



**Colorado
Legislative
Council
Staff**

HB17-1169

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: February 22, 2017
Bill Status: House SVMA
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
State Revenue		
State Expenditures	Minimal workload reduction.	
General Fund		
Appropriation Required: None.		
Future Year Impacts: Ongoing minimal workload reduction.		

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 takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties
Municipalities

Judicial
Regulatory Agencies

Local Affairs