



COLORADO
MUNICIPAL
LEAGUE



NO
SB26-093



Workers' Compensation Insurance Coverage Verification

WHAT THE BILL DOES

The bill wrongly **transfers a core state regulatory responsibilities for workers compensation onto local governments without funding**, without training, and without any recognition that this work falls far outside the mission of a municipal permitting office, resulting in **delayed permits** and **higher construction costs**.

The bill orders municipalities to verify workers' compensation coverage before issuing or renewing building permits and contractor licenses — and to investigate complaints, suspend or revoke permits upon violations, and report enforcement actions to the state.

WHY VOTE NO

The bill requirements are **not incidental administrative tasks** — they are substantive enforcement functions that **require legal expertise, specialized training, and ongoing administrative capacity** that municipal permitting offices do not have and were never designed to perform.

Adding a new verification and enforcement layer to an already-complex permitting process **will slow project approvals across the board**. Every permit application triggers a new documentation requirement; every complaint triggers a potential investigation. These delays translate directly into **higher construction costs** — including the cost of building **market-rate and affordable housing**.

Colorado law is clear: the Division of Workers' Compensation — not local government — is responsible for enforcing workers' compensation law.

SB 26-093 bypasses that structure entirely, forcing 273 municipalities to take on verification, investigation, and enforcement **functions they were never designed to perform**, without a single dollar of state funding to support them.

The result will be delayed permits, higher construction costs, and municipalities exposed to legal liability for enforcement decisions outside their expertise.

YOUR NO VOTE IS RESPECTFULLY REQUESTED

If the goal is better compliance, the answer is simple: strengthen the Division and increase penalties — keep enforcement where it belongs.

CONTACT

Elizabeth Haskell | CML legislative & policy advocate | 303-995-6467 | ehaskell@cml.org