



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 19-0821 Date: February 25, 2019
Prime Sponsors: Sen. Winter; Priola Rep. Bird Bill Status: Senate Finance
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Bill Topic: BOND REQUIREMENTS FOR PUBLIC PROJECTS USING PRIVATE FINANCING

- Summary of Fiscal Impact: State Revenue, State Expenditure (minimal), State Transfer, TABOR Refund, Local Government (minimal), Statutory Public Entity

This bill expands bonding requirements to projects using public or private money or financing on public real property. This bill minimally increases state and local government workload and may increase expenditures on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

This bill expands bonding requirements to projects using public or private money or financing on public real property as follows:

- a performance and payment bond is required for all construction contracts of more than \$150,000 awarded to a private construction entity for a project located on public property;
a public works contractor bond is required for all contracts of more than \$50,000 awarded to a private entity for the construction, completion, or repair of a public building or public works project;
a contractor bond is required for all contracts of more than \$150,000 awarded to a private company for the construction, repair, maintenance, or improvement of any building, road, bridge, viaduct, tunnel, or excavation on public property.

State Expenditures

State procurement rules already require contractors to comply with the bonding requirements in law, regardless of whether a private entity is financing some or all of a project on public real property. Workload is minimally increased to adjust request for proposal and contract execution practices. In addition, future projects costs associated with the bonding requirements created by this bill could increase. These impacts are assumed to be minimal.

**Local Government**

Similar to the state, counties, municipalities, and special districts will need to adjust their request for proposal and contract execution practices and may see increased bonding-related project costs. Because most local governments already require contractors to comply with bonding requirements, these increases are assumed to be minimal.

**Effective Date**

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

**State and Local Government Contacts**

Counties	Information Technology	Judicial
Municipalities	Personnel	Regional Transportation District
Special Districts	Transportation	Treasury