



FOR IMMEDIATE RELEASE  
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## **Colorado State Senate Moves Comprehensive Construction Defects Reform Forward**

*SB 156 passes second reading with bipartisan support*

Denver – In a bipartisan show of support, the Colorado State Senate Monday moved SB 156, a comprehensive construction defects bill, forward towards a final senate vote.

The bill, backed by the entire Metro Mayors Caucus and Homeownership Opportunity Alliance, a broad coalition that includes housing advocates and business leaders, provides a common sense and balanced solution that protects consumers from faulty construction while also increasing diverse and more affordable options for home ownership.

“Everyone from seniors to young professionals to firefighters, teachers and other public servants are struggling to find homes they can afford,” said state Sen. Owen Hill R-Colorado Springs. “This bill helps provide hard-working Coloradans with the ability to build equity and take control of their financial future.”

State Sen. Rachel Zenzinger, a Democrat from Arvada, also emphasized that SB 156 would bring relief to many Coloradans priced out of the housing market.

“This is good policy for Colorado,” Zenzinger said. “This legislation requires transparency and accountability and will provide more affordable housing for people while also preserving a homeowner’s right to sue for faulty condominium construction.”

The Denver Post recently [reported](#) that Colorado is one of the most difficult places in the country for first-time home buyers to break into the housing market. And the [Common Sense Policy Roundtable \(CSPR\) unveiled a study](#) last week showing immense unmet demand exists for affordable housing in the Denver metro area, where 68 percent of homes are now priced above \$400,000.

This housing squeeze and lack of new entry-level homes being built has pushed residents into the expensive rental market, where [40 percent of working Colorado renters](#) spend more than a third of their income on rent.

Currently, as few as two homeowners can file a class action suit on behalf of the entire homeowner association. As a result, condo owners who have attempted to sell or refinance their homes have been prohibited from doing so because of pending legal actions on behalf of their board – even if the owner did not consent to the action.

Exploitation of the current law has led to widespread litigation throughout the state, which has created skyrocketing insurance costs for builders, most of whom have abandoned new condo projects. For instance, in 2005 condos comprised 20 percent of the metro Denver new housing market, while today it has plummeted to just 3 percent.

This bill provides a common sense and balanced solution that protects consumers from faulty construction while also increasing attainable options for home ownership. Specifically, the bill requires homeowner associations litigating construction defects issues:

- Obtain written consent of a majority of homeowners in the association
- Disclose projected costs, duration, and financial impact of the claim
- Enter into mediation or arbitration by a neutral third party

For more information and to take action, please visit:



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## Homeownership Opportunity Alliance Coalition

American Council of Engineering Companies of Colorado	Denver South Economic Development Partnership
American Institute of Architects – Colorado Chapter	Douglas County Business Alliance
American Subcontractors Association	Douglas County Commissioners
Apartment Association of Metro Denver	Downtown Denver Partnership
Associated Builders and Contractors, Rocky Mountain	Economic Development Council of Colorado
Associated General Contractors	Habitat for Humanity
Building Jobs 4 Colorado	Hispanic Chamber of Commerce of Metro Denver
Colorado Apartment Association	Hispanic Contractors of Colorado
Colorado Association of Home Builders	Home Builders Association of Metro Denver
Colorado Association of Mechanical and Plumbing Contractors	Hope Communities
Colorado Association of REALTORS®	Housing and Building Association of Colorado Springs
Colorado Bankers Association	Housing Colorado
Colorado BUILDS	Independent Bankers of Colorado
Colorado Business Roundtable	Independent Electrical Contractors
Colorado Civil Justice League	Jefferson County Business Lobby
Colorado Competitive Council	Mechanical Service Contractors Association of Colorado.
Colorado Concern	Metro Denver Economic Development Corporation
Colorado Contractors Association	NAIOP Colorado
Colorado Mortgage Lenders Association	National Electrical Contractors
Colorado Municipal League	NFIB—Colorado
Colorado Oil & Gas Association	Sheet Metal and Air Conditioning Contractors
Colorado Springs Business Alliance	Transit Alliance
Denver Metro Chamber of Commerce	Urban Land Conservancy

## Cities/Counties with Local Construction Defects Laws

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|---------------------|------------------|
| 1. Arvada           | 10. Durango      |
| 2. Aurora           | 11. Fort Collins |
| 3. Broomfield       | 12. Lakewood     |
| 4. Castle Rock      | 13. Littleton    |
| 5. Centennial       | 14. Lone Tree    |
| 6. Colorado Springs | 15. Loveland     |
| 7. Commerce City    | 16. Parker       |
| 8. Denver           | 17. Westminster  |
| 9. Douglas County   | 18. Wheat Ridge  |

