

Colorado Legislative Council Staff Fiscal Note

NO FISCAL IMPACT

Drafting Number: LLS 15-0373
Prime Sponsor(s): Sen. Heath

Date: February 17, 2015
Bill Status: Senate Business, Labor, & Technology
Fiscal Analyst: Alex Schatz (303-866-4375)

BILL TOPIC: CLASSIFICATION OF INDEPENDENT CONTRACTORS

Summary of Legislation

Under current law, a business or individual is required to make available unemployment benefits to any other individual they hire to provide a service, unless the individual is an independent contractor. To overcome this presumption of an employment relationship, current statute includes a provision that the Division of Unemployment Insurance (division) in the Department of Labor and Employment must be satisfied that the services of an independent contractor are free from the control and direction of the person to whom services are provided.

This bill eliminates the statutory language that requires the division to be satisfied that an independent contractor is free from direction and control. Thus, the bill clarifies that, regardless of the findings of the division, an independent contractor relationship may exist in any situation where freedom from control and direction is reflected in the contractual and factual relationship between the two parties.

Assessment

This bill is assessed as having no fiscal impact. The language removed from statute does not control the outcome of any case under current law. Thus, this clarification of the process to determine independent contractor status has no impact on any state or local government revenue or expenditures.

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
Local Affairs

Law