

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 25-0368.01 Anna Petrini x5497

SENATE BILL 25-035

SENATE SPONSORSHIP

Frizell and Michaelson Jenet, Amabile

HOUSE SPONSORSHIP

Clifford and Weinberg,

Senate Committees

Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING ESTABLISHING A LIMITATION OF ACTIONS AGAINST AN**
102 **INDIVIDUAL PERFORMING A REAL ESTATE APPRAISAL PRACTICE.**

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>.)

Under current law, the statute of limitations to bring certain claims against a real estate appraiser does not start until the party filing the claim has discovered, or should have discovered, an alleged defect in the appraisal.

The bill requires a claimant to bring an action against a real estate appraiser or individual performing a real estate appraisal practice within

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.*

5 years after the date the appraisal report is completed and transmitted to a client. The 5-year statute of limitations does not apply to an action for fraud, for misrepresentation, or for a discriminatory housing practice brought against a real estate appraiser or individual performing a real estate appraisal practice.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 13-80-105.5 as
3 follows:

4 **13-80-105.5. Limitation of actions against a real estate**
5 **appraiser - definitions.** (1) NOTWITHSTANDING ANY STATUTORY
6 PROVISION TO THE CONTRARY, AN ACTION AGAINST A REAL ESTATE
7 APPRAISER OR INDIVIDUAL PERFORMING A REAL ESTATE APPRAISAL
8 PRACTICE MUST BE BROUGHT WITHIN FIVE YEARS AFTER THE DATE OF
9 REPORT.

10 (2) (a) THE LIMITATION SET FORTH IN SUBSECTION (1) OF THIS
11 SECTION DOES NOT APPLY TO AN ACTION AGAINST A REAL ESTATE
12 APPRAISER OR INDIVIDUAL PERFORMING A REAL ESTATE APPRAISAL
13 PRACTICE IF THE ACTION IS BROUGHT BY:

14 (I) A CONSUMER WHO IS AN ORIGINAL PARTY TO THE RESIDENTIAL
15 MORTGAGE LOAN OR RESIDENTIAL REAL ESTATE TRANSACTION FOR WHICH
16 THE REAL ESTATE APPRAISER OR INDIVIDUAL PERFORMING A REAL ESTATE
17 APPRAISAL PRACTICE COMPLETED AN APPRAISAL REPORT OR PERFORMED
18 AN APPRAISAL SERVICE THAT FORMS THE BASIS OF THE ACTION; OR

19 (II) A MORTGAGE ORIGINATOR WHO MUST REPURCHASE A LOAN
20 FROM AN ENTITY HOLDING THE LOAN OR THE MORTGAGE SECURITY, AND
21 A DEFECT IN THE COMPLETED APPRAISAL REPORT OR THE APPRAISAL
22 SERVICE PERFORMED AS PART OF THE MORTGAGE ORIGINATION PROCESS
23 FORMS THE BASIS OF THE ACTION.

1 (b) SUBSECTION (2)(a)(I) OF THIS SECTION DOES NOT CREATE A
2 NEW PRIVATE RIGHT OF ACTION.

3 (3) NOTWITHSTANDING ANY STATUTORY PROVISION TO THE
4 CONTRARY, AN ACTION FOR FRAUD OR KNOWING AND INTENTIONAL
5 MISREPRESENTATION BROUGHT AGAINST A REAL ESTATE APPRAISER OR AN
6 INDIVIDUAL PERFORMING A REAL ESTATE APPRAISAL PRACTICE MUST BE
7 BROUGHT WITHIN THE TIME PROVIDED IN SECTION 13-80-101.

8 (4) NOTWITHSTANDING ANY STATUTORY PROVISION TO THE
9 CONTRARY, AN ACTION FOR A DISCRIMINATORY HOUSING PRACTICE
10 BROUGHT AGAINST A REAL ESTATE APPRAISER OR AN INDIVIDUAL
11 PERFORMING A REAL ESTATE APPRAISAL PRACTICE MUST BE BROUGHT
12 WITHIN THE TIME PROVIDED IN PART 5 OF ARTICLE 34 OF TITLE 24 OR IN
13 APPLICABLE FEDERAL LAW.

14 (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
15 REQUIRES:

16 (a) "DATE OF REPORT" MEANS THE DATE WHEN AN APPRAISAL
17 REPORT IS COMPLETED AND TRANSMITTED TO THE CLIENT.

18 (b) "REAL ESTATE APPRAISAL PRACTICE" MEANS REAL ESTATE
19 VALUATION SERVICES PERFORMED BY AN INDIVIDUAL ACTING AS AN
20 APPRAISER, INCLUDING, BUT NOT LIMITED TO, APPRAISAL AND APPRAISAL
21 REVIEW.

22 **SECTION 2. Act subject to petition - effective date.** This act
23 takes effect at 12:01 a.m. on the day following the expiration of the
24 ninety-day period after final adjournment of the general assembly; except
25 that, if a referendum petition is filed pursuant to section 1 (3) of article V
26 of the state constitution against this act or an item, section, or part of this
27 act within such period, then the act, item, section, or part will not take

1 effect unless approved by the people at the general election to be held in
2 November 2026 and, in such case, will take effect on the date of the
3 official declaration of the vote thereon by the governor.