



Legislative Report

New Bills as of March 12, 2025

Rich Mauro, Director of Legislative Affairs

If you need digital accessibility assistance, submit a request at drcog.org/access or call 303-455-1000. Please expect a response within 72 hours (three business days).

Contents

Legislative Report 1

 New Bills as of March 12, 2025..... 1

 Housing bills..... 3

 House Bill 25-1261: Consumers Construction Defect Action 3

 House Bill 25-1272: Construction Defects & Middle Market Housing 4



Housing bills

House Bill 25-1261: Consumers Construction Defect Action

Bill Summary: The bill modifies disclosure requirements, claim timelines, court awards, contract provisions, and department reporting for construction defect claims, as described below.

Claimants: The bill requires construction professionals to provide claimants with certain information after receiving a notice of a claim. If the construction professional fails to disclose the identifying details of other construction professionals that performed work on the claimant's property, they may not be listed as nonparties at fault. Additionally, the bill extends the time that a claim for relief arises to both the discovery of the property improvement's physical defect and its cause. The bill also directs courts to award 8 percent prejudgment interest to prevailing claimants on damages for construction defect claims, compounded annually to the date of the first notice.

Contracts: The bill voids any contract to sell real estate that limits a property owner's right to bring or join an action against a construction professional.

Reporting: Beginning January 1, 2026 and each January thereafter, the Department of Regulatory Agencies (DORA) must report certain information to the General Assembly regarding construction liability insurance availability, costs, and terms during the annual SMART Act hearing.

Sponsors: Bacon/Rodriguez & Winter F.

Status: House Transportation, Housing & Local Government

Fiscal Note for House Bill 25-1261

Recommended position: Board direction requested

Staff comments: None

Legislative Policy: DRCOG supports diverse housing options to meet the needs of residents of all ages, incomes and abilities; increased opportunities for diverse housing accessible by multimodal transportation to meet regional housing needs in connection with the regional multimodal transportation system; state policy that incentivizes local governments to adopt land use policies aimed at increasing a diverse supply of housing stock.



House Bill 25-1272: Construction Defects & Middle Market Housing

Bill Summary: The bill limits the grounds for which a construction defect can be claimed on middle market housing. It specifies additional criteria that must be satisfied to file a construction defect on middle market housing and requires a claimant to mitigate damage before filing a claim. When a construction professional receives a claim, they must provide documentation to the claimant related to building plans, soil reports, maintenance recommendations, and insurance.

For middle market housing sold on or after January 1, 2026, the bill creates a 10-year statute of limitations for construction defect claims, unless the defect was covered by a warranty, in which case the limitation is 6 years.

Under current law, an HOA board may initiate a construction defect action with a majority vote. The bill increases this threshold to 65 percent.

Sponsors: Bird & Boesnecker/Coleman & Roberts

Status: House Transportation, Housing & Local Government

Fiscal Note for House Bill 25-1272

Recommended position: Board direction requested

Staff comments: The bill, in its intent, is directly aimed at removing barriers to more compact and affordable housing options across the state. The bill focuses the impact on more affordable units. Middle Market – multifamily attached housing that is at or below maximum loan limits for the County where it is located. Loan limits are determined by the Federal Housing Administration of HUD. Because of the focus on middle market housing, it does seem relevant to our work to implement Metro Vision and will hopefully address the regional need identified in the RHNA.

Legislative Policy: DRCOG supports diverse housing options to meet the needs of residents of all ages, incomes and abilities; increased opportunities for diverse housing accessible by multimodal transportation to meet regional housing needs in connection with the regional multimodal transportation system; state policy that incentivizes local governments to adopt land use policies aimed at increasing a diverse supply of housing stock.

