

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0663.01 Kristen Forrestal x4217

HOUSE BILL 15-1176

HOUSE SPONSORSHIP

Tate,

SENATE SPONSORSHIP

(None),

House Committees
Business Affairs and Labor

Senate Committees

A BILL FOR AN ACT

101 CONCERNING A LIMITATION ON AUDITS PERFORMED BY THE
102 DEPARTMENT OF LABOR AND EMPLOYMENT.

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

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

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 **SECTION 1.** In Colorado Revised Statutes, 8-2-122, **amend** (3)
2 as follows:

3 **8-2-122. Employment verification requirements - audits - fine**
4 **for fraudulent documents - cash fund created - definitions.** (3) Upon
5 the request of the director, an employer shall submit documentation to the
6 director that demonstrates that the employer is in compliance with the
7 employment verification requirements specified in 8 U.S.C. sec. 1324a
8 (b) and documentation that the employer has complied with the
9 requirements of subsection (2) of this section. The director or the
10 director's designee may conduct random audits of employers in Colorado
11 to obtain the documentation. AN AUDIT CONDUCTED PURSUANT TO THIS
12 SECTION IS LIMITED TO THE INVESTIGATION OF AN EMPLOYER'S
13 COMPLIANCE WITH THE EMPLOYMENT VERIFICATION AND EXAMINATION
14 REQUIREMENTS OF THIS SECTION. When the director has reason to believe
15 that an employer has not complied with the employment verification and
16 examination requirements, the director shall request the employer to
17 submit the documentation.

18 **SECTION 2.** In Colorado Revised Statutes, 8-4-111, **amend**
19 (2) (a) (I) introductory portion as follows:

20 **8-4-111. Enforcement - duty of director - duties of district or**
21 **city attorneys.** (2) (a) (I) If one or more employees files a wage
22 complaint with the division claiming unpaid wages or compensation of
23 seven thousand five hundred dollars or less per employee, exclusive of
24 penalties and fines, the division shall investigate the wage complaint. The
25 division shall initiate the administrative procedure by sending a notice of
26 complaint to the employer by mail or electronic means in accordance with
27 rules as the director may promulgate when the complaint states a claim

1 for relief. THE INVESTIGATION OF THE WAGE COMPLAINT BY THE DIVISION
2 IS LIMITED TO THE SUBJECT OF THE NOTICE OF THE WAGE COMPLAINT SENT
3 TO THE EMPLOYER. The notice of the complaint must include:

4 **SECTION 3.** In Colorado Revised Statutes, 8-70-115, **add** (4) as
5 follows:

6 **8-70-115. Employment - "Federal Unemployment Tax Act".**

7 (4) IF THE DIVISION AUDITS OR INVESTIGATES THE EMPLOYMENT
8 CLASSIFICATION OF AN EMPLOYER PURSUANT TO THIS SECTION, THE AUDIT
9 OR INVESTIGATION IS LIMITED TO EMPLOYMENT CLASSIFICATION ONLY.

10 **SECTION 4. Act subject to petition - effective date.** This act
11 takes effect at 12:01 a.m. on the day following the expiration of the
12 ninety-day period after final adjournment of the general assembly (August
13 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a
14 referendum petition is filed pursuant to section 1 (3) of article V of the
15 state constitution against this act or an item, section, or part of this act
16 within such period, then the act, item, section, or part will not take effect
17 unless approved by the people at the general election to be held in
18 November 2016 and, in such case, will take effect on the date of the
19 official declaration of the vote thereon by the governor.