

HOUSE COMMITTEE OF REFERENCE REPORT

	March 18, 2025
Chair of Committee	Date

Committee on Transportation, Housing & Local Government.

After consideration on the merits, the Committee recommends the following:

HB25-1272 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Amend printed bill, page 2, strike line 2 and substitute:
- 2 **"SECTION 1. Short title - legislative declaration.** (1) The short
- 3 title of this act is the "Colorado American Dream Act".
- 4 (2) The general assembly".
- 5 Page 3, strike line 27 and substitute "construction in new homes."
- 6 Page 4, line 1, strike "laws to seek remedy."
- 7 Page 5, strike lines 3 through 13 and substitute:
- 8 "(4.5) "MULTIFAMILY CONSTRUCTION INCENTIVE PROGRAM" OR
- 9 "PROGRAM" MEANS THE PROGRAM CREATED IN SECTION 13-20-803.3 (1).
- 10 (6) "THIRD-PARTY INSPECTION" MEANS A PROGRAM OF
- 11 INSPECTIONS OF A RESIDENTIAL HOUSING UNIT PERFORMED OVER THE
- 12 COURSE OF CONSTRUCTION ON THE UNIT AND DESIGNED TO ASSIST THE
- 13 CONSTRUCTION PROFESSIONAL PERFORMING THE CONSTRUCTION ON THE
- 14 UNIT IN IDENTIFYING AND RECTIFYING ANY INSTANCES IN WHICH THE
- 15 WORK BEING PERFORMED BY THE CONSTRUCTION PROFESSIONAL DEVIATES
- 16 FROM APPLICABLE BUILDING CODES OR CONSTRUCTION STANDARDS. THE
- 17 CONSTRUCTION PROFESSIONAL WHO SIGNS THE BUILDING PERMIT
- 18 APPLICATION SHALL CERTIFY IN WRITING FILED WITH THE BUILDING
- 19 DEPARTMENT THAT THE THIRD-PARTY INSPECTION".
- 20 Page 5, line 16, strike "AN INSPECTOR:" and substitute "EITHER A
- 21 LICENSED CONSTRUCTION PROFESSIONAL OR A BUILDING CODE INSPECTOR,
- 22 ELECTRICAL INSPECTOR, ENERGY CONSERVATION CODE INSPECTOR, FIRE

1 CODE INSPECTOR, OR MECHANICAL CODE INSPECTOR, IF SUCH INSPECTOR
2 PROVIDES EVIDENCE OF COMPLETION OF THE MOST RECENT VERISON OF
3 THE COMMERCIAL BUILDING INSPECTOR EXAMINATION BY THE
4 INTERNATIONAL CODE COUNCIL OR ITS SUCCESSOR ORGANIZATION:".

5 Page 5, line 17, strike "DESIGNING" and substitute "DESIGNING,
6 CONSTRUCTING, OR INSPECTING".

7 Page 5, line 22, strike "AND".

8 Page 5, after line 24 insert:

9 "(IV) WHO IS NOT DESIGNATED AS A NONPARTY AT FAULT
10 PURSUANT TO SECTION 13-21-111.5 (3)(b); AND".

11 Page 5, strike line 26 and substitute "OR IMPROVEMENT, A SIGNED".

12 Page 5, line 27, strike "IMPROVEMENT" and substitute "IMPROVEMENT,".

13 Page 6, strike lines 1 through 4 and substitute "VERIFIES THAT:

14 (I) THE COMPONENT, SYSTEM, OR IMPROVEMENT WAS INCLUDED
15 IN APPROVED CONSTRUCTION DOCUMENTS AND SPECIFICATIONS,
16 INCLUDING ADDENDUMS ISSUED DURING CONSTRUCTION, UNDER THE
17 VALID SEAL OF AN ARCHITECT OR ENGINEER LICENSED IN COLORADO;".

18 Page 6, strike lines 11 and 12 and substitute "INSTRUCTIONS OR
19 RECOMMENDATIONS, APPROVED CONSTRUCTION DOCUMENTS AND
20 SPECIFICATIONS, INCLUDING ADDENDUMS ISSUED DURING CONSTRUCTION,
21 AND THE APPLICABLE BUILDING CODES.".

22 Page 6, line 15, strike "AND STAMPED".

23 Page 6, line 19, strike "ARCHITECT OR ENGINEER" and substitute
24 "INSPECTOR".

25 Page 6, line 24, strike "CODE." and substitute "CODES.".

26 Page 7, strike line 1 and substitute "STANDARDS; AND

27 (c) THE INSPECTION IS NOT AN INSPECTION PERFORMED BY OR ON
28 BEHALF OF A GOVERNMENTAL AUTHORITY HAVING JURISDICTION OVER
29 THE RESIDENTIAL HOUSING UNIT AS A CONDITION OF ANY PERMITTING OR
30 THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY.".

- 1 Page 7, lines 2 and 3, strike "and 13-20-803.4".
- 2 Page 7, strike lines 4 and 5 and substitute:
- 3 **"13-20-803.3. Multifamily construction incentive program -**
4 **created - construction defect claims against architects and engineers**
5 **- rebuttable presumptions - statute of limitations - affirmative**
6 **defenses.** (1) THE MULTIFAMILY CONSTRUCTION INCENTIVE PROGRAM IS
7 CREATED. ON AND AFTER JANUARY 1, 2026, A BUILDER OF MULTIFAMILY,
8 ATTACHED HOUSING OF TWO OR MORE UNITS MAY PARTICIPATE IN THE
9 PROGRAM BY:
- 10 (a) PROVIDING A WARRANTY THAT COVERS ANY DEFECT AND
11 DAMAGE FOR A MINIMUM PERIOD OF:
- 12 (I) ONE YEAR FOR WORKMANSHIP AND MATERIALS;
13 (II) TWO YEARS FOR PLUMBING, ELECTRICAL, AND MATERIALS;
14 AND
15 (III) SIX YEARS FOR MAJOR STRUCTURAL COMPONENTS; AND
16 (b) HAVING THE UNITS INSPECTED BY A THIRD-PARTY INSPECTOR.
17 (2) (a) EXCEPT AS PROVIDED IN".
- 18 Page 7, line 6, strike "(2)" and substitute "(3)".
- 19 Page 7, lines 11 and 12, strike "MIDDLE MARKET HOUSING." and substitute
20 "HOUSING FOR WHICH THE BUILDER IS PARTICIPATING IN THE PROGRAM.".
- 21 Page 7, line 14, strike "(1)(a)" and substitute "(2)(a)".
- 22 Page 7, line 26, strike "(1)," and substitute "(2),".
- 23 Page 8, line 2, strike "(2)" and substitute "(3)".
- 24 Page 8, line 3, after the second "OF" insert "SUBSECTION (2) OF".
- 25 Page 8, line 19, strike "(3)" and substitute "(4)".
- 26 Page 8, strike line 22 and substitute "COMPLIES WITH SUBSECTION (2) OF
27 THIS SECTION AND SECTION 13-20-602. THE DEFENDANT SHALL FILE A
28 DESIGNATION OF NONPARTY OF FAULT AND CERTIFICATE OF REVIEW AT
29 LEAST FORTY-FIVE DAYS PRIOR TO ANY TRIAL OR PROCEEDING ON THE
30 CLAIM.".
- 31 Page 8, line 24, strike "(3)," and substitute "(4),".

1 Page 8, strike line 26 and substitute:

2 "(5) SUBSECTIONS (2) TO (4) OF THIS SECTION DO NOT:".

3 Page 9, strike lines 3 through 13 and substitute:

4 "(6) A PERSON SHALL NOT ASSERT A CLAIM SEEKING DAMAGES IN
5 A CONSTRUCTION DEFECT ACTION FOR HOUSING BUILT BY A BUILDER WHO
6 WAS A PARTICIPANT IN THE MULTIFAMILY CONSTRUCTION INCENTIVE
7 PROGRAM AT THE TIME OF THE CONSTRUCTION UNLESS THE CLAIM HAS
8 RESULTED IN THE FOLLOWING:

9 (a) DAMAGE THAT AFFECTS THE FUNCTIONALITY OF A SYSTEM OR
10 THE SAFETY OF REAL OR PERSONAL PROPERTY, OTHER THAN A CONDITION
11 THAT HAS NOT CAUSED ANY SUBSTANTIAL PHYSICAL CHANGE;".

12 Page 9, after line 21 insert:

13 "(7) (a) FOR HOUSING BUILT BY A BUILDER PARTICIPATING IN THE
14 PROGRAM AND SOLD ON OR AFTER JANUARY 1, 2026, AND EXCEPT AS
15 PROVIDED IN SUBSECTION (7)(b) OF THIS SECTION, A CLAIMANT MUST
16 BRING AN ACTION FOR DAMAGES FOR A CLAIM BASED ON THE
17 CONSTRUCTION AND FILED PURSUANT TO THIS PART 8 NOT LATER THAN
18 EIGHT YEARS AFTER THE SUBSTANTIAL COMPLETION OF THE IMPROVEMENT
19 IN AN ACTION ARISING OUT OF A DEFECTIVE OR AN UNSAFE CONDITION OF
20 THE REAL PROPERTY OR A DEFICIENCY IN THE CONSTRUCTION OR REPAIR
21 OF THE IMPROVEMENT.

22 (b) (I) IF THE DEFENDANT IS A CONSTRUCTION PROFESSIONAL WHO
23 IS NOT AN ARCHITECT OR ENGINEER AND WHO HAS PROVIDED THE
24 CLAIMANT A WRITTEN WARRANTY FOR THE RESIDENCE THAT COMPLIES
25 WITH SUBSECTION (1)(a) OF THIS SECTION, AND IF THE CLAIMANT
26 DISCOVERED OR SHOULD HAVE DISCOVERED THE ALLEGED DEFECT OR
27 DAMAGE WITHIN THE LONGEST APPLICABLE WARRANTY PERIOD, THE
28 CLAIMANT MUST BRING THE SUIT NOT LATER THAN SIX YEARS AFTER THE
29 SUBSTANTIAL COMPLETION OF THE IMPROVEMENT.

30 (II) IF THE DEFENDANT IS A CONSTRUCTION PROFESSIONAL WHO IS
31 AN ARCHITECT OR ENGINEER, AND THE CONSTRUCTION PROFESSIONAL
32 PERFORMED IN A MANNER CONSISTENT WITH THE DEGREE OF SKILL AND
33 CARE ORDINARILY EXERCISED BY MEMBERS OF THE SAME PROFESSION
34 CURRENTLY PRACTICING UNDER THE SAME OR SIMILAR CIRCUMSTANCES,
35 THE CLAIMANT MUST BRING THE SUIT NOT LATER THAN SIX YEARS AFTER
36 THE SUBSTANTIAL COMPLETION OF THE IMPROVEMENT.

37 (c) IF A CLAIM INVOLVES A DEFECT OR DAMAGE THAT IS COVERED
38 BY THE WARRANTY DESCRIBED IN SUBSECTION (7)(b) OF THIS SECTION,

1 THE CLAIMANT SHALL PURSUE ALL REMEDIES AVAILABLE UNDER THE
2 WARRANTY PROCESS BEFORE BRINGING AN ACTION FOR DAMAGES.

3 (d) SECTION 13-80-104 APPLIES TO THE LIMITATION OF CLAIMS IN
4 THIS SUBSECTION (7).

5 (8) (a) FOR HOUSING IN WHICH THE BUILDER IS A PARTICIPANT IN
6 THE PROGRAM, A CONSTRUCTION PROFESSIONAL WHO MAKES A
7 REASONABLE OFFER PURSUANT TO SECTION 13-20-803.5 MAY BE IMMUNE,
8 IN WHOLE OR IN PART, FROM AN OBLIGATION, DAMAGE, LOSS, OR LIABILITY
9 UNDER THIS PART 8 RELATED TO OR ARISING OUT OF THE CONSTRUCTION
10 DEFECT, BUT ONLY WITH RESPECT TO THE PORTION OF THE CLAIMANT'S
11 DAMAGES, IF ANY, THE CONSTRUCTION PROFESSIONAL CAN DEMONSTRATE
12 BY A PREPONDERANCE OF THE EVIDENCE WERE PROXIMATELY CAUSED OR
13 INCREASED BY AN AFFIRMATIVE DEFENSE SPECIFIED IN SUBSECTIONS (8)(b)
14 AND (8)(c) OF THIS SECTION AND NOT BY THE CONSTRUCTION DEFECT.

15 (b) IN ADDITION TO ANY OTHER AFFIRMATIVE DEFENSE AVAILABLE
16 UNDER ANY OTHER LAW, A CONSTRUCTION PROFESSIONAL IS NOT LIABLE
17 FOR A DAMAGE OR DEFECT TO THE EXTENT THE PROFESSIONAL CAN PROVE,
18 AS AN AFFIRMATIVE DEFENSE, THAT THE DAMAGE OR DEFECT WAS
19 CAUSED:

20 (I) BY A WEATHER CONDITION, EARTHQUAKE, OR HUMAN-CAUSED
21 EVENT, SUCH AS WAR, TERRORISM, OR VANDALISM, IN EXCESS OF THE
22 DESIGN CRITERIA EXPRESSED BY THE APPLICABLE BUILDING CODES,
23 REGULATIONS, AND ORDINANCES IN EFFECT AT THE TIME OF ORIGINAL
24 CONSTRUCTION;

25 (II) BY A HOMEOWNER'S UNREASONABLE FAILURE TO TIMELY
26 MITIGATE DAMAGES AS REQUIRED IN SECTION 13-20-803.5 (1);

27 (III) BY THE HOMEOWNER OR THE HOMEOWNER'S AGENT,
28 EMPLOYEE, OR CONSTRUCTION PROFESSIONAL BY VIRTUE OF THEIR
29 FAILURE TO FOLLOW THE BUILDER'S OR MANUFACTURER'S
30 RECOMMENDATIONS OR TO DO COMMONLY ACCEPTED HOMEOWNER
31 MAINTENANCE OBLIGATIONS. IN ORDER TO RELY UPON THIS DEFENSE AS
32 IT RELATES TO A CONSTRUCTION PROFESSIONAL'S RECOMMENDED
33 MAINTENANCE SCHEDULE, THE CONSTRUCTION PROFESSIONAL MUST SHOW
34 THAT THE HOMEOWNER HAD WRITTEN NOTICE OF THESE SCHEDULES AND
35 RECOMMENDATIONS AND THAT THE RECOMMENDATIONS AND SCHEDULES
36 WERE REASONABLE AT THE TIME THEY WERE ISSUED.

37 (IV) AFTER SALE OR TRANSFER OF OWNERSHIP TO THE CLAIMANT,
38 BY:

39 (A) THE HOMEOWNER'S OR HOMEOWNER'S AGENT'S ALTERATIONS;
40 (B) ORDINARY WEAR AND TEAR;
41 (C) MISUSE OF THE STRUCTURE OR COMPONENT;
42 (D) ABUSE OF THE STRUCTURE OR COMPONENT;
43 (E) NEGLIGENCE OF THE STRUCTURE OR COMPONENT; OR

1 (F) THE USE OF THE STRUCTURE OR COMPONENT FOR SOMETHING
2 OTHER THAN THE STRUCTURE'S OR COMPONENT'S INTENDED PURPOSE.
3 (c) A CONSTRUCTION PROFESSIONAL MAY ASSERT AN AFFIRMATIVE
4 DEFENSE TO THE EXTENT THAT:
5 (I) THE DAMAGE WAS CAUSED BY A PARTICULAR VIOLATION
6 COVERED BY A VALID RELEASE OBTAINED BY THE CONSTRUCTION
7 PROFESSIONAL, IF THE RELEASE IS ENFORCEABLE AGAINST THE CLAIMANT,
8 WAS EXECUTED WITH KNOWLEDGE OF THE PARTICULAR VIOLATION, AND
9 DOES NOT VIOLATE SECTION 13-20-806 (7); OR
10 (II) THE CONSTRUCTION PROFESSIONAL'S REPAIR COMPLETED
11 PURSUANT TO SECTION 13-20-803.5 (3) WAS SUCCESSFUL IN CORRECTING
12 THE PARTICULAR VIOLATION AND ANY DAMAGE RESULTING FROM THE
13 VIOLATION OF THE APPLICABLE STANDARD."

14 Page 9, line 22, strike "(2)" and substitute "(9)".

15 Page 10, line 4, strike "(3.5) and (4.5)" and substitute "(3.5), (3.7), (4.5),
16 and (13)".

17 Page 10, strike line 12 and substitute "FOR THE CONSTRUCTION OF
18 HOUSING FOR WHICH A BUILDER WAS A PARTICIPANT IN THE MULTIFAMILY
19 CONSTRUCTION INCENTIVE PROGRAM, A CLAIMANT SHALL".

20 Page 11, line 9, strike "OR".

21 Page 11, strike line 14 and substitute "REPAIR; OR
22 (III) A WRITTEN RESPONSE THAT EXPLAINS THE CONSTRUCTION
23 PROFESSIONAL'S SCOPE OF WORK AND WHY THE CLAIMED DEFECT IS NOT
24 WITHIN THE WORK AND RESPONSIBILITY OF THE CONSTRUCTION
25 PROFESSIONAL."

26 Page 11, line 22, strike "PROFESSIONAL" and substitute "PROFESSIONAL,
27 OTHER THAN AN ARCHITECT OR ENGINEER,".

28 Page 11, line 24, strike "WITH:" and substitute "WITH THE FOLLOWING
29 DOCUMENTS AND INFORMATION, TO THE EXTENT THE DOCUMENTS AND
30 INFORMATION ARE WITHIN THE CONSTRUCTION PROFESSIONAL'S
31 POSSESSION:".

32 Page 11, line 26, strike "CLAIMANT'S PROPERTY;" and substitute "CLAIM;".

33 Page 12, strike lines 1 through 7 and substitute "RECOMMENDATIONS
34 RELATED TO THE CLAIM;

1 (III) THE NAME, LAST-KNOWN ADDRESS, AND SCOPE OF WORK OF
2 EACH CONSTRUCTION PROFESSIONAL WHO CONTRACTED TO PERFORM
3 WORK OR PROVIDE SERVICES AND DID PERFORM WORK OR PROVIDE
4 SERVICES RELATED TO THE CLAIM;
5 (IV) ALL DOCUMENTS RELATED TO THE THIRD-PARTY INSPECTION
6 OF THE PROPERTY AND THE NAME AND LAST-KNOWN ADDRESS OF THE
7 INSPECTOR WHO PERFORMED THE THIRD-PARTY INSPECTION; AND
8 (V) COPIES OF EACH INSURANCE POLICY PURCHASED BY THE".

9 Page 12, line 16, strike "AND (3.5)(a)(IV)" and substitute "(3.5)(a)(IV),
10 AND (3.5)(a)(V)".

11 Page 12, line 18, after "SECTION" insert "BY THE APPLICABLE DEADLINE
12 FOR DESIGNATING A NONPARTY AT FAULT".

13 Page 12, line 25, strike "(1)." and substitute "(2).".

14 Page 12, after line 25 insert:

15 "(3.7) (a) BY THE EARLIER OF WHEN A CONSTRUCTION
16 PROFESSIONAL WHO IS AN ARCHITECT OR ENGINEER OFFERS TO SETTLE A
17 CLAIM AND OF SIXTY DAYS AFTER A CONSTRUCTION PROFESSIONAL
18 RECEIVES ACTUAL NOTICE OF CLAIM, THE ARCHITECT OR ENGINEER SHALL
19 PROVIDE THE CLAIMANT WITH THE FOLLOWING DOCUMENTS AND
20 INFORMATION, TO THE EXTENT THE DOCUMENTS AND INFORMATION ARE
21 WITHIN THE ARCHITECT'S OR ENGINEER'S POSSESSION:
22 (I) COPIES OF ALL APPROVED CONSTRUCTION DOCUMENTS AND
23 SPECIFICATIONS, INCLUDING ADDENDUMS ISSUED DURING CONSTRUCTION,
24 PREPARED BY THE ARCHITECT, ENGINEER, OR CONSULTANTS;
25 (II) THE NAME, LAST-KNOWN ADDRESS, AND SCOPE OF WORK OF
26 EACH ARCHITECT OR ENGINEER WHO PERFORMED WORK OR PROVIDED
27 SERVICES AS A CONSULTANT RELATED TO THE CLAIM AND ON THE
28 CLAIMANT'S PROPERTY; AND
29 (III) COPIES OF EACH INSURANCE POLICY PURCHASED BY THE
30 ARCHITECTS AND ENGINEERS THROUGH THE DATE OF THE NOTICE OF CLAIM
31 AND FROM THE EARLIER START DATE OF:
32 (A) THE DATE THE CONSTRUCTION OF THE ALLEGED DEFECT WAS
33 SUBSTANTIALLY COMPLETED; OR
34 (B) THE DATE THE ARCHITECTS AND ENGINEERS SUBSTANTIALLY
35 COMPLETED WORK RELATED TO THE ALLEGED DEFECT.
36 (b) AN ARCHITECT OR ENGINEER MAY CHARGE REASONABLE
37 COPYING COSTS FOR THE DOCUMENTS DESCRIBED IN SUBSECTION (3.7)(a)
38 OF THIS SECTION.".

- 1 Page 13, line 9, after "CLAIMANT'S" insert "REASONABLE".
- 2 Page 14, strike lines 5 through 27.
- 3 Page 15, strike line 1 and substitute:
- 4 "(d) (I) A CONSTRUCTION PROFESSIONAL'S WRITTEN OFFER OF
5 SETTLEMENT IS REASONABLE, AND A CLAIMANT'S REJECTION OF THE OFFER
6 IS UNREASONABLE, IF THE CLAIMANT RECOVERS A FINAL JUDGMENT IN AN
7 AMOUNT THAT IS LESS THAN THE AMOUNT OFFERED OR THE REASONABLE
8 VALUE OF THE REPAIR OFFERED BY THE CONSTRUCTION PROFESSIONAL.
- 9 (II) A CONSTRUCTION PROFESSIONAL'S WRITTEN OFFER OF
10 SETTLEMENT IS UNREASONABLE, AND A CLAIMANT'S REJECTION OF THE
11 OFFER IS REASONABLE, IF THE CLAIMANT RECOVERS A FINAL JUDGMENT IN
12 AN AMOUNT THAT EXCEEDS THE AMOUNT OFFERED OR THE REASONABLE
13 VALUE OF THE REPAIR OFFERED BY THE CONSTRUCTION PROFESSIONAL.
- 14 (13) AN INSURER, AS DEFINED IN SECTION 10-1-102 (13) SHALL
15 NOT CANCEL OR DENY A LIABILITY INSURANCE POLICY ISSUED TO A
16 CONSTRUCTION PROFESSIONAL BASED ON THE CONSTRUCTION
17 PROFESSIONAL MAKING AN OFFER TO REPAIR OR SETTLE A CONSTRUCTION
18 DEFECT CLAIM PURSUANT TO THIS SECTION. ANY SETTLEMENT OR REPAIR
19 AGREEMENT THAT AFFECTS COVERAGE IS SUBJECT TO INSURER
20 APPROVAL."
- 21 Renumber succeeding sections accordingly.
- 22 Page 15, line 12, strike "MITIGATION." and substitute "MITIGATION;
23 EXCEPT THAT THE MAXIMUM LENGTH OF TOLLING UNDER THIS SUBSECTION
24 (2) CANNOT EXCEED ONE YEAR."
- 25 Page 15, strike lines 17 through 27.
- 26 Strike page 16.
- 27 Page 17, strike lines 1 through 10.
- 28 Renumber succeeding sections accordingly.

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