



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Fiscal Note

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<b>Drafting Number:</b>	LLS 21-0086	<b>Date:</b>	March 16, 2021
<b>Prime Sponsors:</b>	Rep. Duran; Will Sen. Gonzales; Scott	<b>Bill Status:</b>	House Business
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**Bill Topic:** PRIVATE CONSTRUCTION CONTRACT PAYMENTS

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**Summary of Fiscal Impact:** **No Fiscal Impact.** The bill limits the amount that parties to certain construction contracts may withhold as retainer. As the bill excludes contracts with public entities, it results in no change to state or local government revenue or expenditures.

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**Appropriation Summary:** No appropriation is required.

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**Fiscal Note Status:** The fiscal note reflects the introduced bill.

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## Summary of Legislation

For certain construction projects of at least \$150,000 in value, the bill forbids a property owner, contractor, or subcontractor from withholding more than five percent of the price of the work completed as retainage from the contractor or any subcontractor or supplier. To receive payment, the recipient must provide an executed lien waiver for amounts actually paid. The bill does not apply to contracts for one single-family dwelling, one multifamily dwelling with fewer than five units, or contracts with a public entity.

## Assessment of No Fiscal Impact

As the bill excludes contracts with public entities, it is assessed as having no fiscal impact on state and local governments.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to contracts signed after the bill's effective date.

## State and Local Government Contacts

Local Affairs

Municipalities