

Second Regular Session  
Sixty-fifth General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 06-0916.01 Ed DeCecco

**HOUSE BILL 06-1343**

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**HOUSE SPONSORSHIP**

Crane,

**SENATE SPONSORSHIP**

Keller,

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**House Committees**

State, Veterans, & Military Affairs  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING MEASURES TO ENSURE THAT AN ILLEGAL ALIEN DOES**  
102 **NOT PERFORM WORK ON A PUBLIC CONTRACT FOR SERVICES,**  
103 **AND MAKING AN APPROPRIATION IN CONNECTION THEREWITH.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

Prohibits a state agency or a political subdivision from entering into or renewing a public contract for services with a contractor who knowingly employs or contracts with an illegal alien to perform work under the contract or who contracts with a subcontractor who knowingly employs or contracts with an illegal alien to perform work under the contract. Requires a prospective contractor to certify that it does not

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

HOUSE  
3rd Reading Unamended  
April 17, 2006

HOUSE  
Amended 2nd Reading  
April 14, 2006

knowingly employ or contract with an illegal alien.

Requires each public contract for services to include a provision prohibiting a contractor from using an illegal alien to perform work under the contract and a provision requiring a contractor to comply with investigations by the department of labor and employment (department) relating to illegal aliens performing work under the contract. Establishes penalties for a breach of these contractual provisions.

Requires the department to establish and operate a tipline for the purpose of allowing any person to report a suspected violation of a provision of a public contract for services relating to illegal aliens. Allows the department to investigate whether a contractor is complying with the provisions of a public contract for services relating to illegal aliens.

Defines terms.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Title 8, Colorado Revised Statutes, is amended BY  
3 THE ADDITION OF A NEW ARTICLE to read:

4 **ARTICLE 17.5**

5 **Illegal Aliens - Public Contracts for Services**

6 **8-17.5-101. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE  
7 CONTEXT OTHERWISE REQUIRES:

8 (1) "BASIC PILOT PROGRAM" MEANS THE BASIC PILOT  
9 EMPLOYMENT VERIFICATION PROGRAM CREATED IN PUBLIC LAW 208,  
10 104TH CONGRESS, AS AMENDED, AND EXPANDED IN PUBLIC LAW 156,  
11 108TH CONGRESS, AS AMENDED, THAT IS ADMINISTERED BY THE UNITED  
12 STATES DEPARTMENT OF HOMELAND SECURITY.

13 (2) "CONTRACTOR" MEANS A PERSON HAVING A PUBLIC CONTRACT  
14 FOR SERVICES WITH A STATE AGENCY OR POLITICAL SUBDIVISION OF THE  
15 STATE.

16 (3) "DEPARTMENT" MEANS THE DEPARTMENT OF LABOR AND  
17 EMPLOYMENT.

1           (4) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF  
2 THE DEPARTMENT OF LABOR AND EMPLOYMENT.

3           (5) "POLITICAL SUBDIVISION" MEANS ANY CITY, COUNTY, CITY AND  
4 COUNTY, TOWN, SPECIAL DISTRICT, SCHOOL DISTRICT, LOCAL  
5 IMPROVEMENT DISTRICT, OR ANY OTHER KIND OF MUNICIPAL,  
6 QUASI-MUNICIPAL, OR PUBLIC CORPORATION.

7           (6) "PUBLIC CONTRACT FOR SERVICES" MEANS ANY TYPE OF  
8 AGREEMENT, REGARDLESS OF WHAT THE AGREEMENT MAY BE CALLED,  
9 BETWEEN A STATE AGENCY OR POLITICAL SUBDIVISION AND A  
10 CONTRACTOR FOR THE PROCUREMENT OF SERVICES.

11           (7) "SERVICES" MEANS THE FURNISHING OF LABOR, TIME, OR  
12 EFFORT BY A CONTRACTOR OR A SUBCONTRACTOR NOT INVOLVING THE  
13 DELIVERY OF A SPECIFIC END PRODUCT OTHER THAN REPORTS THAT ARE  
14 MERELY INCIDENTAL TO THE REQUIRED PERFORMANCE.

15           (8) "STATE AGENCY" MEANS ANY DEPARTMENT, COMMISSION,  
16 COUNCIL, BOARD, BUREAU, COMMITTEE, INSTITUTION OF HIGHER  
17 EDUCATION, AGENCY, OR OTHER GOVERNMENTAL UNIT OF THE EXECUTIVE,  
18 LEGISLATIVE, OR JUDICIAL BRANCH OF STATE GOVERNMENT.

19           **8-17.5-102. Illegal aliens - prohibition - public contracts for**  
20 **services.** (1) A STATE AGENCY OR POLITICAL SUBDIVISION SHALL NOT  
21 ENTER INTO OR RENEW A PUBLIC CONTRACT FOR SERVICES WITH A  
22 CONTRACTOR WHO KNOWINGLY EMPLOYS OR CONTRACTS WITH AN  
23 ILLEGAL ALIEN TO PERFORM WORK UNDER THE CONTRACT OR WHO  
24 CONTRACTS WITH A SUBCONTRACTOR WHO KNOWINGLY EMPLOYS OR  
25 CONTRACTS WITH AN ILLEGAL ALIEN TO PERFORM WORK UNDER THE  
26 CONTRACT. PRIOR TO EXECUTING A PUBLIC CONTRACT FOR SERVICES,  
27 EACH PROSPECTIVE CONTRACTOR SHALL CERTIFY THAT, AT THE TIME OF

1 THE CERTIFICATION, IT DOES NOT KNOWINGLY EMPLOY OR CONTRACT  
2 WITH AN ILLEGAL ALIEN AND THAT THE CONTRACTOR HAS PARTICIPATED  
3 OR ATTEMPTED TO PARTICIPATE IN THE BASIC PILOT PROGRAM IN ORDER  
4 TO VERIFY THAT IT DOES NOT EMPLOY ANY ILLEGAL ALIENS.

5 (2) (a) EACH PUBLIC CONTRACT FOR SERVICES SHALL INCLUDE A  
6 PROVISION THAT THE CONTRACTOR SHALL NOT:

7 (I) KNOWINGLY EMPLOY OR CONTRACT WITH AN ILLEGAL ALIEN TO  
8 PERFORM WORK UNDER THE PUBLIC CONTRACT FOR SERVICES; OR

9 (II) ENTER INTO A CONTRACT WITH A SUBCONTRACTOR THAT  
10 KNOWINGLY EMPLOYS OR CONTRACTS WITH AN ILLEGAL ALIEN TO  
11 PERFORM WORK UNDER THE PUBLIC CONTRACT FOR SERVICES.

12 (b) EACH PUBLIC CONTRACT FOR SERVICES SHALL ALSO INCLUDE  
13 THE FOLLOWING PROVISIONS:

14 (I) A PROVISION STATING THAT THE CONTRACTOR HAS VERIFIED OR  
15 ATTEMPTED TO VERIFY THROUGH PARTICIPATION IN THE BASIC PILOT  
16 PROGRAM THAT THE CONTRACTOR DOES NOT EMPLOY ANY ILLEGAL ALIENS  
17 AND, IF THE CONTRACTOR IS NOT ACCEPTED INTO THE BASIC PILOT  
18 PROGRAM PRIOR TO ENTERING INTO A PUBLIC CONTRACT FOR SERVICES,  
19 THAT THE CONTRACTOR SHALL APPLY TO PARTICIPATE IN THE BASIC PILOT  
20 PROGRAM EVERY THREE MONTHS UNTIL THE CONTRACTOR IS ACCEPTED OR  
21 THE PUBLIC CONTRACT FOR SERVICES HAS BEEN COMPLETED, WHICHEVER  
22 IS EARLIER. THE PROVISION SPECIFIED IN THIS SUBPARAGRAPH (I) SHALL  
23 NOT BE REQUIRED OR EFFECTIVE IN A PUBLIC CONTRACT FOR SERVICES IF  
24 THE BASIC PILOT PROGRAM IS DISCONTINUED.

25 (II) A PROVISION THAT REQUIRES THE CONTRACTOR TO COMPLY  
26 WITH ANY REASONABLE REQUEST BY THE DEPARTMENT MADE IN THE  
27 COURSE OF AN INVESTIGATION THAT THE DEPARTMENT IS UNDERTAKING

1 PURSUANT TO THE AUTHORITY ESTABLISHED IN SUBSECTION (5) OF THIS  
2 SECTION.

3 (3) IF A CONTRACTOR VIOLATES A PROVISION OF THE PUBLIC  
4 CONTRACT FOR SERVICES REQUIRED PURSUANT TO SUBSECTION (2) OF THIS  
5 SECTION, THE STATE AGENCY OR POLITICAL SUBDIVISION MAY TERMINATE  
6 THE CONTRACT FOR A BREACH OF THE CONTRACT. IF THE CONTRACT IS SO  
7 TERMINATED, THE CONTRACTOR SHALL BE LIABLE FOR ACTUAL AND  
8 CONSEQUENTIAL DAMAGES TO THE STATE AGENCY OR POLITICAL  
9 SUBDIVISION.

10 (4) A STATE AGENCY OR POLITICAL SUBDIVISION SHALL NOTIFY  
11 THE OFFICE OF THE SECRETARY OF STATE IF A CONTRACTOR VIOLATES A  
12 PROVISION OF A PUBLIC CONTRACT FOR SERVICES REQUIRED PURSUANT TO  
13 SUBSECTION (2) OF THIS SECTION AND THE STATE AGENCY OR POLITICAL  
14 SUBDIVISION TERMINATES THE CONTRACT FOR SUCH BREACH. BASED ON  
15 THIS NOTIFICATION, THE SECRETARY OF STATE SHALL MAINTAIN A LIST  
16 THAT INCLUDES THE NAME OF THE CONTRACTOR, THE STATE AGENCY OR  
17 POLITICAL SUBDIVISION THAT TERMINATED THE PUBLIC CONTRACT FOR  
18 SERVICES, AND THE DATE OF THE TERMINATION. A CONTRACTOR SHALL  
19 BE REMOVED FROM THE LIST IF TWO YEARS HAVE PASSED SINCE THE DATE  
20 THE CONTRACT WAS TERMINATED, OR IF A COURT OF COMPETENT  
21 JURISDICTION DETERMINES THAT THERE HAS NOT BEEN A VIOLATION OF  
22 THE PROVISION OF THE PUBLIC CONTRACT FOR SERVICES REQUIRED  
23 PURSUANT TO SUBSECTION (2) OF THIS SECTION. A STATE AGENCY OR  
24 POLITICAL SUBDIVISION SHALL NOTIFY THE OFFICE OF THE SECRETARY OF  
25 STATE IF A COURT HAS MADE SUCH A DETERMINATION. THE LIST SHALL BE  
26 AVAILABLE FOR PUBLIC INSPECTION AT THE OFFICE OF THE SECRETARY OF  
27 STATE AND SHALL BE PUBLISHED ON THE INTERNET ON THE WEBSITE

1 MAINTAINED BY THE OFFICE OF THE SECRETARY OF STATE.

2 (5) (a) THE DEPARTMENT MAY INVESTIGATE WHETHER A  
3 CONTRACTOR IS COMPLYING WITH THE PROVISIONS OF A PUBLIC CONTRACT  
4 FOR SERVICES REQUIRED PURSUANT TO SUBSECTION (2) OF THIS SECTION.  
5 THE DEPARTMENT MAY CONDUCT ON-SITE INSPECTIONS WHERE A PUBLIC  
6 CONTRACT FOR SERVICES IS BEING PERFORMED, REQUEST AND REVIEW  
7 DOCUMENTATION THAT PROVES THE CITIZENSHIP OF ANY PERSON  
8 PERFORMING WORK ON A PUBLIC CONTRACT FOR SERVICES, OR TAKE ANY  
9 OTHER REASONABLE STEPS THAT ARE NECESSARY TO DETERMINE  
10 WHETHER A CONTRACTOR IS COMPLYING WITH THE PROVISIONS OF A  
11 PUBLIC CONTRACT FOR SERVICES REQUIRED PURSUANT TO SUBSECTION (2)  
12 OF THIS SECTION. THE DEPARTMENT SHALL RECEIVE COMPLAINTS OF  
13 SUSPECTED VIOLATIONS OF A PROVISION OF A PUBLIC CONTRACT FOR  
14 SERVICES REQUIRED PURSUANT TO SUBSECTION (2) OF THIS SECTION AND  
15 SHALL HAVE DISCRETION TO DETERMINE WHICH COMPLAINTS, IF ANY, ARE  
16 TO BE INVESTIGATED. THE RESULTS OF ANY INVESTIGATION SHALL NOT  
17 CONSTITUTE FINAL AGENCY ACTION. THE DEPARTMENT IS AUTHORIZED TO  
18 PROMULGATE RULES IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S.,  
19 TO IMPLEMENT THE PROVISIONS OF THIS SUBSECTION (5).

20 (b) THE EXECUTIVE DIRECTOR SHALL NOTIFY A STATE AGENCY OR  
21 POLITICAL SUBDIVISION IF HE OR SHE SUSPECTS THAT THERE HAS BEEN A  
22 BREACH OF A PROVISION IN A PUBLIC CONTRACT FOR SERVICES REQUIRED  
23 PURSUANT TO SUBSECTION (2) OF THIS SECTION.

24 **SECTION 2. Appropriation.** In addition to any other  
25 appropriation, there is hereby appropriated, out of any moneys in the  
26 general fund not otherwise appropriated, to the department of labor and  
27 employment, for allocation to the executive director's office, for the fiscal

1 year beginning July 1, 2006, the sum of one hundred forty thousand one  
2 hundred sixty-six dollars (\$140,166) and 1.9 FTE, or so much thereof as  
3 may be necessary, for the implementation of this act.

4           **SECTION 3. Effective date - applicability.** (1) This act shall  
5 take effect at 12:01 a.m. on the day following the expiration of the  
6 ninety-day period after final adjournment of the general assembly that is  
7 allowed for submitting a referendum petition pursuant to article V,  
8 section 1 (3) of the state constitution (August 9, 2006, if adjournment sine  
9 die is on May 10, 2006); except that, if a referendum petition is filed  
10 against this act or an item, section, or part of this act within such period,  
11 then the act, item, section, or part, if approved by the people, shall take  
12 effect on the date of the official declaration of the vote thereon by  
13 proclamation of the governor.

14           (2) The provisions of this act shall apply to public contracts for  
15 services that are entered into or renewed on or after the applicable  
16 effective date of this act.