



**Colorado  
Legislative  
Council  
Staff**

**SB17-211**

**FISCAL NOTE**

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**FISCAL IMPACT:**  State  Local  Statutory Public Entity  Conditional  No Fiscal Impact

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**Drafting Number:** LLS 17-0700  
**Prime Sponsor(s):** Sen. Scott

**Date:** March 16, 2017  
**Bill Status:** Senate Transportation  
**Fiscal Analyst:** Kori Donaldson (303-866-4976)

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**BILL TOPIC:** CONTRACTOR SURETY BONDS FOR PUBLIC PROJECTS

**Summary of Legislation**

When a contractor submits a bid for a construction project anticipated to cost more than \$50,000, state law almost always requires that the bid proposal include a bid security bond for 5 percent of the contract price. Bid bonds are used to ensure that contractors submit serious bid proposals. A bid security bond is a guarantee made by an insurance company that a bidder has the capacity to complete a project if his or her bid is selected during the bid process. The bill requires a state agency to accept the amount of a bid security bond at face value, if such a bond is a prerequisite to responding to a competitive solicitation for a construction project.

**Assessment**

The bill is assessed as having no fiscal impact because it conforms with existing practice.

**Effective Date**

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

**State and Local Government Contacts**

State Departments

Higher Education

Information Technology