

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.



SENATE BILL 25-035

BY SENATOR(S) Frizell and Michaelson Jenet, Amabile, Mullica;
also REPRESENTATIVE(S) Clifford and Weinberg, Bradley, Gonzalez R.,
Keltie.

CONCERNING ESTABLISHING A LIMITATION OF ACTIONS AGAINST AN
INDIVIDUAL PERFORMING A REAL ESTATE APPRAISAL PRACTICE.

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

SECTION 1. In Colorado Revised Statutes, **add** 13-80-105.5 as follows:

13-80-105.5. Limitation of actions against a real estate appraiser - definitions. (1) NOTWITHSTANDING ANY STATUTORY PROVISION TO THE CONTRARY, AN ACTION AGAINST A REAL ESTATE APPRAISER OR INDIVIDUAL PERFORMING A REAL ESTATE APPRAISAL PRACTICE MUST BE BROUGHT WITHIN FIVE YEARS AFTER THE DATE OF REPORT.

(2) (a) THE LIMITATION SET FORTH IN SUBSECTION (1) OF THIS SECTION DOES NOT APPLY TO AN ACTION AGAINST A REAL ESTATE APPRAISER OR INDIVIDUAL PERFORMING A REAL ESTATE APPRAISAL PRACTICE IF THE ACTION IS BROUGHT BY:

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(I) A CONSUMER WHO IS AN ORIGINAL PARTY TO THE RESIDENTIAL MORTGAGE LOAN OR RESIDENTIAL REAL ESTATE TRANSACTION FOR WHICH THE REAL ESTATE APPRAISER OR INDIVIDUAL PERFORMING A REAL ESTATE APPRAISAL PRACTICE COMPLETED AN APPRAISAL REPORT OR PERFORMED AN APPRAISAL SERVICE THAT FORMS THE BASIS OF THE ACTION; OR

(II) A MORTGAGE ORIGINATOR WHO MUST REPURCHASE A LOAN FROM AN ENTITY HOLDING THE LOAN OR THE MORTGAGE SECURITY, AND A DEFECT IN THE COMPLETED APPRAISAL REPORT OR THE APPRAISAL SERVICE PERFORMED AS PART OF THE MORTGAGE ORIGINATION PROCESS FORMS THE BASIS OF THE ACTION.

(b) SUBSECTION (2)(a)(I) OF THIS SECTION DOES NOT CREATE A NEW PRIVATE RIGHT OF ACTION.

(3) NOTWITHSTANDING ANY STATUTORY PROVISION TO THE CONTRARY, AN ACTION FOR FRAUD OR KNOWING AND INTENTIONAL MISREPRESENTATION BROUGHT AGAINST A REAL ESTATE APPRAISER OR AN INDIVIDUAL PERFORMING A REAL ESTATE APPRAISAL PRACTICE MUST BE BROUGHT WITHIN THE TIME PROVIDED IN SECTION 13-80-101.

(4) NOTWITHSTANDING ANY STATUTORY PROVISION TO THE CONTRARY, AN ACTION FOR A DISCRIMINATORY HOUSING PRACTICE BROUGHT AGAINST A REAL ESTATE APPRAISER OR AN INDIVIDUAL PERFORMING A REAL ESTATE APPRAISAL PRACTICE MUST BE BROUGHT WITHIN THE TIME PROVIDED IN PART 5 OF ARTICLE 34 OF TITLE 24 OR IN APPLICABLE FEDERAL LAW.

(5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "DATE OF REPORT" MEANS THE DATE WHEN AN APPRAISAL REPORT IS COMPLETED AND TRANSMITTED TO THE CLIENT.

(b) "REAL ESTATE APPRAISAL PRACTICE" MEANS REAL ESTATE VALUATION SERVICES PERFORMED BY AN INDIVIDUAL ACTING AS AN APPRAISER, INCLUDING, BUT NOT LIMITED TO, APPRAISAL AND APPRAISAL REVIEW.

SECTION 2. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

James Rashad Coleman, Sr.
PRESIDENT OF
THE SENATE

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Esther van Mourik
SECRETARY OF
THE SENATE

Vanessa Reilly
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO