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Member:
Business Affairs & Labor
Committee
State, Veterans & Military
Affairs Committee

COLORADO
HOUSE OF REPRESENTATIVES
State Capitol
Denver
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To: Members of the Business Affairs and Labor Committee
From: Jack Tate
Date: 2/13/2015

HB15-1176 Concerning a limitation on audits performed by the department of labor and employment
February 15.

Dear Committee Members: Attached is a fact sheet regarding my proposed bill HB 15-1176 Department of
Labor and Employment Audit Authority.

This bill limits the authority of the department of labor and employment to conduct audits or investigations only
pertaining to the initial purpose of the audit or investigation.

If you have any questions, please do not hesitate to call me.

Respectfully,
Jack Tate

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HB 15-1176
**CONCERNING A LIMITATION OF AUDITS PERFORMED BY THE
DEPARTMENT OF LABOR AND EMPLOYMENT**

What this bill does:

- Re-enforces the department's responsibility to provide sufficient notice to business owners of an impending audit the department plans to conduct.
- Disallows the Department of Labor and Employment (CDLE) from conducting any additional audits other than the one specifically outlined in the notification letter sent to a business.

Why this bill is necessary:

- Currently, CDLE is required to send a letter notifying a business of an audit they plan to conduct. However, in some cases, once CDLE shows up for the audit, the department conducts additional audits or investigations since they are already at the place of business.
 - Unexpected audits can place a large degree of pressure on a small business that is not prepared for such a request on short notice, or in some cases, no notice.
- The state of Colorado should always have a valid reason to conduct an audit. Additionally, when these audits are conducted, the department must give an employer sufficient time to prepare themselves.

What this bill does NOT do:

- This bill does not prevent CDLE from conducting any audit or investigation they deem necessary. It simply ensures that the department provides adequate notice for all audits and investigations it plans on conducting while at a place of business.

Important considerations:

- Small businesses currently represent 97% of all employers in Colorado, and they employ roughly 50% of the private-sector labor force.
- This bill will have a positive impact on every small business by allowing them to operate in a more stable environment and continue to thrive.