

**Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 26-0738.01 Josh Schultz x5486

**SENATE BILL 26-093**

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**SENATE SPONSORSHIP**

**Sullivan,**

**HOUSE SPONSORSHIP**

**Mauro,**

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**Senate Committees**  
Business, Labor, & Technology

**House Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING ENSURING COMPLIANCE WITH WORKERS'**  
102     **COMPENSATION INSURANCE COVERAGE REQUIREMENTS.**

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**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.

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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.

1           (d) "PERMIT" MEANS A BUILDING PERMIT OR CONSTRUCTION  
2 PERMIT.

3           (2) A GOVERNMENTAL ENTITY SHALL NOT ISSUE OR RENEW A  
4 PERMIT OR LICENSE UNLESS THE APPLICANT HAS FIRST FILED WITH THE  
5 GOVERNMENTAL ENTITY'S LICENSING AUTHORITY OR PERMITTING AGENCY  
6 A SIGNED DECLARATION, UNDER PENALTY OF PERJURY, VERIFYING THAT  
7 THE APPLICANT, THE GENERAL CONTRACTOR, AND EVERY  
8 SUBCONTRACTOR AT ANY TIER PERFORMING WORK UNDER A PERMIT  
9 EITHER MAINTAINS VALID WORKERS' COMPENSATION INSURANCE  
10 COVERAGE OR HAS REJECTED SUCH COVERAGE.

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;

19           (b) A SELF-INSURANCE PERMIT ISSUED BY THE EXECUTIVE  
20 DIRECTOR AS PROVIDED IN SECTION 8-44-201 OR A SELF-INSURANCE  
21 CERTIFICATE OF AUTHORITY FROM THE COMMISSIONER OF INSURANCE AS  
22 PROVIDED IN SECTION 8-44-205; OR

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.