

SB23-213

## SENATE FLOOR AMENDMENT

Second Reading

BY SENATOR Lundeen

1 Amend the Appropriations Committee Report, dated April 26, 2023, page  
2 27, after line 25, insert:

3 **"29-33-116. Construction defect task force.** (1) THERE IS  
4 HEREBY CREATED IN THE DEPARTMENT OF LOCAL AFFAIRS THE  
5 CONSTRUCTION DEFECT TASK FORCE, REFERRED TO IN THIS SECTION AS  
6 THE "TASK FORCE".

7 (2) THE TASK FORCE IS A **TYPE 2** ENTITY, AS DEFINED IN SECTION  
8 24-1-105, AND EXERCISES ITS POWERS AND PERFORMS ITS DUTIES AND  
9 FUNCTIONS UNDER THE DEPARTMENT OF LOCAL AFFAIRS.

10 (3) (a) THE TASK FORCE CONSISTS OF THE FOLLOWING THIRTEEN  
11 MEMBERS:

12 (I) ONE MEMBER, TO BE APPOINTED BY THE PRESIDENT OF THE  
13 SENATE;

14 (II) ONE MEMBER, TO BE APPOINTED BY THE SPEAKER OF THE  
15 HOUSE;

16 (III) ONE MEMBER, TO BE APPOINTED BY THE SENATE MINORITY  
17 LEADER;

18 (IV) ONE MEMBER, TO BE APPOINTED BY THE HOUSE MINORITY  
19 LEADER;

20 (V) ONE MEMBER WHO REPRESENTS HOME BUILDERS, TO BE  
21 APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE  
22 SENATE;

23 (VI) ONE MEMBER WHO REPRESENTS HOME OWNERS, TO BE  
24 APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE  
25 SENATE;

26 (VII) ONE MEMBER WHO REPRESENTS SUBCONTRACTORS, TO BE  
27 APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE  
28 SENATE;

29 (VIII) ONE MEMBER WHO REPRESENTS INSURANCE ENTITIES THAT  
30 INSURE SUBCONTRACTORS, TO BE APPOINTED BY THE GOVERNOR WITH THE  
31 ADVICE AND CONSENT OF THE SENATE;

32 (IX) ONE MEMBER WHO REPRESENTS DEFENSE ATTORNEYS WHO  
33 REPRESENT SUBCONTRACTORS, TO BE APPOINTED BY THE GOVERNOR WITH  
34 THE ADVICE AND CONSENT OF THE SENATE;

35 (X) ONE MEMBER WHO REPRESENTS AN INSURANCE TRADE  
36 ASSOCIATION WITH EXPERIENCE IN CONSTRUCTION DEFECT LAW IN OTHER  
37 STATES, TO BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND  
38 CONSENT OF THE SENATE;

39 (XI) ONE MEMBER WHO REPRESENTS PLAINTIFFS' ATTORNEYS IN  
40 CONSTRUCTION DEFECT CASES, TO BE APPOINTED BY THE GOVERNOR WITH

1 THE ADVICE AND CONSENT OF THE SENATE;  
2 (XII) ONE MEMBER WHO REPRESENTS GENERAL CONTRACTORS, TO  
3 BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE  
4 SENATE; AND  
5 (XIII) ONE MEMBER WHO REPRESENTS AFFORDABLE HOUSING  
6 DEVELOPERS, TO BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND  
7 CONSENT OF THE SENATE.  
8 (b) THE APPOINTING AUTHORITIES SHALL MAKE THEIR INITIAL  
9 APPOINTMENTS TO THE TASK FORCE NO LATER THAN JULY 1, 2023.  
10 (4) EACH MEMBER OF THE TASK FORCE WHO IS APPOINTED  
11 PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION SERVES AT THE  
12 PLEASURE OF THE OFFICIAL WHO APPOINTED THE MEMBER. THE TERM OF  
13 APPOINTMENT IS TWO YEARS.  
14 (5) (a) THE GOVERNOR SHALL CALL THE FIRST MEETING OF THE  
15 TASK FORCE ON OR BEFORE AUGUST 15, 2023.  
16 (b) THE TASK FORCE SHALL ELECT A CHAIR FROM AMONG ITS  
17 MEMBERS TO SERVE FOR A TERM, AS DETERMINED BY THE TASK FORCE.  
18 (c) THE TASK FORCE SHALL MEET AT LEAST ONCE. THE CHAIR MAY  
19 CALL SUCH ADDITIONAL MEETINGS AS ARE NECESSARY FOR THE TASK  
20 FORCE TO COMPLETE ITS DUTIES.  
21 (6) THE TASK FORCE SHALL CONSIDER, BUT NEED NOT BE LIMITED  
22 TO, THE FOLLOWING ISSUES:  
23 (a) THE IMPACT OF CONSTRUCTION DEFECT LAWS ON HOUSING  
24 SUPPLY IN COLORADO;  
25 (b) THE AVAILABILITY OF INSURANCE FOR SUBCONTRACTORS AND  
26 GENERAL CONTRACTORS;  
27 (c) COLORADO'S REGULATORY STRUCTURE AND HOW IT  
28 POTENTIALLY INCENTIVIZES LAWSUITS;  
29 (d) THE BAD FAITH PROVISION IN CONSTRUCTION DEFECT LAWS;  
30 (e) THE EFFECTS OF SUPPRESSION OF INVESTMENT IN LOW AND  
31 MODERATE INCOME HOUSING DUE TO CURRENT CONSTRUCTION DEFECT  
32 LAWS IN COLORADO; AND  
33 (f) THE DEFICIT OF LOW AND MODERATE INCOME HOUSING CAUSED  
34 BY CURRENT CONSTRUCTION DEFECT LAWS IN COLORADO.  
35 (7) UPON REQUEST BY THE TASK FORCE, THE DEPARTMENT OF  
36 LOCAL AFFAIRS SHALL PROVIDE OFFICE SPACE, EQUIPMENT, AND STAFF  
37 SERVICES AS MAY BE NECESSARY TO IMPLEMENT THIS SECTION.  
38 (8) ON OR BEFORE NOVEMBER 15, 2023, THE TASK FORCE SHALL  
39 REPORT TO THE GENERAL ASSEMBLY. THE REPORT MUST INCLUDE:  
40 (a) CURRENT LAWS THAT ARE BARRIERS FOR NEW HOUSING IN THE  
41 STATE;  
42 (b) LEGISLATION THAT WILL INCENTIVIZE INVESTMENT IN THE  
43 CONSTRUCTION OF NEW HOUSING; AND

1           (c) ANYTHING ELSE THE TASK FORCE FINDS NECESSARY TO  
2 INCREASING THE SUPPLY OF AVAILABLE HOUSING IN THE STATE.".

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