

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0738.01 Josh Schultz x5486

SENATE BILL 26-093

SENATE SPONSORSHIP

Sullivan,

HOUSE SPONSORSHIP

Mauro,

Senate Committees
Business, Labor, & Technology

House Committees

A BILL FOR AN ACT
101 **CONCERNING ENSURING COMPLIANCE WITH WORKERS'**
102 **COMPENSATION INSURANCE COVERAGE REQUIREMENTS.**

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://leg.colorado.gov>.)

The bill prohibits the state, a county, a municipality, a city and county, a district, or other political subdivision of the state (governmental entity) from issuing or renewing a building permit, construction permit, or contractor's license unless the applicant has first filed with the governmental entity's licensing authority or permitting agency a signed declaration verifying that the applicant, the general contractor, and every

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

subcontractor at any tier either maintains valid workers' compensation insurance coverage or has rejected such coverage. An applicant shall provide proof of the workers' compensation insurance coverage or proof of rejection of coverage through filing specified documents.

Prior to commencing any work under a building or construction permit, a general contractor or permit holder shall ensure that every subcontractor at any tier and any person performing work under the permit has provided proof of workers' compensation insurance coverage or proof of rejection of coverage.

If at any time the governmental entity's licensing authority or permitting agency finds that a violation of the bill has occurred, the governmental entity's licensing authority or permitting agency shall revoke or suspend any building permit, construction permit, or contractor's license issued to that contractor.

The director of the division of workers' compensation is authorized to adopt rules to implement the bill, including procedures for electronic verification of coverage, reporting requirements, and coordination with licensing authorities and permitting agencies.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 8-41-213 as
3 follows:

4 **8-41-213. Declaration of workers' compensation required -**
5 **building permit - construction permit - contractor's license - rules -**
6 **definitions.**

7 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
8 REQUIRES:

9 (a) "APPLICANT" MEANS A PERSON APPLYING FOR A PERMIT OR
10 LICENSE WITH THE LICENSING AUTHORITY OR PERMITTING AGENCY OF A
11 GOVERNMENTAL ENTITY THAT IS AN EMPLOYER.

12 (b) "GOVERNMENTAL ENTITY" MEANS THE STATE, A COUNTY, A
13 MUNICIPALITY, A CITY AND COUNTY, A DISTRICT, OR OTHER POLITICAL
14 SUBDIVISION OF THE STATE.

15 (c) "LICENSE" MEANS A CONTRACTOR'S LICENSE.

11 (3) ALONG WITH THE DECLARATION REQUIRED UNDER SUBSECTION
12 (2) OF THIS SECTION, AN APPLICANT SHALL PROVIDE PROOF OF WORKERS'
13 COMPENSATION INSURANCE COVERAGE OR REJECTION OF WORKERS'
14 COMPENSATION INSURANCE COVERAGE BY SUBMITTING ONE OF THE
15 FOLLOWING TO THE LICENSING AUTHORITY OR PERMITTING AGENCY PRIOR
16 TO THE ISSUANCE OR RENEWAL OF ANY PERMIT OR LICENSE:

17 (a) A VALID CERTIFICATE OF WORKERS' COMPENSATION
18 INSURANCE;

23 (c) AN APPROVED REJECTION OF COVERAGE FORM ISSUED BY THE
24 DIVISION PURSUANT TO SECTION 8-41-202 (1) CERTIFYING THAT THE
25 APPLICANT DOES NOT HAVE EMPLOYEES SUBJECT TO THIS SECTION.

26 (4) THIS SECTION APPLIES REGARDLESS OF WHETHER THE
27 GOVERNMENTAL ENTITY REQUIRES A LICENSE. AT THE TIME OF LICENSE OR

1 PERMIT ISSUANCE OR RENEWAL, A LICENSING AUTHORITY OR PERMITTING
2 AGENCY SHALL CONFIRM PROOF OF COVERAGE OR REJECTION OF
3 COVERAGE, EITHER THROUGH THE DOCUMENTS PROVIDED UNDER
4 SUBSECTION (3) OF THIS SECTION OR BY VERIFYING COVERAGE THROUGH
5 ELECTRONIC MEANS.

6 (5) PRIOR TO COMMENCING ANY WORK UNDER A PERMIT, A
7 GENERAL CONTRACTOR OR PERMIT HOLDER SHALL ENSURE THAT EVERY
8 PERSON PERFORMING WORK UNDER THE PERMIT HAS PROVIDED TO THE
9 GENERAL CONTRACTOR OR PERMIT HOLDER PROOF OF WORKERS'
10 COMPENSATION INSURANCE COVERAGE OR PROOF OF REJECTION OF
11 COVERAGE AS DESCRIBED IN SUBSECTION (3) OF THIS SECTION. THE
12 GENERAL CONTRACTOR OR PERMIT HOLDER SHALL RETAIN COPIES OF THE
13 PROOF OF COVERAGE OR PROOF OF REJECTION OF COVERAGE FOR THE
14 DURATION OF THE PROJECT AND MAKE THE COPIES AVAILABLE FOR
15 INSPECTION BY THE LICENSING AUTHORITY, PERMITTING AGENCY, OR
16 DIVISION UPON REQUEST.

17 (6) (a) IF A PERSON FILES A COMPLAINT WITH A LICENSING
18 AUTHORITY OR PERMITTING AGENCY ALLEGING A CONTRACTOR'S
19 WORKERS' COMPENSATION INSURANCE COVERAGE IS NOT IN COMPLIANCE
20 WITH REQUIREMENTS OF ARTICLES 40 TO 47 OF THIS TITLE 8, THE
21 LICENSING AUTHORITY OR PERMITTING AGENCY SHALL INVESTIGATE THE
22 ALLEGED VIOLATION.

23 (b) IF AT ANY TIME A LICENSING AUTHORITY OR PERMITTING
24 AGENCY, UPON INVESTIGATION OF A COMPLAINT OR UPON INDEPENDENT
25 INVESTIGATION, FINDS THAT A VIOLATION OF THIS SECTION HAS
26 OCCURRED, THE LICENSING AUTHORITY OR PERMITTING AGENCY SHALL
27 REVOKE OR SUSPEND ANY PERMIT OR LICENSE ISSUED TO THAT

1 CONTRACTOR.

2 (c) SUSPENSION OR REVOCATION PURSUANT TO SUBSECTION (6)(b)
3 OF THIS SECTION REMAINS IN EFFECT UNTIL THE CONTRACTOR PROVIDES
4 PROOF OF VALID COVERAGE OR REJECTION OF COVERAGE AND RESOLVES
5 ANY PENALTIES ISSUED PURSUANT TO SECTION 8-43-409.

6 (d) (I) A LICENSING AUTHORITY OR PERMITTING AGENCY THAT
7 SUSPENDS OR REVOKES A PERMIT OR LICENSE UNDER THIS SECTION SHALL
8 NOTIFY THE DIVISION WITHIN TEN BUSINESS DAYS AFTER THE SUSPENSION
9 OR REVOCATION.

10 (II) IF A LICENSING AUTHORITY OR PERMITTING AGENCY
11 REINSTATES A PERMIT OR LICENSE THAT WAS SUSPENDED OR REVOKED
12 PURSUANT TO SUBSECTION (6)(d)(I) OF THIS SECTION, THE LICENSING
13 AUTHORITY OR PERMITTING AGENCY SHALL NOTIFY THE DIVISION WITHIN
14 TEN BUSINESS DAYS AFTER REINSTATEMENT.

15 (7) THE DIRECTOR MAY ADOPT RULES TO IMPLEMENT THIS
16 SECTION, INCLUDING PROCEDURES FOR ELECTRONIC VERIFICATION OF
17 COVERAGE, REPORTING REQUIREMENTS, AND COORDINATION WITH
18 LICENSING AUTHORITIES AND PERMITTING AGENCIES.

19 **SECTION 2. Applicability.** This act applies to conduct occurring
20 on or after the effective date of this act, including determinations of
21 permit or license applications pending on the effective date.

22 **SECTION 3. Safety clause.** The general assembly finds,
23 determines, and declares that this act is necessary for the immediate
24 preservation of the public peace, health, or safety or for appropriations for
25 the support and maintenance of the departments of the state and state
26 institutions.