

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

**ENGROSSED**

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

LLS NO. 16-0799.02 Nicole Myers x4326

**HOUSE BILL 16-1281**

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**HOUSE SPONSORSHIP**

**Young,**

**SENATE SPONSORSHIP**

**Tate,**

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**House Committees**

Finance

**Senate Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING MODIFICATIONS TO THE IMPLEMENTATION OF THE**  
102       **STATE'S PAYROLL SYSTEM THAT WILL ALLOW ALL STATE**  
103       **EMPLOYEES TO BE PAID TWICE A MONTH.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

Currently, the majority of state employees who are paid through the state's payroll system are paid on a monthly basis and some state employees are paid bi-weekly. Pursuant to current law, for pay periods that begin on or after July 1, 2017, all state employees who are paid through the state's payroll system will be paid twice monthly.

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  
2nd Reading Unamended  
March 16, 2016

The bill allows the state personnel director to delay the implementation date of the twice monthly payroll system if necessary due to the implementation of the new human resources information system. If there will be a delay in the implementation of the twice monthly payroll system, the state personnel director is required to notify affected employers and employees and the general assembly of the delay and of the new start date for the twice monthly payroll system.

In addition, current law allows any state employee to apply to the department of personnel for a one-time loan to assist the employee in July 2017 and specifies that an employee may repay the loan either with a deduction from each paycheck for a specified period or with annual leave. The bill eliminates the option to repay the loan with annual leave. The bill also requires the state personnel director to delay the month for which employees may apply for a loan if the implementation date of the twice monthly payroll system is delayed.

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

2           **SECTION 1.** In Colorado Revised Statutes, 24-50-104, **amend**  
3        (8) (c) (II); and **add** (8) (g) as follows:

4           **24-50-104. Job evaluation and compensation - state employee**  
5       **reserve fund - created - definitions - repeal.** (8) **Payroll.** (c) (II) An  
6       employee who receives a loan from the state pursuant to this paragraph  
7       (c) shall repay the loan ~~using one of the payment options~~ AS specified in  
8       this subparagraph (II). An employee may repay the loan early with no  
9       prepayment penalty. If an employee separates from state employment  
10      prior to the full loan repayment, the balance of the loan shall be deducted  
11      from the employee's last paycheck. An employee shall ~~choose one of the~~  
12      ~~following repayment options:~~ REPAY THE LOAN OVER A THREE-YEAR  
13      PERIOD WITH AN AFTER-TAX DEDUCTION IN EACH PAYCHECK EQUAL TO  
14      ONE SEVENTY-SECOND OF THE LOAN AMOUNT PLUS SIMPLE INTEREST AT  
15      THE STATE TREASURY'S INCREMENTAL BORROWING RATE.

16           (A) ~~The employee may repay the loan over a three-year period~~  
17      ~~with annual leave. The exact amount of annual leave needed to repay the~~

1       ~~loan shall be calculated by the department in which the employee is~~  
2       ~~employed pursuant to guidelines issued by the office of the state~~  
3       ~~controller.~~

4           (B) ~~The employee may repay the loan over a three-year period~~  
5       ~~with an after-tax deduction in each paycheck equal to one seventy-second~~  
6       ~~of the loan amount plus simple interest at the state treasury's incremental~~  
7       ~~borrowing rate.~~

8           (g) NOTWITHSTANDING THE PROVISIONS OF THIS SUBSECTION (8),  
9       IF THE STATE PERSONNEL DIRECTOR DETERMINES THAT, DUE TO  
10      CIRCUMSTANCES IN CONNECTION WITH THE IMPLEMENTATION OF THE  
11      HUMAN RESOURCES INFORMATION SYSTEM, IT WILL NOT BE POSSIBLE ON  
12      JULY 1, 2017, TO BEGIN PAYING SALARIES TWICE MONTHLY FOR  
13      EMPLOYEES PAID THROUGH THE STATE'S PAYROLL SYSTEM AS OTHERWISE  
14      REQUIRED IN THIS SUBSECTION (8), THE DIRECTOR SHALL, ON OR BEFORE  
15      JUNE 1, 2017, NOTIFY EMPLOYERS THAT PAY EMPLOYEES THROUGH THE  
16      STATE'S PAYROLL SYSTEM, EMPLOYEES WHO ARE PAID THROUGH THE  
17      STATE'S PAYROLL SYSTEM, AND THE GENERAL ASSEMBLY THAT THE  
18      DEPARTMENT WILL NOT MEET THE JULY 1, 2017, DEADLINE AND INCLUDE  
19      IN THE NOTICE THE NEW DATE ON WHICH THE IMPLEMENTATION OF THE  
20      TWICE MONTHLY PAYROLL SYSTEM WILL BEGIN. IN ADDITION, IF THE  
21      IMPLEMENTATION OF THE TWICE MONTHLY PAYROLL SYSTEM IS DELAYED,  
22      THE DIRECTOR SHALL ALLOW ANY STATE EMPLOYEE TO APPLY TO THE  
23      DEPARTMENT OF PERSONNEL FOR A ONE-TIME LOAN TO ASSIST THE  
24      EMPLOYEE IN COVERING EXPENSES IN THE FIRST MONTH IN WHICH  
25      EMPLOYEES WILL BE PAID TWICE MONTHLY, RATHER THAN FOR THE MONTH  
26      OF JULY 2017, AS PROVIDED IN PARAGRAPH (c) OF THIS SUBSECTION (8).

27           **SECTION 2. Safety clause.** The general assembly hereby finds,

1      determines, and declares that this act is necessary for the immediate  
2      preservation of the public peace, health, and safety.