



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-074: CLARIFY EXCESSIVE PUBLIC CONSTRUCTION BOND CLAIM PENALTY

Prime Sponsors:

Sen. Carson; Snyder
Rep. Camacho; Nguyen

Fiscal Analyst:

Brendan Fung, 303-866-4781
brendan.fung@coleg.gov

Bill Outcome: Signed into Law

Drafting Number: LLS 26-0437

Version: Final Fiscal Note

Date: June 3, 2026

Fiscal note status: The final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill clarifies public construction bond and lien rights and penalties when an excessive claim is filed.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload

Appropriations. No appropriation is required.

**Table 1
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill clarifies penalties for contractors who knowingly file excessive claims on public construction projects, and specifies that a claim is not excessive if the claimant had a good-faith basis to believe the amount was due. The bill further clarifies that disputed amounts and certain contract-permitted costs, including delay or disruption costs, may be included in verified statements of claim and mechanic's liens. The bill also applies the same good-faith standard and clarifications to private construction mechanic's liens.

State Expenditures

Beginning in FY 2026-27, the Department of Law (DOL) may experience a minimal increase in workload related to the representation of state agencies in public construction bond disputes due to clarification of existing penalty provisions, as will any agencies not represented by the department. Currently, the DOL addresses an average of two mechanic's liens of behalf of the Department of Public Safety annually.

State agencies that are parties to such disputes may similarly experience a workload increase. However, the bill does not create new enforcement responsibilities or procedural requirements, and it is assumed that public construction contractors will comply with the law. As a result, any workload impacts are expected to be minimal and absorbable within existing appropriations.

Effective Date

The bill was signed into law by the Governor on April 6, 2026, and takes effect August 12, 2026, assuming no referendum petition is filed.

State and Local Government Contacts

Judicial

Law

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).