

**Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

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

LLS NO. 24-0950.01 Yelana Love x2295

**HOUSE BILL 24-1324**

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**HOUSE SPONSORSHIP**

**Clifford,**

**SENATE SPONSORSHIP**

**Liston,**

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**House Committees**  
Business Affairs & Labor

**Senate Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING THE ATTORNEY GENERAL'S OVERSIGHT OF RESTRICTIVE**  
102     **EMPLOYMENT AGREEMENTS.**

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**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://leg.colorado.gov>.)*

The bill grants the attorney general rule-making authority over restrictive employment agreements.

Current law allows an employer to recover the expense of educating and training a worker where the training is distinct from normal, on-the-job training. The bill regulates the recoverable expense as other consumer debt and student debt.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words or numbers indicate deletions from existing law.

The bill also adds the requirement that, for an employer to recover the expense, the training must comply with rules promulgated by the attorney general regarding the transferability of the training or credentialing that is available to the employee as a result of the training.

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

2 **SECTION 1.** In Colorado Revised Statutes, 5-1-301, **add**  
3 (11)(a.5) and (15)(a.5) as follows:

4 **5-1-301. General definitions.** In addition to definitions appearing  
5 in subsequent articles, as used in this code, unless the context otherwise  
6 requires:

7 (11)(a.5) "CONSUMER CREDIT SALE" INCLUDES THE RECOVERABLE  
8 EXPENSE OF EDUCATING AND TRAINING A WORKER PURSUANT TO SECTION  
9 8-2-113 (3)(a).

10 (15) (a.5) "CONSUMER LOAN" INCLUDES THE RECOVERABLE  
11 EXPENSE OF EDUCATING AND TRAINING A WORKER PURSUANT TO SECTION  
12 8-2-113 (3)(a).

13 **SECTION 2.** In Colorado Revised Statutes, 5-16-103, **add**  
14 (8)(a.5) as follows:

15 **5-16-103. Definitions.** As used in this article 16, unless the  
16 context otherwise requires:

17 (8) (a.5) "DEBT" INCLUDES THE RECOVERABLE EXPENSE OF  
18 EDUCATING AND TRAINING A WORKER PURSUANT TO SECTION 8-2-113  
19 (3)(a).

20 **SECTION 3.** In Colorado Revised Statutes, 5-20-202, **amend** (4)  
21 and (5) as follows:

22 **5-20-202. Definitions.** As used in this part 2, unless the context  
23 otherwise requires:

1 (4) "Postsecondary educational institution" means an institution  
2 that provides postsecondary instruction, as defined in section 23-60-103  
3 (3), INCLUDING AN EMPLOYER THAT PROVIDES EDUCATION AND TRAINING  
4 TO A WORKER WHERE THE EXPENSE OF THE EDUCATION AND TRAINING IS  
5 RECOVERABLE PURSUANT TO SECTION 8-2-113 (3)(a).

6 (5) "Postsecondary education expense" means any expense  
7 associated with a student's enrollment in, or attendance at, a  
8 postsecondary educational institution, INCLUDING AN EMPLOYER'S  
9 RECOVERABLE EXPENSE OF EDUCATING AND TRAINING A WORKER  
10 PURSUANT TO SECTION 8-2-113 (3)(a).

11 **SECTION 4.** In Colorado Revised Statutes, 8-2-113, **amend**  
12 (3)(a), (8)(a), and (8)(b); and **add (8)(d) and (9)** as follows:

13 **8-2-113. Unlawful to intimidate worker - agreement not to**  
14 **compete - prohibition - exceptions - notice - rules - definitions.**

15 (3) The following covenants are not prohibited by subsection (2) of this  
16 section:

17 (a) A provision providing for an employer's recovery of the  
18 expense of educating and training a worker where the training is distinct  
19 from normal, on-the-job training AND SATISFIES ANY OTHER  
20 REQUIREMENTS ESTABLISHED BY THE ATTORNEY GENERAL, BY RULE,  
21 REGARDING THE TRANSFERABILITY OF THE TRAINING OR CREDENTIALING  
22 THAT IS AVAILABLE TO THE EMPLOYEE AS A RESULT OF THE TRAINING. The  
23 employer's recovery is limited to the reasonable costs of the training and  
24 decreases over the course of the two years subsequent to the training  
25 proportionately based on the number of months that have passed since the  
26 completion of the training, and the employer recovering for the costs of  
27 the training would not violate the FEDERAL "Fair Labor Standards Act of

1 1938", 29 U.S.C. sec. 201 et seq., or article 4 of this title 8; EXCEPT THAT  
2 A PUBLIC EMPLOYER'S RECOVERY OF THE COSTS OF THE TRAINING MAY  
3 DECREASE OVER A PERIOD LONGER THAN TWO YEARS.

4 (8) (a) An employer shall not enter into, present to a worker or  
5 prospective worker as a term of employment, or attempt to enforce any  
6 covenant ~~not to compete~~ that is void under this section.

7 (b) An employer that violates subsection (8)(a) of this section is  
8 liable for actual damages and a penalty of five thousand dollars per  
9 worker or prospective worker harmed by the conduct. The attorney  
10 general and any worker or prospective worker harmed by an employer's  
11 conduct may bring an action for injunctive relief and to recover penalties.  
12 THE ATTORNEY GENERAL MAY RECOVER THREE TIMES THE AMOUNT OF  
13 ANY RECOVERY OR ATTEMPTED RECOVERY BY AN EMPLOYER IN VIOLATION  
14 OF SUBSECTION (3)(a) OF THIS SECTION. In addition to injunctive relief and  
15 the penalty allowed in this subsection (8)(b), a worker or prospective  
16 worker may recover actual damages, reasonable costs, and attorney fees  
17 in any private action brought under this section.

18 (d) WHERE THE ATTORNEY GENERAL HAS BROUGHT AN ACTION  
19 UNDER SUBSECTION (2), (3), (4), (6), OR (8)(a) OF THIS SECTION AND HAS  
20 RECOVERED ACTUAL DAMAGES, PENALTIES, OR INJUNCTIVE RELIEF  
21 PURSUANT TO SUBSECTION (8)(b) OF THIS SECTION, A WORKER OR  
22 PROSPECTIVE WORKER IS PRECLUDED FROM RECOVERING THE ACTUAL  
23 DAMAGES, PENALTIES, OR INJUNCTIVE RELIEF THAT WAS RECOVERED IN  
24 THE ATTORNEY GENERAL'S ACTION.

25 (9) (a) THE ATTORNEY GENERAL MAY ENFORCE SUBSECTIONS (2),  
26 (3), (4), (6), AND (8)(a) OF THIS SECTION.

27 (b) THE ATTORNEY GENERAL MAY PROMULGATE RULES

1 NECESSARY TO IMPLEMENT AND ENFORCE SUBSECTIONS (2), (3), (4), (6),  
2 AND (8)(a) OF THIS SECTION, INCLUDING THE RULE-MAKING SPECIFIED IN  
3 SUBSECTION (3)(a) OF THIS SECTION.

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5 **SECTION 5. Act subject to petition - effective date.** This act  
6 takes effect at 12:01 a.m. on the day following the expiration of the  
7 ninety-day period after final adjournment of the general assembly; except  
8 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
9 of the state constitution against this act or an item, section, or part of this  
10 act within such period, then the act, item, section, or part will not take  
11 effect unless approved by the people at the general election to be held in  
12 November 2024 and, in such case, will take effect on the date of the  
13 official declaration of the vote thereon by the governor.