



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**SB 19-138**

# FINAL FISCAL NOTE

**Drafting Number:** LLS 19-0821  
**Prime Sponsors:** Sen. Winter; Priola  
Rep. Bird

**Date:** June 13, 2019  
**Bill Status:** Signed into Law  
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**Bill Topic:** BOND REQUIREMENTS FOR PUBLIC PROJECTS USING PRIVATE FINANCING

**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure ( <i>minimal</i> )	<input checked="" type="checkbox"/> Local Government ( <i>minimal</i> )
<input type="checkbox"/> State Transfer	<input type="checkbox"/> 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 enacted bill.

## Summary of Legislation

This bill expands bonding requirements to projects using public or private money or financing on publicly owned 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; and
- a contractor bond is required for a contractor awarded a contract of more than \$50,000 by a local government or more than \$150,000 awarded by the state to a private entity for the construction, repair, maintenance, or improvement of any building, road, bridge, viaduct, tunnel, or excavation on public property.

## State Expenditures

Workload is minimally increased to adjust request for proposal and contract execution practices to comply with the requirements created by this bill. In addition, future projects costs associated with the bonding requirements created by this bill could increase. Because 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, these impacts are assumed to be minimal.

**Local Government**

Similar to the state, counties, municipalities, school districts, 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**

This bill was signed into law by the Governor on April 16, 2019, and takes effect August 2, 2019, assuming no referendum petition is filed.

**State and Local Government Contacts**

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