

**First Regular Session
Seventieth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 15-1033.01 Bart Miller x2173

HOUSE BILL 15-1385

HOUSE SPONSORSHIP

Tyler and Kraft-Tharp,

SENATE SPONSORSHIP

Ulibarri,

House Committees

State, Veterans, & Military Affairs
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A PROCESS FOR EXTERNAL REVIEW OF THE**
102 **CONSTRUCTION OF NEW MULTI-FAMILY ATTACHED HOUSING,**
103 **AND, IN CONNECTION THEREWITH, THE VALIDATION OF THIS**
104 **CONSTRUCTION BASED ON THE RESULTS OF THE EXTERNAL**
105 **REVIEW AND MAKING AN APPROPRIATION.**

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://www.leg.state.co.us/billsummaries>.)

The bill establishes a voluntary procedure for the external review and validation of construction of new multi-family attached housing. The

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
2nd Reading Unamended
May 1, 2015

external review is voluntary and is paid for by the builder. The external review and validation is conducted by a trained independent contractor.

An external review and validation is audited by the division of housing (division) in the department of local affairs.

The state board of housing promulgates rules for the validation of external reviews conducted under the bill and for audits by the division. The rules must contain design plan, foundation construction, and major structural subsystems review and criteria for gold, silver, and bronze levels of validation. The division maintains a registry of construction defect complaints received by the division for multi-family attached housing. Defects must be reported in good faith within a reasonable time after the homeowner has discovered the defect. The bill requires a builder of multi-family attached housing to disclose to a purchaser whether or not the builder contracted to conduct external review and validation under the bill and the results of the external review and validation.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-32-3307.5 as
3 follows:

4 **24-32-3307.5. Multi-family residential construction -**
5 **voluntary quality control inspections.** (1) THE DIRECTOR SHALL
6 ESTABLISH AND ADMINISTER A PROCEDURE FOR THE EXTERNAL REVIEW
7 AND VALIDATION OF NEW CONSTRUCTION OF MULTI-FAMILY ATTACHED
8 HOUSING. THE EXTERNAL REVIEW AND VALIDATION CONDUCTED UNDER
9 THIS SECTION IS VOLUNTARY, PAID FOR BY THE BUILDER OF THE
10 MULTI-FAMILY ATTACHED HOUSING, AND UTILIZES THE SERVICES OF A
11 TRAINED INDEPENDENT CONTRACTOR CONDUCTING THE REVIEW. THE
12 DIVISION SHALL AUDIT EXTERNAL REVIEWS AND VALIDATIONS CONDUCTED
13 UNDER THIS SECTION.

14 (2) THE BOARD SHALL PROMULGATE RULES FOR THE VALIDATION
15 OF EXTERNAL REVIEWS CONDUCTED UNDER THIS SECTION AND FOR AUDITS
16 CONDUCTED BY THE DIVISION. THE RULES MUST INCLUDE, AT A MINIMUM,
17 DESIGN PLAN, FOUNDATION CONSTRUCTION, AND MAJOR STRUCTURAL

1 SUBSYSTEMS REVIEW. THE RULES MUST CONTAIN CRITERIA FOR GOLD,
2 SILVER, AND BRONZE LEVELS OF VALIDATION OF EXTERNAL REVIEWS
3 CONDUCTED UNDER THIS SECTION.

4 (3) THE DIVISION SHALL MAINTAIN A REGISTRY OF CONSTRUCTION
5 DEFECT COMPLAINTS RECEIVED BY THE DIVISION FOR MULTI-FAMILY
6 ATTACHED HOUSING. THE BOARD SHALL PROMULGATE RULES ON THE
7 REPORTING OF CONSTRUCTION DEFECTS BY HOMEOWNERS OF
8 MULTI-FAMILY HOUSING. A DEFECT MUST BE REPORTED IN GOOD FAITH
9 WITHIN A REASONABLE TIME AFTER THE HOMEOWNER HAS DISCOVERED
10 THE DEFECT.

11 **SECTION 2.** In Colorado Revised Statutes, 24-32-3301, **amend**
12 (2) (c) and (2) (d); and **add** (2) (e) as follows:

13 **24-32-3301. Legislative declaration.** (2) The general assembly
14 further declares that in enacting this part 33, it is the intent of the general
15 assembly that the division establish through the board rules as it deems
16 necessary to ensure:

17 (c) The registration of manufactured home installers and the
18 creation of uniform standards for the installation of manufactured homes
19 on a statewide basis; ~~and~~

20 (d) The safety of hotels, motels, and multi-family structures in
21 areas of the state where no construction standards for hotels, motels, and
22 multi-family structures exist; AND

23 (e) THE EXTERNAL REVIEW AND VALIDATION OF MULTI-FAMILY
24 ATTACHED HOUSING CONDUCTED UNDER SECTION 24-32-3307.5.

25 **SECTION 3.** In Colorado Revised Statutes, 24-32-3302, **add**
26 (2.5), (6.5) and (25.5) as follows:

27 **24-32-3302. Definitions.** As used in this part 33, unless the

1 context otherwise requires:

2 (2.5) "BUILDER" MEANS THE OWNER OR DEVELOPER, OR BOTH, OF
3 IMPROVED REAL PROPERTY USED OR INTENDED TO BE USED AS
4 MULTI-FAMILY ATTACHED HOUSING.

5 (6.5) "DIRECTOR" MEANS THE STATE DIRECTOR OF HOUSING
6 APPOINTED UNDER SECTION 24-32-704.

7 (25.5) "MULTI-FAMILY ATTACHED HOUSING" MEANS ANY
8 IMPROVED REAL PROPERTY USED OR INTENDED TO BE USED AS A
9 RESIDENCE AND THAT CONTAINS MORE THAN ONE ATTACHED DWELLING
10 UNIT. MULTI-FAMILY HOUSING INCLUDES A CONDOMINIUM OR
11 COOPERATIVE.

12 **SECTION 4.** In Colorado Revised Statutes, 24-32-3304, **amend**
13 (1) (a) and (1) (e) as follows:

14 **24-32-3304. State housing board - powers and duties.** (1) The
15 board ~~shall have~~ HAS the following powers and duties pursuant to this part
16 33:

17 (a) To promulgate uniform construction and maintenance
18 standards for hotels, motels, and multiple-family dwellings in those areas
19 of the state where no standards exist AND TO PROMULGATE RULES FOR THE
20 EXTERNAL REVIEW AND VALIDATION OF MULTI-FAMILY ATTACHED
21 HOUSING;

22 (e) To promulgate rules establishing specific standards for the use
23 of private inspection and certification entities to perform the division's
24 certification and inspection functions with respect to in-state and
25 out-of-state inspections of manufactured housing units AND THE
26 EXTERNAL REVIEW AND VALIDATION OF MULTI-FAMILY ATTACHED
27 HOUSING. The standards ~~shall~~ MUST allow, consistent with section 13 of

1 article XII of the state constitution, the provisions of part 5 of article 50
2 of this title, and the rules of the state personnel board, for the use of
3 private inspection and certification entities when the entities are available
4 at a reasonable cost. The standards shall MUST not prohibit a manufacturer
5 OR BUILDER from having the option to contract with the division or an
6 authorized quality assurance representative to perform inspection and
7 certification functions.

8 **SECTION 5.** In Colorado Revised Statutes, 24-32-3305, **amend**
9 (1) (d) and (3) as follows:

10 **24-32-3305. Rules - advisory committee - enforcement.** (1) The
11 board shall promulgate rules as it deems necessary to ensure:

12 (d) The safety of hotels, motels, and multi-family structures in
13 areas of the state where no construction standards for hotels, motels, and
14 multi-family structures exist AND THE CONDUCT OF THE EXTERNAL
15 REVIEW AND VALIDATION OF MULTI-FAMILY ATTACHED HOUSING UNDER
16 SECTION 24-32-3307.5.

17 (3) The board shall consult with and obtain the advice of an
18 advisory committee on residential and nonresidential structures in the
19 drafting and promulgation of rules. The committee shall consist of twelve
20 members appointed by the ~~state~~ director of housing from the following
21 professional and technical disciplines: One from architecture, one from
22 structural engineering, three from building code enforcement, one from
23 mechanical engineering or contracting, one from electrical engineering
24 or contracting, one from the plumbing industry, one from the mobile
25 home industry, one from the construction design or producer industry, one
26 from manufactured housing, and one from organized labor. Committee
27 members shall be reimbursed for actual and necessary expenses incurred

1 while engaged in official duties.

2 **SECTION 6.** In Colorado Revised Statutes, **add** 38-35.7-109 as
3 follows:

4 **38-35.7-109. Disclosure - external validation and review -**
5 **multi-family attached housing.** (1) A PERSON THAT BUILDS NEW
6 MULTI-FAMILY ATTACHED HOUSING SHALL DISCLOSE TO THE PURCHASER
7 WHETHER OR NOT THE BUILDER CONTRACTED TO CONDUCT EXTERNAL
8 REVIEW AND VALIDATION OF THE CONSTRUCTION OF THE NEW
9 MULTI-FAMILY ATTACHED HOUSING UNDER SECTION 24-32-3307.5, C.R.S.
10 IF THE BUILDER CONTRACTED TO CONDUCT EXTERNAL REVIEW AND
11 VALIDATION, THE BUILDER SHALL DISCLOSE THE RESULTS OF THE
12 EXTERNAL REVIEW AND VALIDATION.

13 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
14 REQUIRES, "MULTI-FAMILY ATTACHED HOUSING" HAS THE SAME MEANING
15 AS SET FORTH IN SECTION 24-32-3302 (25.5), C.R.S.

16 **SECTION 7.** In Colorado Revised Statutes, 24-32-3307, **amend**
17 (1) as follows:

18 **24-32-3307. Noncompliance with standards.** (1) The state
19 director of housing may obtain injunctive relief from the appropriate court
20 to enjoin the manufacture, substantial repair or alteration, sale, delivery,
21 or installation of factory-built housing by filing an affidavit specifying the
22 manner in which the housing does not conform to the requirements of this
23 part 33 or to rules promulgated pursuant to section 24-32-3305. The
24 director or the director's designee may suspend the issuance of insignias
25 of approval while injunctive relief is being sought.

26 **SECTION 8.** In Colorado Revised Statutes, **amend** 24-32-3313
27 as follows:

1 **24-32-3313. Injunctive relief.** The ~~state director of housing~~ may
2 request the appropriate court to enjoin the sale or delivery of any
3 factory-built structure upon an affidavit, specifying the manner in which
4 the factory-built structure does not conform to the requirements of this
5 part 33 or the rules promulgated pursuant to this part 33. The director may
6 suspend the authority of a manufacturer to affix insignias while injunctive
7 relief is being sought.

8 **SECTION 9.** In Colorado Revised Statutes, 24-32-3327, **amend**
9 (1) introductory portion and (4) introductory portion as follows:

10 **24-32-3327. Inspections.** (1) For the purposes of enforcement of
11 this part 33, persons duly designated by the ~~state director of housing~~,
12 upon presenting appropriate credentials to the owner, operator, or agent
13 in charge, are authorized:

14 (4) The ~~state director of housing~~ is authorized to contract, as an
15 agent for the federal government to:

16 **SECTION 10. Appropriation.** For the 2015-16 state fiscal year,
17 \$25,000 is appropriated to the department of local affairs for use by the
18 division of housing. This appropriation is from the building regulation
19 fund created in section 24-32-3309 (1) (a), C.R.S. To implement this act,
20 the division may use this appropriation for the manufactured buildings
21 program.

22 **SECTION 11. 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 (August
25 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a
26 referendum petition is filed pursuant to section 1 (3) of article V of the
27 state constitution against this act or an item, section, or part of this act

1 within such period, then the act, item, section, or part will not take effect
2 unless approved by the people at the general election to be held in
3 November 2016 and, in such case, will take effect on the date of the
4 official declaration of the vote thereon by the governor.