



**Colorado
Legislative
Council
Staff**

HB17-1279

FISCAL NOTE

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

Drafting Number: LLS 17-0969	Date: March 24, 2017
Prime Sponsor(s): Rep. Garnett; Saine Sen. Tate; Guzman	Bill Status: House SVMA
	Fiscal Analyst: Josh Abram (303-866-3561)

BILL TOPIC: CONSTRUCTION DEFECT ACTIONS NOTICE VOTE APPROVAL

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue		
State Expenditures	Potential workload reduction.	
Appropriation Required: None.		
Future Year Impacts: None.		

Summary of Legislation

Before an executive board of a homeowners association (HOA) can initiate a construction defect lawsuit, this bill requires that the board first:

- notify all unit owners of the HOA and the builder(s) of the development of any plans to bring a construction defect lawsuit;
- convene a meeting for the board and the developer to present relevant facts and arguments to HOA unit owners; and
- obtain the approval of a majority of the unit owners.

The bill dictates various disclosures that must be included in the notification to HOA unit owners and construction professionals, and sets deadlines for the board to provide the notifications, convene a meeting, and collect votes for or against a construction defect lawsuit.

State Expenditures

The bill may result in a minimal workload reduction in the Judicial Branch. Prior to filing any lawsuit alleging construction defects, the bill requires that HOAs take steps to notify the unit owners and secure a majority vote of the owners before moving forward, potentially reducing the number of suits that are initiated in state courts.

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, and applies to construction defect actions where the cause of action accrued on or after that date.

State and Local Government Contacts

Counties
Municipalities

Judicial
Regulatory Agencies

Local Affairs