

Colorado Legislative Council Staff Fiscal Note

**STATE
FISCAL IMPACT**

Drafting Number: LLS 15-0568
Prime Sponsor(s): Sen. Balmer
 Rep. Pabon

Date: February 3, 2015
Bill Status: Senate Business, Labor, and
 Technology
Fiscal Analyst: Alex Schatz (303-866-4375)

BILL TOPIC: ELECTRONIC WAGE PAYMENT

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Minimal workload increase.	
FTE Position Change		
Appropriation Required: None.		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

Under current law, an employer subject to the Colorado Wage Act¹ must use a negotiable instrument, such as a check payable on demand, to pay wages. The use of company scrip to pay wages is prohibited. Employers may pay wages by direct deposit to an employee's financial institution if the employee authorizes this form of payment. Employers may use a paycard without the employee's permission so long as the employee has the option to use another legal form of payment.

This bill amends the Colorado Wage Act to:

- clarify that an employee's written permission is required to pay wages by direct deposit; and
- place additional controls on the use of paycards, including requiring the employer to provide an explanation of fees and offer a program that does not charge a monthly maintenance fee to use a paycard.

Background

The Colorado Wage Act does not apply to most public employers in the Colorado. The definition of "employer" under the act does not apply to the state, counties, municipalities, school districts, and other political subdivisions in the state.

¹ Title 8, Article 4, C.R.S.

State Expenditures

The Department of Labor and Employment will respond to inquiries from employers and enforce new paycard requirements under the bill. This minimal workload increase will not require new appropriations.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Labor and Employment
Judicial Department

Personnel and Administration
Regulatory Agencies

Law
Revenue