

**Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 14-0333.01 Bart Miller x2173

HOUSE BILL 14-1127

HOUSE SPONSORSHIP

Coram,

SENATE SPONSORSHIP

Hodge,

House Committees

Judiciary
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING DISCLOSURE OF INFORMATION FOR ASSET RECOVERY.**

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>.)

The bill allows a judgment creditor to file a petition in court to compel the department of labor and employment to disclose certain information about a judgment debtor. Judgment creditors must follow federal requirements for protecting any information disclosed and may not share it with other persons. A civil penalty of \$1,000 may be assessed against a judgment creditor who fails to comply with these requirements.

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.*

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 12-14-127.5 as
3 follows:

4 **12-14-127.5. Disclosure of information for asset recovery -**
5 **court order - procedures - restrictions on use of information -**
6 **penalties.** (1) THE DEPARTMENT OF LABOR AND EMPLOYMENT SHALL
7 DISCLOSE TO A JUDGMENT CREDITOR OF A PERSON THE NAME AND
8 ADDRESS OF THE PERSON'S CURRENT EMPLOYER, OR EMPLOYERS IF MORE
9 THAN ONE, AS CONTAINED IN THE DEPARTMENT'S WAGE AND EMPLOYMENT
10 INFORMATION DATABASE, IF THE JUDGMENT CREDITOR:

11 (a) HAS OBTAINED A JUDGMENT AGAINST THE PERSON FROM A
12 COURT OF COMPETENT JURISDICTION;

13 (b) OBTAINS A COURT ORDER REQUIRING THE DISCLOSURE OF
14 INFORMATION IN ACCORDANCE WITH SUBSECTION (2) OF THIS SECTION;
15 AND

16 (c) COMPLIES WITH REQUIREMENTS OF SUBSECTION (3) OF THIS
17 SECTION.

18 (2) A COURT THAT ENTERS A MONEY JUDGMENT AGAINST AN
19 INDIVIDUAL SHALL, REGARDLESS OF WHETHER THE JUDGMENT CREDITOR
20 HAS EXHAUSTED OTHER REMEDIES, GRANT AN ORDER REQUIRING THE
21 DEPARTMENT OF LABOR AND EMPLOYMENT TO DISCLOSE THE NAME AND
22 ADDRESS OF THE JUDGMENT DEBTOR'S CURRENT EMPLOYER OR
23 EMPLOYERS IF:

24 (a) THE JUDGMENT CREDITOR FILES A MOTION WITH THE COURT
25 AND SERVES A COPY OF THE MOTION ON THE JUDGMENT DEBTOR IF
26 REQUIRED BY THE COLORADO RULES OF CIVIL PROCEDURE; AND

1 (b) IF THE JUDGMENT DEBTOR OPPOSES THE MOTION, THE COURT
2 HOLDS A HEARING WITHIN FOURTEEN DAYS AFTER THE FILING OF A TIMELY
3 OBJECTION AND DENIES OR OVERRULES THE OBJECTION.

4 (3) WHEN A COURT ORDER IS GRANTED, THE JUDGMENT CREDITOR
5 SHALL:

6 (a) PROVIDE TO THE DEPARTMENT OF LABOR AND EMPLOYMENT A
7 CERTIFIED COPY OF THE COURT ORDER REQUIRING DISCLOSURE;

8 (b) (I) PAY THE DEPARTMENT OF LABOR AND EMPLOYMENT A
9 REASONABLE FEE THAT REFLECTS THE ACTUAL COST OF PROCESSING THE
10 REQUEST AS DETERMINED IN RULES ADOPTED BY THE DEPARTMENT UNDER
11 SECTION 24-4-103, C.R.S. THE DEPARTMENT SHALL TRANSFER ALL FEES
12 COLLECTED UNDER THIS SUBPARAGRAPH (I) TO THE STATE TREASURER,
13 WHO SHALL CREDIT THE MONEYS TO THE JUDGMENT DEBTOR DISCLOSURE
14 FUND CREATED IN SECTION 24-1-121, C.R.S.

15 (II) THE FEE PAID UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH
16 (b) MAY BE RECOVERED BY THE JUDGMENT CREDITOR AS A TAXABLE
17 LITIGATION COST.

18 (c) COMPLY WITH THE DATA SAFEGUARD AND SECURITY MEASURES
19 DESCRIBED IN 20 C.F.R. 603.9 WITH RESPECT TO INFORMATION RECEIVED
20 FROM THE DEPARTMENT UNDER THIS SECTION.

21 (4) IF A JUDGMENT CREDITOR COMPLIES WITH SUBSECTION (3) OF
22 THIS SECTION, THE DEPARTMENT OF LABOR AND EMPLOYMENT SHALL
23 PROVIDE THE INFORMATION TO THE JUDGMENT CREDITOR WITHIN SEVEN
24 BUSINESS DAYS AFTER THE DAY THE DEPARTMENT RECEIVES THE COURT
25 ORDER.

26 (5) A JUDGMENT CREDITOR MAY NOT:

27 (a) USE THE INFORMATION OBTAINED UNDER THIS SECTION FOR A

1 PURPOSE OTHER THAN SATISFYING THE JUDGMENT BETWEEN THE
2 JUDGMENT CREDITOR AND THE JUDGMENT DEBTOR; OR

3 (b) SHARE THE INFORMATION WITH ANY OTHER PERSON.

4 (6) THE DEPARTMENT OF LABOR AND EMPLOYMENT, WITH JUST
5 CAUSE AND AT ITS OWN EXPENSE, MAY AUDIT A JUDGMENT CREDITOR
6 RECEIVING INFORMATION UNDER THIS SECTION FOR COMPLIANCE WITH THE
7 DATA SAFEGUARD AND SECURITY MEASURES OF 20 C.F.R. 603.9.

8 (7) IF A JUDGMENT CREDITOR FAILS TO COMPLY WITH THE DATA
9 SAFEGUARD AND SECURITY MEASURES UNDER 20 C.F.R. 603.9, THE
10 JUDGMENT CREDITOR, AFTER A COURT FINDING OF NONCOMPLIANCE, IS
11 SUBJECT TO A CIVIL PENALTY OF NOT MORE THAN ONE THOUSAND
12 DOLLARS FOR EACH VIOLATION AS FOLLOWS:

13 (a) THE ATTORNEY GENERAL, ON THE ATTORNEY GENERAL'S
14 BEHALF OR ON BEHALF OF THE DEPARTMENT OF LABOR AND EMPLOYMENT,
15 MAY FILE AN ACTION IN DISTRICT COURT TO SEEK AND ENFORCE THE CIVIL
16 PENALTY; AND

17 (b) THE PREVAILING PARTY IS ENTITLED TO AN AWARD OF ITS
18 REASONABLE ATTORNEY FEES, COURT COSTS, AND INVESTIGATIVE
19 EXPENSES.

20 (8) WHEN COLLECTING ON ANY DEBT ARISING FROM PAST DUE
21 ORDERS, OBLIGATIONS, FINES, OR FEES DUE TO THE STATE OR ANY
22 POLITICAL SUBDIVISION WITHIN THE STATE, ANY FEES OR COSTS OF
23 PRIVATELY RETAINED COUNSEL OR A COLLECTION AGENCY ARE ADDED TO
24 THE AMOUNT DUE AND PLACED FOR COLLECTION, WHETHER OR NOT THE
25 DEBT IS REDUCED TO JUDGMENT. EXCLUSIVE OF THE ACCRUAL OF
26 INTEREST, ANY FEES OR COSTS MUST NOT EXCEED TWENTY-FIVE PERCENT
27 OF THE AMOUNT TO BE COLLECTED, UNLESS ADDITIONAL REASONABLE

1 ATTORNEY FEES ARE AWARDED BY THE COURT.

2 **SECTION 2.** In Colorado Revised Statutes, 12-14-136, **amend**
3 (2) as follows:

4 **12-14-136. Disposition of fees - civil penalties - fines -**
5 **collection agency cash fund - creation.** (2) All CIVIL PENALTIES AND
6 fines collected pursuant to this article, including ~~but not limited to~~ CIVIL
7 PENALTIES COLLECTED UNDER SECTION 12-14-127.5 AND fines collected
8 ~~pursuant to~~ UNDER section 12-14-130, shall be collected by the
9 administrator and transmitted to the state treasurer, who shall credit the
10 same to the general fund.

11 **SECTION 3.** In Colorado Revised Statutes, 24-1-121, **add** (1.7)
12 as follows:

13 **24-1-121. Department of labor and employment - creation.**
14 (1.7) THERE IS HEREBY CREATED IN THE STATE TREASURY THE JUDGMENT
15 DEBTOR DISCLOSURE FUND. THE FUND CONSISTS OF MONEYS FROM FEES
16 COLLECTED UNDER SECTION 12-14-127.5, C.R.S., FOR REQUESTS FOR
17 DISCLOSURE OF CURRENT EMPLOYER INFORMATION ON JUDGMENT
18 DEBTORS. THE MONEYS IN THE FUND ARE SUBJECT TO ANNUAL
19 APPROPRIATION BY THE GENERAL ASSEMBLY FOR THE DIRECT AND
20 INDIRECT COSTS OF THE DEPARTMENT OF LABOR AND EMPLOYMENT
21 PROCESSING REQUESTS FOR DISCLOSURE OF CURRENT EMPLOYER
22 INFORMATION ON JUDGMENT DEBTORS UNDER SECTION 12-14-127.5,
23 C.R.S. THE STATE TREASURER SHALL CREDIT ALL INTEREST DERIVED FROM
24 THE DEPOSIT AND INVESTMENT OF MONEYS IN THE FUND TO THE FUND. AT
25 THE END OF ANY FISCAL YEAR, ALL UNEXPENDED AND UNENCUMBERED
26 MONEYS IN THE FUND REMAIN IN THE FUND AND ARE NOT TRANSFERRED
27 TO THE GENERAL FUND OR ANY OTHER FUND.

1 **SECTION 4. Safety clause.** The general assembly hereby finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, and safety.