



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

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| Drafting Number: | LLS 21-0086 | Date: | August 5, 2021 |
| Prime Sponsors: | Rep. Duran; Will Sen. Gonzales; Scott | Bill Status: | Signed into Law |
| | | Fiscal Analyst: | Matt Bishop 303-866-4796 Matt.Bishop@state.co.us |

Bill Topic: PRIVATE CONSTRUCTION CONTRACT PAYMENTS

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.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

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 was signed into law by the Governor on May 17, 2021, and takes effect on September 7, 2021, assuming no referendum petition is filed.

State and Local Government Contacts

Local Affairs

Municipalities