

CHAPTER 228

LABOR AND INDUSTRY

HOUSE BILL 25-1001

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also SENATOR(S) Danielson and Kolker, Bridges, Cutter, Gonzales J., Hinrichsen, Kipp, Marchman, Michaelson Jenet, Sullivan, Weissman, Winter F., Amabile, Ball, Daugherty, Exum, Jodeh, Rodriguez, Snyder, Wallace, Coleman.

AN ACT

**CONCERNING THE ENFORCEMENT OF WAGE AND HOUR LAWS, AND, IN CONNECTION THEREWITH,
MAKING AN APPROPRIATION.**

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

SECTION 1. In Colorado Revised Statutes, 8-4-101, **amend** (6) as follows:

8-4-101. Definitions. As used in this article 4, unless the context otherwise requires:

(6) "Employer" has the same meaning as set forth in the federal "Fair Labor Standards Act of 1938", 29 U.S.C. sec. 203 (d), and includes a foreign labor contractor, ~~and a migratory field labor contractor or crew leader,~~ AND EACH INDIVIDUAL WHO OWNS OR CONTROLS AT LEAST TWENTY-FIVE PERCENT OF THE OWNERSHIP INTERESTS IN AN EMPLOYER; ~~except that the provisions of this article 4 do~~ DOES NOT apply to A MINORITY OWNER OF AN EMPLOYER THAT DEMONSTRATES FULL DELEGATION OF ITS AUTHORITY TO CONTROL DAY-TO-DAY OPERATIONS OF THE EMPLOYER; the state or its agencies or entities; counties; cities and counties; municipal corporations; quasi-municipal corporations; school districts; and irrigation, reservoir, or drainage conservation companies or districts organized and existing under the laws of Colorado.

SECTION 2. In Colorado Revised Statutes, 8-4-105, **amend** (2) as follows:

8-4-105. Payroll deductions permitted - notice required. (2) Nothing in this

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

section authorizes a deduction below the APPLICABLE minimum wage. ~~applicable under the "Fair Labor Standards Act of 1938", 29 U.S.C. sec. 201 et seq.~~

SECTION 3. In Colorado Revised Statutes, 8-4-109, **amend** (3)(b) introductory portion; and **add** (3.5) as follows:

8-4-109. Termination of employment - payments required - civil penalties - payments to surviving spouse or heir. (3) (b) ~~On or after January 1, 2023~~ EXCEPT AS PROVIDED IN SUBSECTION (3.5) OF THIS SECTION, if an employer fails or refuses to pay, in the manner specified in subsection (3)(d) of this section, all earned, vested, and determinable wages or compensation within fourteen days after ~~the~~ A written demand is sent or within fourteen days after a civil action or administrative claim for the wages or compensation is sent to or served on the employer, the employer is liable to the employee or group of similarly situated employees for the amount of the earned, vested, determinable, and unpaid wages or compensation plus an automatic penalty of:

(3.5) THE DIRECTOR MAY WAIVE THE PENALTY SPECIFIED IN SUBSECTION (3)(b) OF THIS SECTION FOR AN EMPLOYER'S FAILURE TO PAY CLAIMED WAGES OR COMPENSATION WITHIN FOURTEEN DAYS AFTER A WRITTEN DEMAND IF THE EMPLOYER PAYS ALL CLAIMED WAGES OR COMPENSATION WITHIN FOURTEEN DAYS AFTER AN ADMINISTRATIVE CLAIM FOR THE SAME WAGES OR COMPENSATION IS SENT TO OR SERVED ON THE EMPLOYER. THE DIRECTOR SHALL NOT WAIVE THE PENALTY IF THE ALLEGED VIOLATION IS A SECOND OR SUBSEQUENT FAILURE OR REFUSAL TO PAY AN EMPLOYEE'S WAGES OR COMPENSATION WITHIN FIVE YEARS.

SECTION 4. In Colorado Revised Statutes, 8-4-110, **amend** (1)(a) introductory portion, (1)(a)(II), and (2) as follows:

8-4-110. Disputes - fees. (1) (a) The court may award the employer reasonable costs and attorney fees incurred in a civil action BROUGHT UNDER THIS ARTICLE 4 if, within fourteen days after a written demand letter is sent to or a civil action is served on the employer for unpaid wages or compensation:

(II) ~~The employees receiving such tender ultimately fail to recover a total sum that is greater than the amount the employer tendered~~ THE COURT ULTIMATELY FINDS THAT THE EMPLOYEES RECEIVING SUCH TENDER PURSUED AN ACTION LACKING SUBSTANTIAL JUSTIFICATION.

(2) ~~Any~~ IN ADDITION TO OTHER RELIEF AVAILABLE TO EMPLOYEES UNDER THIS TITLE 8, A person claiming to be aggrieved by a violation of ~~any provisions of this article or regulations prescribed pursuant to this article~~ THIS ARTICLE 4 OR ANY OTHER LAW OR RULE RELATED TO WAGES OR HOURS may file suit in any court having jurisdiction over the parties TO PURSUE ALL AVAILABLE EQUITABLE RELIEF, INCLUDING EQUITABLE RELIEF TO DETER FUTURE VIOLATIONS AND PREVENT UNJUST ENRICHMENT, without regard to exhaustion of any administrative remedies.

SECTION 5. In Colorado Revised Statutes, 8-4-111, **amend** (1)(a)(II), (2)(a)(I) introductory portion, and (8); **repeal** (2)(a)(III); and **add** (1)(a.5) and (9) as follows:

8-4-111. Enforcement - duty of director - duties of district or city attorneys - local government authority to enact and enforce laws - rules. (1) (a) (II) The director may establish an administrative procedure to receive complaints and adjudicate claims for nonpayment of wages or compensation of:

(A) Seven thousand five hundred dollars or less FOR CLAIMS FILED THROUGH JUNE 30, 2026;

(B) THIRTEEN THOUSAND DOLLARS OR LESS FOR CLAIMS FILED FROM JULY 1, 2026, THROUGH DECEMBER 31, 2027; AND

(C) AN AMOUNT THAT THE DIRECTOR SPECIFIES IN RULE BY JANUARY 1, 2028, AND BY RULE FOR EVERY OTHER YEAR THEREAFTER. SUCH AMOUNT MUST BE EQUAL TO THE AMOUNT IN THE PREVIOUS CALENDAR YEAR INCREASED BY ONE THOUSAND DOLLARS OR A HIGHER AMOUNT IF SUCH HIGHER AMOUNT IS NECESSARY TO ADJUST FOR INFLATION. INFLATION IS MEASURED BY THE ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID FOR BY URBAN CONSUMERS.

(a.5) IN CARRYING OUT THE DUTIES SPECIFIED IN SUBSECTION (1)(a)(I) OF THIS SECTION, THE DIRECTOR:

(I) SHALL PUBLISH ON THE DIVISION'S WEBSITE, FOR ANY VIOLATION THAT IS A MATTER OF PUBLIC RECORD PURSUANT TO SECTION 8-1-115 (1)(b), THE CITATION, DETERMINATION, OR WRITTEN OPINION; WHETHER THE VIOLATION WAS WILLFUL; AND THE NAMES OF ALL EMPLOYERS IN VIOLATION;

(II) SHALL REPORT AN EMPLOYER WITH A WILLFUL VIOLATION UNREMEDIED WITHIN SIXTY DAYS AFTER THE DIVISION'S FINDING TO ANY GOVERNMENT BODY WITH AUTHORITY TO DENY, WITHDRAW, OR OTHERWISE LIMIT OR IMPOSE REMEDIAL CONDITIONS ON THE EMPLOYER'S LICENSE, PERMIT, REGISTRATION, OR OTHER CREDENTIAL. THE DIVISION MAY POST A DECISION AGAINST AN EMPLOYER BY A GOVERNMENT BODY ON THE DIVISION'S WEBSITE.

(III) MAY REPORT AN EMPLOYER FOUND TO HAVE VIOLATED A LAW RELATED TO WAGES AND HOURS TO A GOVERNMENT BODY WITH AUTHORITY TO DENY, WITHDRAW, OR OTHERWISE LIMIT OR IMPOSE REMEDIAL CONDITIONS ON THE EMPLOYER'S LICENSE, PERMIT, REGISTRATION, OR OTHER CREDENTIAL. THE DIVISION MAY POST A DECISION AGAINST AN EMPLOYER BY A GOVERNMENT BODY ON THE DIVISION'S WEBSITE.

(2) (a) (I) THE DIVISION SHALL INVESTIGATE A WAGE COMPLAINT if one or more employees file a THE wage complaint with the division claiming unpaid wages or compensation, EXCLUSIVE OF PENALTIES AND FINES, of seven thousand five hundred dollars or less per employee ~~exclusive of penalties and fines, the division shall investigate the wage complaint~~ FOR CLAIMS FILED THROUGH JUNE 30, 2026; THIRTEEN THOUSAND DOLLARS OR LESS FOR CLAIMS FILED FROM JULY 1, 2026, THROUGH DECEMBER 31, 2027; AND AN AMOUNT THAT THE DIRECTOR SPECIFIES IN RULE BY JANUARY 1, 2028, AND BY RULE FOR EVERY OTHER YEAR THEREAFTER. SUCH AMOUNT MUST BE EQUAL TO THE AMOUNT IN THE PREVIOUS CALENDAR YEAR

INCREASED BY ONE THOUSAND DOLLARS OR A HIGHER AMOUNT IF SUCH HIGHER AMOUNT IS NECESSARY TO ADJUST FOR INFLATION. INFLATION IS MEASURED BY THE ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID FOR BY URBAN CONSUMERS. The division may investigate ~~any~~ a wage complaint made on behalf of a group of similarly situated employees. If the division declines to investigate a group complaint, similarly situated employees may consent in writing to participate as parties to that complaint, and the division may pursue a direct investigation informed by and concurrent with that complaint. The division shall initiate the administrative procedure by sending a notice of complaint to the employer by mail or electronic means in accordance with rules as the director may promulgate when the complaint states a claim for relief. The notice of the complaint must include:

~~(III) The division shall issue a determination within ninety days after the notice of complaint is sent unless the division extends the time period by providing advance written notice to the employee and employer stating good cause for the extension of time.~~

(8) Nothing in this ~~article shall be construed to limit~~ ARTICLE 4 LIMITS:

(a) The authority of the district attorney of any county or city and county, or ~~the city attorney of any city~~ A PERSON DELEGATED AUTHORITY BY A COUNTY OR CITY AND COUNTY TO PROSECUTE CRIMINAL OFFENSES OR ENFORCE LAWS OR ORDINANCES RELATED TO THE PAYMENTS OF WAGES, to:

(I) Prosecute actions for ~~such~~ violations of this ~~article as~~ ARTICLE 4 THAT may come to ~~his or her~~ THE DISTRICT ATTORNEY'S OR THE DELEGATED PERSON'S knowledge; or to

(II) Enforce ~~the provisions of this article~~ THIS ARTICLE 4 independently and without specific direction of the director; or ~~to limit~~

(b) The right of any wage claimant to sue directly or through an assignee for any wages or penalty ~~due him or her under the provisions of this article~~ OR OTHER RELIEF AVAILABLE PURSUANT TO THIS ARTICLE 4.

(9) A CITY, COUNTY, OR CITY AND COUNTY MAY ENACT AND ENFORCE LAWS RELATED TO THE PAYMENT OF WAGES FOR WORK PERFORMED WITHIN ITS JURISDICTION IF THE LAWS DO NOT DIMINISH THE PROTECTIONS OR BENEFITS TO EMPLOYEES PROVIDED IN THIS ARTICLE 4.

SECTION 6. In Colorado Revised Statutes, 8-4-113, **amend** (5)(a); and **add** (1)(a)(I.5) as follows:

8-4-113. Fines pursuant to enforcement - wage theft enforcement fund - created - administrative lien and levy of employer assets - wage claim payments from the fund - definition - rules. (1) (a) (I.5) AN EMPLOYER FOUND TO HAVE MISCLASSIFIED AN EMPLOYEE AS A NONEMPLOYEE IN A WAY THAT MAY AFFECT A WAGE AND HOUR PAYMENT OR REPORTING OBLIGATION UNDER A STATE, FEDERAL, OR LOCAL LAW, RULE, OR REGULATION SHALL PAY A FINE IN THE FOLLOWING

AMOUNTS, INCREASED BY THE DIRECTOR BY RULE BY JANUARY 1, 2028, AND BY RULE BY JANUARY 1 EVERY OTHER YEAR BASED ON THE PRIOR TWO YEARS' INCREASE, IF ANY, IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR DENVER-AURORA-LAKEWOOD FOR URBAN WAGE EARNERS AND CLERICAL WORKERS, PER EMPLOYEE, IN ADDITION TO ANY OTHER RELIEF ORDERED:

(A) FOR A WILLFUL VIOLATION, FIVE THOUSAND DOLLARS;

(B) FOR A VIOLATION NOT REMEDIED WITHIN SIXTY DAYS AFTER THE DIVISION'S FINDING, TEN THOUSAND DOLLARS;

(C) FOR A SECOND OR SUBSEQUENT WILLFUL VIOLATION WITHIN FIVE YEARS, TWENTY-FIVE THOUSAND DOLLARS; OR

(D) FOR A SECOND OR SUBSEQUENT WILLFUL VIOLATION NOT REMEDIED WITHIN SIXTY DAYS AFTER THE DIVISION'S FINDING, FIFTY THOUSAND DOLLARS.

(5) (a) On and after April 1, 2024, if an employer fails to pay an employee an amount of wages, compensation, or other monetary relief owed the employee, as determined by the division pursuant to this article 4 or article 6 or 12 of this title 8 or as decided by a hearing officer pursuant to section 8-4-111.5, within ~~six months~~ ONE HUNDRED TWENTY DAYS after the division's determination, the hearing officer's decision, or the expiration of ~~any~~ AN order from the division, the hearing officer, or a court staying or postponing the employer's payment obligation, whichever is later, the division may disburse the amount of wages, compensation, or other monetary relief determined to be owed the employee, subject to available resources in the fund and the division's prioritization, from the fund to the employee.

SECTION 7. In Colorado Revised Statutes, **amend** 8-4-120 as follows:

8-4-120. Discrimination and retaliation prohibited - employee protections - criminal penalties - civil remedies. (1) An employer, OR ANY OTHER PERSON THAT IS REGULARLY ENGAGED IN BUSINESS OR COMMERCIAL ACTIVITY THAT HAS CONTRACTED WITH AN EMPLOYER OR WORKER, DIRECTLY OR INDIRECTLY, FOR LABOR FROM WHICH SUCH PERSON IS THE BENEFICIARY, shall not intimidate, threaten, restrain, coerce, blacklist, discharge, or in any manner discriminate or retaliate against ~~any~~ AN employee OR WORKER who has:

(a) Filed ~~any~~ A complaint or instituted or caused to be instituted ~~any~~ A proceeding under this article 4 or any other law or rule related to wages, hours, or employment of minors; ~~or~~

(b) Testified or provided other evidence, or may testify or provide other evidence, in ~~any~~ A proceeding on behalf of the employee or another person regarding afforded protections under this article 4 or under any other law or rule related to wages, ~~or~~ hours, OR THE EMPLOYMENT OF MINORS; OR

(c) RAISED CONCERNS IN GOOD FAITH ABOUT COMPLIANCE WITH OR OTHERWISE PROVIDED INFORMATION AS TO LEGAL RIGHTS AND REMEDIES AVAILABLE UNDER

THIS ARTICLE ~~4~~ OR ANY OTHER LAW OR RULE RELATED TO WAGES OR HOURS TO ANY PERSON.

(2) ~~An employer who~~ A PERSON THAT violates this section commits a class 2 misdemeanor.

(3)(a) An employee OR WORKER who alleges a violation of subsection (1) of this section may file a civil action in a court of competent jurisdiction against the employer alleged to have violated this section to seek legal and equitable relief as appropriate to remedy the violation, including:

(I) Back pay;

(II) Reinstatement of employment or, if reinstatement is not feasible, front pay;

(III) The payment of wages unlawfully withheld;

(IV) Interest on unpaid wages at a rate of twelve percent per annum from the date the wages were first due;

(V) The payment of a penalty of fifty dollars per day for each employee whose rights under this section were violated and for each day that the violation occurred or continued;

(VI) Liquidated damages in an amount equal to the greater of two times the amount of the unpaid wages OR OTHER LOST PAY OR COMPENSATION or two thousand dollars; ~~and~~

(VII) Injunctive relief; AND

(VIII) COMPENSATORY DAMAGES FOR OTHER ECONOMIC OR NONECONOMIC LOSS OR INJURY SHOWN BY COMPETENT EVIDENCE, WHICH, TO THE EXTENT WITHIN THE MEANING OF SECTION ~~24-34-405~~ (3)(c) AND (3)(e), DAMAGES FOR EMOTIONAL DISTRESS MUST NOT EXCEED THE AMOUNTS SPECIFIED IN SECTION ~~24-34-405~~ (3)(d).

(b) If ~~the employee~~ AN AGGRIEVED PERSON prevails in a civil action brought pursuant to this subsection (3), the court shall award the ~~employee~~ PERSON reasonable attorney fees and costs.

(c) (I) IN DETERMINING WHETHER THERE HAS BEEN RETALIATION AS PROHIBITED IN SUBSECTION (1) OF THIS SECTION, A FACT FINDER SHALL CONSIDER THE TIME BETWEEN AN INDIVIDUAL'S EXERCISE OF A PROTECTED ACTIVITY AND AN EMPLOYER'S ADVERSE ACTION. A PERIOD OF NINETY OR FEWER DAYS BETWEEN THE EXERCISE OF A PROTECTED ACTIVITY AND THE ADVERSE ACTION MAY, WITHOUT MORE, BE SUFFICIENT TO FIND RETALIATORY INTENT. ADVERSE ACTION OCCURRING MORE THAN NINETY DAYS AFTER THE EXERCISE OF A PROTECTED ACTIVITY MAY ALSO CONSTITUTE RETALIATION.

(II) ANY EFFORT TO USE AN INDIVIDUAL'S IMMIGRATION STATUS TO IN ANY MANNER DISCRIMINATE OR RETALIATE AGAINST AN EMPLOYEE OR WORKER WHO HAS

ENGAGED IN ACTIVITY DESCRIBED IN SUBSECTION (1) OF THIS SECTION IS A VIOLATION OF THIS SECTION.

(4) The division may investigate and enforce discrimination or retaliation prohibited by this article 4 or article 6 of this title 8 and, after investigation, may order the relief specified in subsection (3)(a) of this section AND REASONABLE ATTORNEY FEES AND COSTS.

SECTION 8. In Colorado Revised Statutes, **add** 8-4-120.5 as follows:

8-4-120.5. Implementation of House Bill 25-1001 - report on enforcement of wage hour laws to joint budget committee - repeal. (1) BETWEEN AUGUST 1, 2027, AND OCTOBER 1, 2027, THE DIVISION SHALL, USING EXISTING RESOURCES, REPORT TO THE JOINT BUDGET COMMITTEE:

(a) THE EXTENT TO WHICH THE DIVISION HAS FULLY IMPLEMENTED THE ENFORCEMENT OF WAGE HOUR LAWS AS ENACTED IN HOUSE BILL 25-1001, ENACTED IN 2025;

(b) THE EXTENT OF STAFFING AND RESOURCES REQUIRED FOR THE IMPLEMENTATION OF HOUSE BILL 25-1001, ENACTED IN 2025, WITH A DETAILED EXPLANATION OF THE REASONS FOR AND STATUS OF ANY PROVISION NOT FULLY IMPLEMENTED; AND

(c) THE NUMBER OF COMPLAINTS AND EMPLOYEE INVESTIGATIONS PERFORMED BY THE DIVISION FOLLOWING THE ENACTMENT OF HOUSE BILL 25-1001, ENACTED IN 2025, COMPARED TO THE NUMBER OF COMPLAINTS AND EMPLOYEE INVESTIGATIONS PROJECTED IN THE FISCAL NOTE PREPARED FOR HOUSE BILL 25-1001.

(2) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2028.

SECTION 9. Appropriation. For the 2025-26 state fiscal year, \$328,210 is appropriated to the department of labor and employment for use by the division of labor standards and statistics. This appropriation is from the general fund and is based on an assumption that the division will require an additional 2.8 FTE. To implement this act, the division may use this appropriation for program costs related to labor standards.

SECTION 10. Act subject to petition - effective date - applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to conduct occurring on or after the applicable effective date of this act.

Approved: May 22, 2025