

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

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 26-0738.01 Josh Schultz x5486

SENATE BILL 26-093

SENATE SPONSORSHIP

Sullivan,

HOUSE SPONSORSHIP

Mauro,

Senate Committees

Business, Labor, & Technology
Appropriations

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.

SENATE
Amended 2nd Reading
April 28, 2026

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) (I)** "GOVERNMENTAL ENTITY" MEANS THE STATE, A COUNTY,
13 A MUNICIPALITY, A CITY AND COUNTY, _____ OR OTHER POLITICAL
14 SUBDIVISION OF THE STATE.

15 **(II)** "GOVERNMENTAL ENTITY" DOES NOT INCLUDE A SPECIAL

1 DISTRICT.

2 (c) "LICENSE" MEANS A CONTRACTOR'S LICENSE, EXCEPT FOR A
3 LICENSE ISSUED BY THE DIVISION OF PROFESSIONS AND OCCUPATIONS IN
4 THE DEPARTMENT OF REGULATORY AGENCIES.

5 (d) "PERMIT" MEANS A BUILDING PERMIT OR CONSTRUCTION
6 PERMIT FOR A PROJECT WITH A TOTAL CONSTRUCTION COST OF MORE THAN
7 ONE MILLION DOLLARS, EXCEPT FOR A PERMIT ISSUED BY THE DIVISION OF
8 PROFESSIONS AND OCCUPATIONS IN THE DEPARTMENT OF REGULATORY
9 AGENCIES.

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

18 (3) ALONG WITH THE DECLARATION REQUIRED UNDER SUBSECTION
19 (2) OF THIS SECTION, AN APPLICANT SHALL PROVIDE PROOF OF WORKERS'
20 COMPENSATION INSURANCE COVERAGE OR REJECTION OF WORKERS'
21 COMPENSATION INSURANCE COVERAGE BY SUBMITTING ONE OF THE
22 FOLLOWING TO THE LICENSING AUTHORITY OR PERMITTING AGENCY PRIOR
23 TO THE ISSUANCE OR RENEWAL OF ANY PERMIT OR LICENSE:

24 (a) A VALID CERTIFICATE OF WORKERS' COMPENSATION
25 INSURANCE;

26 (b) A SELF-INSURANCE PERMIT ISSUED BY THE EXECUTIVE
27 DIRECTOR AS PROVIDED IN SECTION 8-44-201 OR A SELF-INSURANCE

1 CERTIFICATE OF AUTHORITY FROM THE COMMISSIONER OF INSURANCE AS
2 PROVIDED IN SECTION 8-44-205; OR

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

6 (4) THIS SECTION APPLIES REGARDLESS OF WHETHER THE
7 GOVERNMENTAL ENTITY REQUIRES A LICENSE. AT THE TIME OF LICENSE OR
8 PERMIT ISSUANCE OR RENEWAL, A LICENSING AUTHORITY OR PERMITTING
9 AGENCY SHALL CONFIRM PROOF OF COVERAGE OR REJECTION OF
10 COVERAGE, EITHER THROUGH THE DOCUMENTS PROVIDED UNDER
11 SUBSECTION (3) OF THIS SECTION OR BY VERIFYING COVERAGE THROUGH
12 ELECTRONIC MEANS.

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

24 (6) (a) IF A PERSON FILES A COMPLAINT WITH A LICENSING
25 AUTHORITY OR PERMITTING AGENCY ALLEGING A CONTRACTOR'S
26 WORKERS' COMPENSATION INSURANCE COVERAGE IS NOT IN COMPLIANCE
27 WITH REQUIREMENTS OF ARTICLES 40 TO 47 OF THIS TITLE 8, THE

1 LICENSING AUTHORITY OR PERMITTING AGENCY MAY INVESTIGATE THE
2 ALLEGED VIOLATION.

3 (b) IF AT ANY TIME A LICENSING AUTHORITY OR PERMITTING
4 AGENCY, UPON INVESTIGATION OF A COMPLAINT OR UPON INDEPENDENT
5 INVESTIGATION, FINDS THAT A VIOLATION OF THIS SECTION HAS
6 OCCURRED, THE LICENSING AUTHORITY OR PERMITTING AGENCY SHALL
7 REVOKE OR SUSPEND ANY PERMIT OR LICENSE ISSUED TO THAT
8 CONTRACTOR.

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

13 (d) (I) A LICENSING AUTHORITY OR PERMITTING AGENCY THAT
14 SUSPENDS OR REVOKES A PERMIT OR LICENSE UNDER THIS SECTION SHALL
15 NOTIFY THE DIVISION WITHIN TEN BUSINESS DAYS AFTER THE SUSPENSION
16 OR REVOCATION.

17 (II) IF A LICENSING AUTHORITY OR PERMITTING AGENCY
18 REINSTATES A PERMIT OR LICENSE THAT WAS SUSPENDED OR REVOKED
19 PURSUANT TO SUBSECTION (6)(d)(I) OF THIS SECTION, THE LICENSING
20 AUTHORITY OR PERMITTING AGENCY SHALL NOTIFY THE DIVISION WITHIN
21 TEN BUSINESS DAYS AFTER REINSTATEMENT.

22 (7) THE DIRECTOR MAY ADOPT RULES TO IMPLEMENT THIS
23 SECTION, INCLUDING PROCEDURES FOR ELECTRONIC VERIFICATION OF
24 COVERAGE, REPORTING REQUIREMENTS, AND COORDINATION WITH
25 LICENSING AUTHORITIES AND PERMITTING AGENCIES.

26 **SECTION 2. Applicability.** This act applies to conduct occurring
27 on or after the effective date of this act, including determinations of

1 permit or license applications pending on the effective date.

2 **SECTION 3. Safety clause.** The general assembly finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, or safety or for appropriations for
5 the support and maintenance of the departments of the state and state
6 institutions.