER, WHO SHALL CREDIT THE  
7 FINE TO THE FUND.

8 (f) THE BOARD SHALL ADOPT ANY RULES NECESSARY FOR THE  
9 IMPOSITION AND COLLECTION OF THE FEE.

10 (5) **Fund.**

11 (a) THE STRENGTHEN COLORADO HOMES ENTERPRISE FUND IS  
12 CREATED IN THE STATE TREASURY.

13 (b) THE FUND CONSISTS OF:

14 (I) FEES IMPOSED AND COLLECTED PURSUANT TO SUBSECTION (4)  
15 OF THIS SECTION;

16 (II) GRANTS OR OTHER MONEY RECEIVED FROM THE FEDERAL  
17 GOVERNMENT OR GIFTS, GRANTS, AND DONATIONS RECEIVED FROM PUBLIC  
18 OR PRIVATE SOURCES TO SUPPORT OR ENHANCE ENTERPRISE ACTIVITIES;

19 (III) FINES OR PENALTIES ASSESSED FOR FAILURE TO PAY THE FEE  
20 IMPOSED PURSUANT TO SUBSECTION (4) OF THIS SECTION;

21 (IV) ANY MONEY FROM REVENUE BONDS ISSUED PURSUANT TO  
22 SUBSECTION (3)(a)(III) OF THIS SECTION; AND

23 (V) ANY MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE  
24 OR TRANSFER TO THE FUND.

25 (c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE  
26 ENTERPRISE FOR THE PURPOSES SET FORTH IN THIS PART 20 AND TO PAY  
27 THE ENTERPRISE'S REASONABLE AND NECESSARY ADMINISTRATIVE AND

1 OPERATING EXPENSES.

2 (d) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND  
3 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE  
4 FUND TO THE FUND.

5 (6) **Rules.** THE ENTERPRISE BOARD MAY ADOPT, AMEND, OR  
6 REPEAL RULES OR POLICIES THAT ARE REASONABLE AND NECESSARY FOR  
7 THE REGULATION OF THE ENTERPRISE'S AFFAIRS AND THE CONDUCT OF THE  
8 ENTERPRISE'S BUSINESS CONSISTENT WITH THIS PART 20, INCLUDING  
9 GRANT PROGRAM RULES SPECIFIED IN SECTION 10-4-2004 (7).

10 (7) **Reporting.**

11 (a) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), BEGINNING  
12 JULY 1, 2028, AND EACH JULY 1 THEREAFTER, THE ENTERPRISE SHALL  
13 SUBMIT A REPORT TO THE COMMITTEES OF REFERENCE OF THE GENERAL  
14 ASSEMBLY TO WHICH THE DEPARTMENT IS ASSIGNED PURSUANT TO  
15 SECTION 2-7-203 CONCERNING THE IMPLEMENTATION AND  
16 ADMINISTRATION OF THE ENTERPRISE AND THE GRANT PROGRAM.

17 (b) THE ANNUAL REPORT MUST INCLUDE:

18 (I) THE AMOUNT OF FEES COLLECTED FROM INSURERS AND THE  
19 UNOBLIGATED BALANCE OF THE FUND;

20 (II) THE NUMBER OF GRANT PROGRAM APPLICATIONS AND THE  
21 AMOUNT OF GRANTS AWARDED;

22 (III) THE AREAS OF THE STATE WHERE GRANT PROGRAM  
23 RECIPIENTS RESIDE; AND

24 (IV) ANY OTHER INFORMATION RELEVANT TO THE SUCCESS OF THE  
25 ENTERPRISE AND THE GRANT PROGRAM.

26 **10-4-2004. Strengthen Colorado homes enterprise grant**  
27 **program - application - eligibility criteria - award of grants - rules.**

1           (1) THERE IS CREATED IN THE ENTERPRISE THE STRENGTHEN  
2 COLORADO HOMES ENTERPRISE GRANT PROGRAM TO PROVIDE GRANTS TO  
3 COLORADO HOMEOWNERS TO RETROFIT RESIDENTIAL PROPERTY TO  
4 REDUCE INSURER LOSSES DUE TO COMMON PERILS, INCLUDING HAIL AND  
5 WINDSTORMS.

6           (2) (a) SUBJECT TO AVAILABLE REVENUE IN THE FUND, THE BOARD  
7 SHALL AWARD GRANTS, IN ACCORDANCE WITH THIS SECTION, FROM THE  
8 FUND. THE BOARD MAY ESTABLISH PROCEDURES AND CRITERIA FOR THE  
9 AWARD OF GRANTS IF THERE IS INSUFFICIENT MONEY IN THE FUND TO  
10 AWARD GRANTS TO ALL ELIGIBLE HOMEOWNER APPLICANTS.

11           (b) THE BOARD MAY CONTRACT WITH A THIRD-PARTY VENDOR TO  
12 ADMINISTER THE GRANT PROGRAM.

13           (3) IN ADDITION TO ANY GRANT PROGRAM CRITERIA ESTABLISHED  
14 BY THE BOARD BY RULE, A HOMEOWNER AWARDED A GRANT SHALL, AS  
15 APPLICABLE:

16           (a) HAVE AN INSURABLE RESIDENTIAL PROPERTY LOCATED IN  
17 COLORADO THAT IS COVERED BY A HOMEOWNER'S INSURANCE POLICY;

18           (b) OBTAIN ALL PERMITS REQUIRED BY LAW FOR INSTALLATION OR  
19 RETROFITTING;

20           (c) COMPLY WITH ALL APPLICABLE BUILDING CODES;

21           (d) ARRANGE AND PAY FOR INSPECTIONS REQUIRED BY LAW AND  
22 THE TERMS OF THE GRANT PROGRAM;

23           (e) CONSTRUCT A ROOF THAT MEETS THE STANDARDS OF THE  
24 INSURANCE INSTITUTE FOR BUSINESS AND HOME SAFETY OR SIMILAR  
25 STANDARDS, AS DETERMINED BY THE BOARD BY RULE; AND

26           (f) SELECT A CONTRACTOR LICENSED IN THE STATE THAT:

27           (I) IS A MEMBER OF THE COLORADO ROOFING ASSOCIATION OR AN

1 EQUIVALENT QUALIFYING BODY THAT MAINTAINS STANDARDS FOR  
2 LICENSING, INSURANCE, AND PROFESSIONAL CONDUCT;

3 (II) ATTESTS THAT THE CONTRACTOR DOES NOT WAIVE  
4 DEDUCTIBLES AND AGREES TO REPAIR, RATHER THAN REPLACE, ROOFS  
5 WHEN APPROPRIATE IN ACCORDANCE WITH RULES ADOPTED BY THE  
6 BOARD; AND

7 (III) MEETS ANY OTHER CRITERIA ESTABLISHED BY THE BOARD.

8 (4) A CONTRACTOR THAT IS AWARDED BIDS AND RECEIVES GRANT  
9 MONEY FROM THE GRANT PROGRAM IS PROHIBITED FROM WAIVING  
10 HOMEOWNER'S INSURANCE DEDUCTIBLES.

11 (5) THE BOARD MAY PERFORM AUDITS TO VERIFY:

12 (a) THE ACCURACY OF THE INFORMATION INCLUDED IN AN  
13 APPLICATION; AND

14 (b) THAT THE APPLICANT MEETS ALL ELIGIBILITY CRITERIA.

15 (6) A HOMEOWNER SHALL NOT USE MONEY THAT IS AWARDED AS  
16 A GRANT TO PAY FOR GENERAL ROOF MAINTENANCE OR REPAIR BUT MAY  
17 USE GRANT PROGRAM MONEY IN CONJUNCTION WITH REPAIRS OR  
18 RECONSTRUCTION NECESSITATED BY DAMAGE FROM WIND OR HAIL OR FOR  
19 PROACTIVE RETROFITTING NECESSITATED BY OR DESIGNED TO PREVENT  
20 SUCH DAMAGE, CONSISTENT WITH STANDARDS ADOPTED BY THE BOARD  
21 PURSUANT TO SUBSECTION (7) OF THIS SECTION.

22 (7) (a) THE BOARD SHALL ADOPT RULES FOR THE ADMINISTRATION  
23 AND IMPLEMENTATION OF THE GRANT PROGRAM, INCLUDING THE  
24 STANDARDS FOR A RESILIENT ROOF SYSTEM, THE CRITERIA USED TO  
25 DETERMINE WHETHER AN APPLICANT IS ELIGIBLE FOR A GRANT UNDER THIS  
26 SECTION, AND THE AMOUNT AND TIMING OF THE GRANT AWARD. IN  
27 AWARDED GRANTS, THE BOARD SHALL PRIORITIZE HOMES THAT ARE AN

1 APPLICANT'S PRIMARY RESIDENCE. IN ESTABLISHING ELIGIBILITY  
2 REQUIREMENTS FOR THE GRANTS, THE BOARD SHALL CONSIDER APPLICANT  
3 INCOME; WHETHER AN APPLICANT LIVES IN A LOCATION THAT, BASED ON  
4 HISTORICAL DATA, HAS A HIGHER SUSCEPTIBILITY TO EXTREME WEATHER  
5 EVENTS; THE AGE OF THE ROOF; THE SIZE OF THE HOME; THE NUMBER OF  
6 APPLICANTS FOR THE GRANT PROGRAM; AND ANY OTHER CRITERIA THE  
7 BOARD DETERMINES IS APPROPRIATE TO MEET THE PURPOSE OF THE  
8 ENTERPRISE AND THE MONEY AVAILABLE FOR GRANTS.

9 (b) IN ESTABLISHING RESILIENT ROOF SYSTEM STANDARDS, THE  
10 BOARD MAY PRIORITIZE THE USE OF MATERIALS THAT ARE  
11 IMPACT-RESISTANT AND PROVEN TO OFFER SUPERIOR PROTECTIONS  
12 AGAINST EXTREME WEATHER EVENTS AND MAY INCENTIVIZE MATERIALS  
13 WITH REDUCED ENVIRONMENTAL IMPACTS.

14 (c) THE BOARD MAY ALSO ESTABLISH STANDARDS FOR  
15 CONTRACTOR-SPECIALIZED TRAINING IN THE INSTALLATION OF  
16 IMPACT-RESISTANT ROOFING SYSTEMS.

17 (8) IN ORDER TO DEVELOP THE NECESSARY WORKFORCE FOR  
18 INSTALLING AND CERTIFYING RESILIENT ROOF SYSTEMS, THE BOARD MAY  
19 ALSO AWARD GRANTS TO DEFRAY THE COSTS TO INDIVIDUALS FOR  
20 TRAINING AND CERTIFICATION RELATED TO INSTALLING AND CERTIFYING  
21 RESILIENT ROOF SYSTEMS; EXCEPT THAT BOARD RULES MUST REQUIRE  
22 THAT AT LEAST SEVENTY-FIVE PERCENT OF GRANT PROGRAM MONEY IS  
23 ALLOCATED TO GRANTS TO COLORADO HOMEOWNERS TO RETROFIT  
24 RESIDENTIAL PROPERTY TO REDUCE INSURER LOSSES DUE TO HAIL AND  
25 WINDSTORMS.

26 (9) NOTHING IN THIS SECTION CREATES:

27 (a) AN ENTITLEMENT FOR A HOMEOWNER TO RECEIVE GRANT

1 PROGRAM MONEY TO INSPECT OR RETROFIT RESIDENTIAL PROPERTY; OR  
2 (b) AN OBLIGATION FOR THE STATE TO APPROPRIATE MONEY TO  
3 INSPECT OR RETROFIT RESIDENTIAL PROPERTY.

4 **10-4-2005. Severability.**

5 IF ANY PROVISION OF THIS PART 20 OR THE APPLICATION OF THIS  
6 PART 20 TO ANY PERSON OR CIRCUMSTANCE IS HELD INVALID, THE  
7 INVALIDITY DOES NOT AFFECT OTHER PROVISIONS OR APPLICATIONS OF  
8 THIS PART 20 THAT CAN BE GIVEN EFFECT WITHOUT THE INVALID  
9 PROVISION OR APPLICATION, AND TO THIS END THE PROVISIONS OF THIS  
10 PART 20 ARE DECLARED TO BE SEVERABLE.

11 **SECTION 2.** In Colorado Revised Statutes, **add** 10-1-146 as  
12 follows:

13 **10-1-146. Study regarding insurance risk in high-risk wildfire**  
14 **areas of the state - repeal.**

15 (1) THE STRENGTHEN COLORADO HOMES ENTERPRISE CREATED IN  
16 PART 20 OF ARTICLE 4 OF THIS TITLE 10 SHALL CONTRACT WITH THE  
17 DIVISION TO CONDUCT OR CAUSE TO BE CONDUCTED A STUDY TO ANALYZE:

18 (a) THE INSURANCE RISK IN HIGH-RISK WILDFIRE AREAS OF THE  
19 STATE, INCLUDING AN ANALYSIS OF THE DEGREE OF MARKET COMPETITION  
20 AMONG INSURERS IN THOSE AREAS; AND

21 (b) THE IMPACT OF A HIGH RISK PROGRAM ON THE POTENTIAL  
22 LOSSES IN THE HIGH-RISK WILDFIRE AREAS OF THE STATE AND ON THE  
23 AVAILABILITY OF HOMEOWNER'S INSURANCE IN THOSE AREAS.

24 (2) IN CONDUCTING OR CAUSING THE CONDUCTING OF THE STUDY,  
25 THE DIVISION SHALL EVALUATE AND MAKE RECOMMENDATIONS  
26 REGARDING THE STRUCTURE OF A HIGH RISK PROGRAM, APPROPRIATE  
27 ATTACHMENT POINTS AND CAPS, AND WAYS TO AVOID COMPETITION WITH

1 THE PRIVATE INSURANCE MARKET. THE STUDY MAY EXPLORE POTENTIAL  
2 FUNDING MECHANISMS FOR THE PROGRAM.

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

5 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2031.

6 **SECTION 3.** In Colorado Revised Statutes, 10-4-405, **add** (1.2)  
7 as follows:

8 **10-4-405. Filing of rating information - certain coverages -**  
9 **rules.**

10 (1.2)(a) BEGINNING WITH RATE FILINGS SUBMITTED ON AND AFTER  
11 JANUARY 1, 2027, AN INSURER OFFERING MULTIPERIL HOMEOWNER'S  
12 INSURANCE FOR PROPERTY OR RISKS LOCATED IN THE STATE SHALL  
13 DEMONSTRATE IN THE INSURER'S RATE FILINGS THAT SAVINGS FROM THE  
14 INSTALLATION OF RESILIENT ROOF SYSTEMS ARE PASSED THROUGH TO  
15 HOMEOWNERS THROUGH THE APPLICATION OF DISCOUNTS OR THROUGH  
16 REDUCED PREMIUMS ON HOMEOWNER'S INSURANCE POLICIES.

17 (b) THE COMMISSIONER MAY ADOPT RULES TO IMPLEMENT THIS  
18 SUBSECTION (1.2).

19 **SECTION 4. Act subject to petition - effective date.** This act  
20 takes effect at 12:01 a.m. on the day following the expiration of the  
21 ninety-day period after final adjournment of the general assembly (August  
22 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a  
23 referendum petition is filed pursuant to section 1 (3) of article V of the  
24 state constitution against this act or an item, section, or part of this act  
25 within such period, then the act, item, section, or part will not take effect  
26 unless approved by the people at the general election to be held in

- 1 November 2026 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.