Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

SB 20-138

FISCAL NOTE

Drafting Number:	LLS 20-0437	**Date:**	February 10, 2020
Prime Sponsors:	Sen. Rodriguez	**Bill Status:**	Senate Judiciary
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Bill Topic:	**CONSUMER PROTECTION CONSTRUCTION DEFECT TIME PERIOD**

Summary of Fiscal Impact:	☒ State Revenue	☐ TABOR Refund
	☒ State Expenditure	☐ Local Government
	☐ State Transfer	☐ Statutory Public Entity
	The bill increases the statutory limitation period for actions based on construction defects and allows tolling of the limitation period. It minimally increases state revenue and expenditures on an ongoing basis.	
Appropriation Summary:	No appropriation is required.	
Fiscal Note Status:	The fiscal note reflects the introduced bill.	

Summary of Legislation

The bill increases the statutory limitation period for actions based on construction defects from six years to ten years. It also allows a pause of the limitation period on any statutory or equitable basis and requires a pause until the claimant discovers not only the construction defect, but also its cause.

State Revenue and Expenditures

Extending the statutory limitation period could increase the number of lawsuits over construction defects. While the number of such lawsuits is unknown, the fiscal note assumes that 100 to 150 additional lawsuits will be filed every year. Additional lawsuits would result in additional revenue from filing fees, which are currently $224. This revenue is expected to be minimal.

Similarly, any additional workload associated with increased lawsuits can be absorbed within existing appropriations.

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Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed. It applies to causes of action that accrue on or after the effective date of the bill.

State and Local Government Contacts

Counties	Judicial	Law
Local Affairs	Municipalities	Regulatory Agencies