



Legislative Council Staff

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Final Fiscal Note

Drafting Number: LLS 23-0851 **Date:** August 21, 2023
Prime Sponsors: Sen. Bridges; Zenzinger **Bill Status:** Signed into Law
Rep. Sirota; Bockenfeld **Fiscal Analyst:** Colin Gaiser | 303-866-2677
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Bill Topic: **AMEND FUND TO ALLOW PAYMENT OVERDUE WAGE CLAIMS**

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

Budget package bill. The bill allows the Department of Labor and Employment to use the Wage Theft Enforcement Fund to pay employees for unpaid liabilities resulting from wage law violations, and makes the fund continuously appropriated for this purpose. It increases state revenue and expenditures on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires and includes an appropriation of \$12,657 to the Department of Labor and Employment.

Fiscal Note Status: The fiscal note reflects the enacted bill. The bill was recommended by the Joint Budget Committee as part of its FY 2023-24 budget package.

Table 1
State Fiscal Impacts Under SB 23-231

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue	Cash Funds	-	\$20,000
Expenditures	Cash Funds	\$12,657	\$16,046
	Total FTE	0.2 FTE	0.2 FTE
Transfers		-	-
Other Budget Impacts	TABOR Refund	-	\$20,000

Summary of Legislation

The bill allows the Division of Labor Standards and Statistics (DLSS) in the Department of Labor and Employment (CDLE) to use money from the Wage Theft Enforcement Fund (fund) to pay employees for unpaid liabilities resulting from wage law violations. On or after April 1, 2024, CDLE may compensate an employee if their employer fails to pay the unpaid compensation within six months of receiving a citation from the CDLE or a decision from a hearing officer. After paying an employee, the CDLE may continue to pursue payment from the employer, and money recovered from the employer will be credited to the fund.

The bill requires the CDLE to promulgate rules by December 29, 2023, specifying procedures and criteria for employees to submit information and request payments for unpaid wages.

The bill continuously appropriates money in the fund to the DLSS for the purpose of making payments to employees and excludes the fund from the limit on cash fund reserves.

State Revenue

Beginning in FY 2024-25, the bill is anticipated to increase state revenue to the Wage Theft Enforcement Fund from continued pursuit of employer penalties. This amount is estimated at \$20,000 per year assuming that CDLE will collect employer payments in a fraction of cases. This revenue is subject to TABOR.

State Expenditures

The bill increases state expenditures in the CDLE by \$12,657 in FY 2023-24, and \$16,046 in FY 2024-25, paid from the Wage Theft Enforcement Fund, for 0.2 FTE to support the increased workload associated with processing payments to wage theft victims and accounting for fund receipts.

Other Budget Impacts

TABOR refunds. The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the March 2023 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2024-25. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Effective Date

This bill was signed into law by the Governor and took effect on April 17, 2023.

State Appropriations

For FY 2023-24, the bill requires and includes an appropriation of \$12,657 from the Wage Theft Enforcement Fund to the Department of Labor and Employment, and 0.2 FTE.

State and Local Government Contacts

Joint Budget Committee Staff

Labor