

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

March 10, 2026
Date

Committee on Judiciary.

After consideration on the merits, the Committee recommends the following:

SB26-074 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend reengrossed bill, page 2, after line 1 insert:

2 "SECTION 1. In Colorado Revised Statutes, 38-22-101, **amend**
3 (1); and **add** (7) as follows:

4 **38-22-101. Liens in favor of whom - when filed.**

5 (1) Every person who furnishes or supplies laborers, machinery,
6 tools, or equipment in the prosecution of the work, and mechanics,
7 materialmen, contractors, subcontractors, builders, and all persons of
8 every class performing labor upon or furnishing directly to the owner or
9 persons furnishing labor, laborers, or materials to be used in construction,
10 alteration, improvement, addition to, or repair, either in whole or in part,
11 of any building, mill, bridge, ditch, flume, aqueduct, reservoir, tunnel,
12 fence, railroad, wagon road, tramway, or any other structure or
13 improvement upon land, including adjacent curb, gutter, and sidewalk,
14 and also architects, engineers, draftsmen, and artisans who have furnished
15 designs, plans, plats, maps, specifications, drawings, estimates of cost,
16 surveys, or superintendence, or who have rendered other professional or
17 skilled service, or bestowed labor in whole or in part, describing or
18 illustrating, or superintending such structure, or work done or to be done,
19 or any part connected therewith, shall have a lien upon the property upon
20 which they have furnished laborers or supplied machinery, tools, or
21 equipment or rendered service or bestowed labor or for which they have
22 furnished materials or mining or milling machinery or other fixtures, for
23 the value, WHETHER DISPUTED OR UNDISPUTED, of such laborers,
24 machinery, tools, or equipment supplied, or services rendered or labor
25 done or laborers or materials furnished, whether at the instance of the
26 owner, or of any other person acting by the owner's authority or under the
27 owner, as agent, contractor, or otherwise for the laborers, machinery,

1 tools, or equipment supplied, or work or labor done or services rendered
2 or laborers or materials furnished by each, respectively, whether supplied
3 or done or furnished or rendered at the instance of the owner of the
4 building or other improvement, or the owner's agent; and every
5 contractor, architect, engineer, subcontractor, builder, agent, or other
6 person having charge of the construction, alteration, addition to, or repair,
7 either in whole or in part, of said building or other improvement shall be
8 held to be the agent of the owner for the purposes of this article.

9 (7) NOTHING IN THIS ARTICLE 22 PROHIBITS THE INCLUSION OF
10 COSTS OTHERWISE ALLOWED UNDER A CONTRACT IN A LIEN, INCLUDING
11 COSTS INCURRED AS A RESULT OF DELAY, LOST PRODUCTIVITY, OR OTHER
12 DISRUPTION TO THE WORK.

13 **SECTION 2.** In Colorado Revised Statutes, 38-22-128, **add** (2)
14 and (3) as follows:

15 **38-22-128. Excessive amounts claimed.**

16 (2) AN AWARD BY A COURT HAVING JURISDICTION OF AN AMOUNT
17 THAT IS LESS THAN THE AMOUNT FOR WHICH A PERSON'S LIEN WAS FILED
18 DOES NOT RENDER THE AMOUNT EXCESSIVE FOR PURPOSES OF
19 SUBSECTION (1) OF THIS SECTION IF THE PERSON HAD A GOOD FAITH BASIS
20 TO BELIEVE THE LIEN AMOUNT WAS DUE AT TIME OF FILING.

21 (3) FOR PURPOSES OF THIS SECTION, AN AMOUNT IS "DUE" IF A
22 PERSON REASONABLY BELIEVES, IN GOOD FAITH, THAT THE AMOUNT
23 REPRESENTS THE VALUE OF THE LABOR, SERVICES, EQUIPMENT, OR OTHER
24 MATERIALS OR PERSONS FURNISHED OR SUPPLIED TO A CONTRACTOR, AS
25 DESCRIBED IN SECTION 38-22-101 (1), WHETHER OR NOT THE AMOUNT IS
26 UNLIQUIDATED OR DISPUTED.

27 **SECTION 3.** In Colorado Revised Statutes, 38-26-107, **amend** (1)
28 as follows:

29 **38-26-107. Supplier may file statement - notice - withholding**
30 **funds.**

31 (1) Any person, as defined in section 2-4-401 (8), ~~C.R.S.~~, that has
32 furnished labor, materials, EQUIPMENT, SERVICES, sustenance, or other
33 supplies used or consumed by a contractor or ~~his or her~~ THEIR
34 subcontractor in or about the performance of the work contracted to be
35 done or that supplies laborers, rental machinery, tools, or equipment to
36 the extent used in the prosecution of the work whose claim therefor has
37 not been paid by the contractor or the subcontractor may, at any time up
38 to and including the time of final settlement for the work contracted to be
39 done, file with the board, officer, person, or other contracting body by
40 whom the contract was awarded a verified statement of the amount due
41 and unpaid on account of the claim, WHETHER THE AMOUNT IS DISPUTED

1 OR UNDISPUTED. NOTHING IN THIS ARTICLE 26 PROHIBITS THE INCLUSION
2 OF COSTS OTHERWISE ALLOWED UNDER A CONTRACT IN A VERIFIED
3 STATEMENT OF CLAIM, INCLUDING COSTS INCURRED AS A RESULT OF
4 DELAY, LOST PRODUCTIVITY, OR OTHER DISRUPTION TO THE WORK. If the
5 amount of the contract awarded to the contractor exceeds one hundred
6 fifty thousand dollars, the board, officer, person, or other contracting
7 body by whom the contract was awarded shall, no later than ten days
8 before the final settlement is made, publish a notice of the final settlement
9 at least twice in a newspaper of general circulation in any county where
10 the work was contracted for or performed or in an electronic medium
11 approved by the executive director of the department of personnel. It is
12 unlawful for any person to divide a public works contract into two or
13 more separate contracts for the sole purpose of evading or attempting to
14 evade the requirements of this subsection (1)."

15 Renumber succeeding sections accordingly.

16 Page 2, line 3, strike "portion" and substitute "portion; and **add** (2) and
17 (3)".

18 Page 2, line 11, strike "CREATED PURSUANT TO THIS ARTICLE 26" and
19 strike "RECOVER".

20 Page 2, line 12, strike "amount claimed" and substitute "**amount claimed**
21 VERIFIED STATEMENT OF CLAIM".

22 Page 2, after line 15, insert:

23 "(2) AN AWARD BY A COURT HAVING JURISDICTION OF AN AMOUNT
24 THAT IS LESS THAN THE AMOUNT IN A PERSON'S VERIFIED STATEMENT OF
25 CLAIM DOES NOT RENDER THAT AMOUNT EXCESSIVE FOR PURPOSES OF
26 SUBSECTION (1) OF THIS SECTION IF THE PERSON HAD A GOOD FAITH BASIS
27 TO BELIEVE THE AMOUNT IN THE VERIFIED STATEMENT OF CLAIM WAS DUE
28 AT THE TIME OF FILING.

29 (3) FOR PURPOSES OF THIS SECTION, "AMOUNT DUE" MEANS THE
30 AMOUNT OF MONEY A PERSON REASONABLY BELIEVES, IN GOOD FAITH,
31 REPRESENTS THE VALUE OF THE LABOR, MATERIALS, SUSTENANCE, OTHER
32 SUPPLIES, LABORERS, RENTAL MACHINERY, TOOLS, OR EQUIPMENT,
33 FURNISHED OR SUPPLIED TO A CONTRACTOR, AS DEFINED IN SECTION
34 38-26-101, OR THEIR SUBCONTRACTOR, WHETHER OR NOT THE AMOUNT IS
35 UNLIQUIDATED OR DISPUTED, AS SET FORTH IN SECTION 38-26-107 (1)."

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