



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
Rep. Camacho

Fiscal Analyst:

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Version: Initial Fiscal Note

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Fiscal note status: This fiscal note reflects the introduced 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 that a contractor on a public construction project who knowingly files a verified statement of claim or asserts a bond claim for an excessive amount forfeits all rights under the public construction bond and lien statutes to recover the amount claimed, and is liable for costs and attorney fees. The bill further aligns the penalty for excessive claims on public construction projects with the penalty that applies to excessive mechanic's liens on private construction projects.

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 takes effect 90 days following adjournment of the General Assembly sine die, 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](#).