

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 25-0015.02 Yelana Love x2295

HOUSE BILL 25-1001

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A BILL FOR AN ACT

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

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://leg.colorado.gov>.)

Section 1 of the bill amends the definition of "employer" for purposes of wage and hour laws to include an individual who owns or controls at least 25% of the ownership interest in an employer.

Section 2 prohibits an employer from making a payroll deduction below a worker's applicable minimum wage.

Section 3 allows the director of the division of labor standards and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

statistics (division) to waive the penalty for an employer's failure to pay claimed wages or compensation within 14 days after a written demand if certain specified conditions are met.

Section 4 repeals language allowing a court to award an employer reasonable costs and attorney fees in a civil action for unpaid wages or compensation in certain circumstances. In such an action, the court may pursue all equitable relief to deter future violations and prevent unjust enrichment.

Current law limits the ability of the director of the division to adjudicate claims for nonpayment of wages or compensation to \$7,500 or less. **Section 5** increases this threshold over the years by increasing the amount to \$13,000 for claims filed from July 1, 2026, through December 31, 2027, and in an amount specified by the director of the division to adjust for inflation beginning January 1, 2028. **Section 5** also requires the division, in adjudicating wage claims, to determine whether a violation is willful. For each violation:

- The director shall publish on the division's website the names of all employers found to be in violation and whether the violation was willful; and
- If the violation is not remedied within 60 days after the division's finding that there was a violation, the division must notify all government bodies with the authority to deny, withdraw, or otherwise limit or impose remedial conditions on the employer's license, permit, registration, or other credential.

Additionally, the division may report an employer found to have violated a law related to wages and hours to any government body with authority to deny, withdraw, or otherwise limit or impose remedial conditions on a license, permit, registration, or other credential that the violating employer has or may seek. **Section 5** also repeals language requiring the division to issue a determination on a wage complaint within 90 days.

Section 6 requires an employer found to have misclassified an employee as a nonemployee to pay a fine in the following amounts, in addition to any other relief ordered:

- For a willful violation, \$5,000;
- For a violation not remedied within 60 days after the division's finding, \$10,000;
- For a second or subsequent willful violation within 5 years, \$25,000; or
- For a second or subsequent willful violation not remedied within 60 days after the division's finding, \$50,000.

The director of the division must adjust these fine amounts for inflation by January 1, 2028, and every other year thereafter.

Section 6 also decreases the amount of time the division must wait

before paying an employee out of the wage theft enforcement fund from 6 months to 120 days.

Current law prohibits an employer from discriminating or retaliating against an employee for taking protection under wage and hour laws or the law related to the employment of minors. **Section 7** expands this provision to specify additional protected behavior and expands the prohibition to include other persons in addition to employers.

Section 7 also:

- Requires a fact finder to consider the time between an individual's exercise of a protected activity and an employer's adverse action when determining whether an employer has retaliated against the employee or worker;
- Specifies that any effort to use an individual's immigration status to negatively impact the wage and hour law rights, responsibilities, or proceedings of any employee or worker is an unlawful act of intimidation, threatening, coercion, discrimination, and retaliation; and
- Allows the division to order reasonable attorney fees and costs after investigating a discrimination or retaliation claim.

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

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

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

6 (6) "Employer" has the same meaning as set forth in the federal
7 "Fair Labor Standards Act of 1938", 29 U.S.C. sec. 203 (d), and includes
8 a foreign labor contractor, ~~and~~ a migratory field labor contractor or crew
9 leader, AND EACH INDIVIDUAL WHO OWNS OR CONTROLS AT LEAST
10 TWENTY-FIVE PERCENT OF THE OWNERSHIP INTERESTS IN AN EMPLOYER;
11 except that ~~the provisions of this article 4 do~~ DOES not apply to A
12 MINORITY OWNER OF AN EMPLOYER THAT DEMONSTRATES FULL
13 DELEGATION OF ITS AUTHORITY TO CONTROL DAY-TO-DAY OPERATIONS OF
14 THE EMPLOYER; the state or its agencies or entities; counties; cities and

1 counties; municipal corporations; quasi-municipal corporations; school
2 districts; and irrigation, reservoir, or drainage conservation companies or
3 districts organized and existing under the laws of Colorado.

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

6 **8-4-105. Payroll deductions permitted - notice required.**

7 (2) Nothing in this section authorizes a deduction below the APPLICABLE
8 minimum wage. ~~applicable under the "Fair Labor Standards Act of 1938",~~
9 ~~29 U.S.C. sec. 201 et seq.~~

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

12 **8-4-109. Termination of employment - payments required -**
13 **civil penalties - payments to surviving spouse or heir.** (3) (b) ~~On or~~
14 ~~after January 1, 2023~~ EXCEPT AS PROVIDED IN SUBSECTION (3.5) OF THIS
15 SECTION, if an employer fails or refuses to pay, in the manner specified
16 in subsection (3)(d) of this section, all earned, vested, and determinable
17 wages or compensation within fourteen days after ~~the~~ A written demand
18 is sent or within fourteen days after a civil action or administrative claim
19 for the wages or compensation is sent to or served on the employer, the
20 employer is liable to the employee or group of similarly situated
21 employees for the amount of the earned, vested, determinable, and unpaid
22 wages or compensation plus an automatic penalty of:

23 (3.5) THE DIRECTOR MAY WAIVE THE PENALTY SPECIFIED IN
24 SUBSECTION (3)(b) OF THIS SECTION FOR AN EMPLOYER'S FAILURE TO PAY
25 CLAIMED WAGES OR COMPENSATION WITHIN FOURTEEN DAYS AFTER A
26 WRITTEN DEMAND IF THE EMPLOYER PAYS ALL CLAIMED WAGES OR
27 COMPENSATION WITHIN FOURTEEN DAYS AFTER AN ADMINISTRATIVE

1 CLAIM FOR THE SAME WAGES OR COMPENSATION IS SENT TO OR SERVED ON
2 THE EMPLOYER. THE DIRECTOR SHALL NOT WAIVE THE PENALTY IF THE
3 ALLEGED VIOLATION IS A SECOND OR SUBSEQUENT FAILURE OR REFUSAL
4 TO PAY AN EMPLOYEE'S WAGES OR COMPENSATION WITHIN FIVE YEARS.

5 **SECTION 4.** In Colorado Revised Statutes, 8-4-110, **amend** (2);
6 and **repeal** (1)(a) as follows:

7 **8-4-110. Disputes - fees.** (1) (a) ~~The court may award the~~
8 ~~employer reasonable costs and attorney fees incurred in a civil action if,~~
9 ~~within fourteen days after a written demand letter is sent to or a civil~~
10 ~~action is served on the employer for unpaid wages or compensation:~~

11 ~~(I) The employer makes full legal tender of all amounts demanded~~
12 ~~in good faith for all employees; and~~

13 ~~(II) The employees receiving such tender ultimately fail to recover~~
14 ~~a total sum that is greater than the amount the employer tendered.~~

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

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

26 **8-4-111. Enforcement - duty of director - duties of district or**
27 **city attorneys - local government authority to enact and enforce laws**

1 **rules.** (1) (a) (II) The director may establish an administrative
2 procedure to receive complaints and adjudicate claims for nonpayment of
3 wages or compensation of:

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

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

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

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

20 (I) SHALL PUBLISH ON THE DIVISION'S WEBSITE, FOR ANY
21 VIOLATION THAT IS A MATTER OF PUBLIC RECORD PURSUANT TO SECTION
22 8-1-115 (1)(b), THE CITATION, DETERMINATION, OR WRITTEN OPINION;
23 WHETHER THE VIOLATION WAS WILLFUL; AND THE NAMES OF ALL
24 EMPLOYERS IN VIOLATION;

25 (II) SHALL REPORT AN EMPLOYER WITH A WILLFUL VIOLATION
26 UNREMEDIED WITHIN SIXTY DAYS AFTER THE DIVISION'S FINDING TO ANY
27 GOVERNMENT BODY WITH AUTHORITY TO DENY, WITHDRAW, OR

1 OTHERWISE LIMIT OR IMPOSE REMEDIAL CONDITIONS ON THE EMPLOYER'S
2 LICENSE, PERMIT, REGISTRATION, OR OTHER CREDENTIAL. THE DIVISION
3 MAY POST A DECISION AGAINST AN EMPLOYER BY A GOVERNMENT BODY
4 ON THE DIVISION'S WEBSITE.

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

12 (2) (a) (I) THE DIVISION SHALL INVESTIGATE A WAGE COMPLAINT
13 if one or more employees file a THE wage complaint with the division
14 claiming unpaid wages or compensation, EXCLUSIVE OF PENALTIES AND
15 FINES, of seven thousand five hundred dollars or less per employee
16 ~~exclusive of penalties and fines, the division shall investigate the wage~~
17 ~~complaint~~ FOR CLAIMS FILED THROUGH JUNE 30, 2026; THIRTEEN
18 THOUSAND DOLLARS OR LESS FOR CLAIMS FILED FROM JULY 1, 2026,
19 THROUGH DECEMBER 31, 2027; AND AN AMOUNT THAT THE DIRECTOR
20 SPECIFIES IN RULE BY JANUARY 1, 2028, AND BY RULE FOR EVERY OTHER
21 YEAR THEREAFTER. SUCH AMOUNT MUST BE EQUAL TO THE AMOUNT IN
22 THE PREVIOUS CALENDAR YEAR INCREASED BY ONE THOUSAND DOLLARS
23 OR A HIGHER AMOUNT IF SUCH HIGHER AMOUNT IS NECESSARY TO ADJUST
24 FOR INFLATION. INFLATION IS MEASURED BY THE ANNUAL PERCENTAGE
25 CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF
26 LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR
27 DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID FOR BY URBAN

1 CONSUMERS. The division may investigate ~~any~~ A wage complaint made
2 on behalf of a group of similarly situated employees. If the division
3 declines to investigate a group complaint, similarly situated employees
4 may consent in writing to participate as parties to that complaint, and the
5 division may pursue a direct investigation informed by and concurrent
6 with that complaint. The division shall initiate the administrative
7 procedure by sending a notice of complaint to the employer by mail or
8 electronic means in accordance with rules as the director may promulgate
9 when the complaint states a claim for relief. The notice of the complaint
10 must include:

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

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

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

22 (I) Prosecute actions for ~~such~~ violations of this ~~article as~~ ARTICLE
23 ~~4 THAT~~ may come to ~~his or her~~ THE DISTRICT ATTORNEY'S OR THE
24 DELEGATED PERSON'S knowledge; or ~~to~~

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

27 (b) The right of any wage claimant to sue directly or through an

1 assignee for any wages or penalty ~~due him or her under the provisions of~~
2 ~~this article~~ OR OTHER RELIEF AVAILABLE PURSUANT TO THIS ARTICLE 4.

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

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

9 **8-4-113. Fines pursuant to enforcement - wage theft**
10 **enforcement fund - created - administrative lien and levy of employer**
11 **assets - wage claim payments from the fund - definition - rules.**

12 (1) (a) (I.5) AN EMPLOYER FOUND TO HAVE MISCLASSIFIED AN EMPLOYEE
13 AS A NONEMPLOYEE IN A WAY THAT MAY AFFECT A WAGE AND HOUR
14 PAYMENT OR REPORTING OBLIGATION UNDER A STATE, FEDERAL, OR LOCAL
15 LAW, RULE, OR REGULATION SHALL PAY A FINE IN THE FOLLOWING
16 AMOUNTS, INCREASED BY THE DIRECTOR BY RULE BY JANUARY 1, 2028,
17 AND BY RULE BY JANUARY 1 EVERY OTHER YEAR BASED ON THE PRIOR
18 TWO YEARS' INCREASE, IF ANY, IN THE UNITED STATES DEPARTMENT OF
19 LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX, OR A
20 SUCCESSOR INDEX, FOR DENVER-AURORA-LAKEWOOD FOR URBAN WAGE
21 EARNERS AND CLERICAL WORKERS, PER EMPLOYEE, IN ADDITION TO ANY
22 OTHER RELIEF ORDERED:

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

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

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

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

4 (5) (a) On and after April 1, 2024, if an employer fails to pay an
5 employee an amount of wages, compensation, or other monetary relief
6 owed the employee, as determined by the division pursuant to this article
7 4 or article 6 or 12 of this title 8 or as decided by a hearing officer
8 pursuant to section 8-4-111.5, within ~~six months~~ ONE HUNDRED TWENTY
9 DAYS after the division's determination, the hearing officer's decision, or
10 the expiration of ~~any~~ AN order from the division, the hearing officer, or
11 a court staying or postponing the employer's payment obligation,
12 whichever is later, the division may disburse the amount of wages,
13 compensation, or other monetary relief determined to be owed the
14 employee, subject to available resources in the fund and the division's
15 prioritization, from the fund to the employee.

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

18 **8-4-120. Discrimination and retaliation prohibited - employee**
19 **protections - criminal penalties - civil remedies.** (1) An employer, OR
20 ANY OTHER PERSON THAT IS REGULARLY ENGAGED IN BUSINESS OR
21 COMMERCIAL ACTIVITY THAT HAS CONTRACTED WITH AN EMPLOYER OR
22 WORKER, DIRECTLY OR INDIRECTLY, FOR LABOR FROM WHICH SUCH
23 PERSON IS THE BENEFICIARY, shall not intimidate, threaten, restrain,
24 coerce, blacklist, discharge, or in any manner discriminate or retaliate
25 against ~~any~~ AN employee OR WORKER who has:

26 (a) Filed ~~any~~ A complaint or instituted or caused to be instituted
27 ~~any~~ A proceeding under this article 4 or any other law or rule related to

1 wages, hours, or employment of minors; ~~or~~

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

7 (c) RAISED CONCERNS IN GOOD FAITH ABOUT COMPLIANCE WITH
8 OR OTHERWISE PROVIDED INFORMATION AS TO LEGAL RIGHTS AND
9 REMEDIES AVAILABLE UNDER THIS ARTICLE 4 OR ANY OTHER LAW OR RULE
10 RELATED TO WAGES OR HOURS TO ANY PERSON.

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

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

18 (I) Back pay;

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

21 (III) The payment of wages unlawfully withheld;

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

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

27 (VI) Liquidated damages in an amount equal to the greater of two

1 times the amount of the unpaid wages OR OTHER LOST PAY OR
2 COMPENSATION or two thousand dollars; ~~and~~

3 (VII) Injunctive relief; AND

4 (VIII) COMPENSATORY DAMAGES FOR OTHER ECONOMIC OR
5 NONECONOMIC LOSS OR INJURY SHOWN BY COMPETENT EVIDENCE.

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

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

16 (II) ANY EFFORT TO USE AN INDIVIDUAL'S IMMIGRATION STATUS
17 TO IN ANY MANNER DISCRIMINATE OR RETALIATE AGAINST AN EMPLOYEE
18 OR WORKER WHO HAS ENGAGED IN ACTIVITY DESCRIBED IN SUBSECTION
19 (1) OF THIS SECTION IS A VIOLATION OF THIS SECTION.

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

24 **SECTION 8. Appropriation.** For the 2025-26 state fiscal year,
25 \$208,979 is appropriated to the department of labor and employment for
26 use by the division of labor standards and statistics. This appropriation is
27 from the general fund and is based on an assumption that the division will

1 require an additional 1.8 FTE. To implement this act, the division may
2 use this appropriation for program costs related to labor standards.

3 **SECTION 9. Act subject to petition - effective date -**
4 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
5 the expiration of the ninety-day period after final adjournment of the
6 general assembly; except that, if a referendum petition is filed pursuant
7 to section 1 (3) of article V of the state constitution against this act or an
8 item, section, or part of this act within such period, then the act, item,
9 section, or part will not take effect unless approved by the people at the
10 general election to be held in November 2026 and, in such case, will take
11 effect on the date of the official declaration of the vote thereon by the
12 governor.

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