Second Regular Session Seventy-second General Assembly STATE OF COLORADO

INTRODUCED

LLS NO. 20-0436.01 Kristen Forrestal x4217

SENATE BILL 20-192

SENATE SPONSORSHIP

Rodriguez and Gonzales, Danielson

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A BILL FOR AN ACT CONCERNING ADDITIONAL PROTECTIONS FOR EMPLOYEES OF A STAFFING AGENCY WHO ARE REFERRED TO WORK-SITE EMPLOYERS FOR 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://leg.colorado.gov.)

The bill requires a staffing agency that places temporary and part-time employees with work-site employers to provide the employees specific information concerning the terms and conditions of employment. The information must be provided in writing before the end of the first pay period.

The bill requires the staffing agency to post a notice in its workplace that includes the name and telephone number of the division of labor standards and statistics (division) in the department of labor and employment and a description of employees' rights to the receipt of the required terms and conditions of employment.

A staffing agency and a work-site employer are prohibited from charging an employee:

- ! A fee for certain work-related expenses or deducting expenses from the employee's wages without authorization from the employee;
- ! The cost of required specific transportation services; or
- ! More than the actual cost of optional transportation.

The bill prohibits a staffing agency from knowingly issuing, distributing, circulating, or providing false, fraudulent, or misleading information to an employee or applicant for employment and from refusing to refund fees or costs owed to the employee.

The bill requires each staffing agency to annually register and pay a fee to the division. Each staffing agency is required to submit information to the division in a form and manner required by the division. The division is required to maintain a list of the registration status of each staffing agency on its website. Employers who use staffing agencies are required to verify whether the staffing agency is registered with the division. The division may assess a fine for a violation and may revoke or suspend the registration of a staffing agency for any violation.

The division is authorized to promulgate rules, including rules that state the information that a staffing agency is required to submit to the division and that establish circumstances where a staffing agency's registration may be revoked or suspended.

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

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2 **SECTION 1. Legislative declaration.** (1) The general assembly hereby finds and declares that:

- (a) The temporary workforce has been growing rapidly since the end of the great recession;
- (b) According to a national survey of temporary workers, 22% of the workers experienced racial discrimination, 53% of Latinx workers felt targeted due to their immigration status, and 47% of workers who filed a complaint with authorities about discrimination or other work

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1	conditions experienced retaliation;
2	(c) In Colorado, the hourly median wage for temporary help and
3	staffing agency workers is 25% lower than that of workers overall. For
4	workers in logistics, the pay gap is 28%, and for construction workers, the
5	pay gap is 39%.
6	(d) According to a national survey of temporary workers, 74% had
7	experienced at least one form of wage theft, such as not being paid for all
8	hours worked, not being paid overtime, or having illegal deductions from
9	their paychecks, such as deductions for equipment and other job
10	necessities or for required transportation to and from the work site; and
11	(e) Temporary staffing has shifted from office and clerical to
12	production and transportation. These occupations come with much higher
13	risk of workplace injury and death, and temporary workers do not receive
14	the same training or safety equipment and as a result experience more
15	work-related injuries.
16	(2) Therefore, the general assembly declares that temporary
17	workers deserve the same workplace protections as permanent workers.
18	SECTION 2. In Colorado Revised Statutes, add 8-2-131 as
19	follows:
20	8-2-131. Staffing agencies - temporary and part-time
21	employees - definitions - rules. (1) As used in this section, unless
22	THE CONTEXT OTHERWISE REQUIRES:
23	(a) "DIVISION" MEANS THE DIVISION OF LABOR STANDARDS AND
24	STATISTICS IN THE DEPARTMENT OF LABOR AND EMPLOYMENT.
25	(b) "EMPLOYEE" HAS THE SAME MEANING AS SECTION 8-4-101 (5).
26	(c) "EMPLOYER" HAS THE SAME MEANING AS SECTION 8-4-101 (6).
27	(d) "EMPLOYMENT" MEANS ANY TRADE, OCCUPATION, JOB,

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1	POSITION, OR PROCESS OF MANUFACTURE OR ANY METHOD OF CARRYING
2	ON ANY SUCH TRADE, OCCUPATION, JOB, POSITION, OR PROCESS OF
3	MANUFACTURE IN WHICH ANY PERSON IS ENGAGED.
4	(e) "STAFFING AGENCY" MEANS AN ENTITY, AS THAT TERM IS
5	DEFINED IN SECTION 7-90-102 (20), THAT PROCURES OR PROVIDES
6	TEMPORARY OR PART-TIME EMPLOYMENT TO AN INDIVIDUAL WHO WORKS
7	UNDER THE SUPERVISION OR DIRECTION OF A WORK-SITE EMPLOYER.
8	(f) "WORK-SITE EMPLOYER" MEANS A PERSON THAT A STAFFING
9	AGENCY CONTRACTS WITH OR OTHERWISE AGREES TO PROVIDE
10	TEMPORARY OR PART-TIME EMPLOYEES.
11	(2) A STAFFING AGENCY SHALL PROVIDE EACH EMPLOYEE PLACED
12	FOR EMPLOYMENT IN A NEW ASSIGNMENT WITH A WORK-SITE EMPLOYER
13	NOTICE OF THE FOLLOWING:
14	(a) THE NAME AND ADDRESS OF:
15	(I) THE STAFFING AGENCY;
16	(II) THE STAFFING AGENCY'S WORKERS' COMPENSATION
17	INSURANCE CARRIER;
18	(III) THE WORK-SITE EMPLOYER; AND
19	(IV) THE DIVISION;
20	(b) A DESCRIPTION OF THE POSITION THAT THE EMPLOYEE WILL
21	FILL; AN INDICATION OF WHETHER ANY SPECIAL CLOTHING, EQUIPMENT,
22	TRAINING, OR LICENSES ARE REQUIRED; AND WHETHER THERE IS A COST TO
23	THE EMPLOYEE FOR SUPPLIES OR TRAINING;
24	(c) THE DESIGNATED PAY DAY, THE HOURLY RATE OF PAY, AND
25	WHETHER THE EMPLOYMENT IS ELIGIBLE FOR OVERTIME PAY;
26	(d) THE DAILY START TIME AND ANTICIPATED END TIME OF THE
27	WORKDAY;

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1	(e) THE EXPECTED DURATION OF EMPLOYMENT;
2	(f) AN INDICATION OF WHETHER MEALS ARE PROVIDED BY THE
3	STAFFING AGENCY OR THE WORK-SITE EMPLOYER AND, IF ANY, THE COST
4	TO THE EMPLOYEE FOR THE MEALS; AND
5	(g) DETAILS OF THE MEANS OF TRANSPORTATION TO AND FROM
6	THE WORK-SITE EMPLOYER'S WORK SITE AND ANY FEES CHARGED TO THE
7	EMPLOYEE FOR THE TRANSPORTATION.
8	(3) The notice required in subsection (2) of this section
9	MUST BE IN WRITING AND SENT TO THE EMPLOYEE BY MEANS DESIGNATED
10	BY THE EMPLOYEE BEFORE THE END OF THE FIRST PAY PERIOD. THE
11	STAFFING AGENCY SHALL PROVIDE ANY CHANGE TO THE INITIAL TERMS OF
12	THE NOTICE IN WRITING TO THE EMPLOYEE AT THE TIME THE CHANGE IS
13	MADE.
14	(4) A STAFFING AGENCY SHALL POST IN A CONSPICUOUS PLACE AT
15	EACH OF ITS LOCATIONS IN A FORM DETERMINED BY RULE OF THE
16	DIRECTOR OF THE DIVISION A NOTICE THAT INCLUDES THE NAME AND
17	TELEPHONE NUMBER OF THE DIVISION AND A DESCRIPTION OF EMPLOYEES
18	RIGHTS TO THE RECEIPT OF THE INFORMATION REQUIRED BY SUBSECTION
19	(2) OF THIS SECTION.
20	(5) A STAFFING AGENCY OR A WORK-SITE EMPLOYER SHALL NOT
21	CHARGE OR ACCEPT A FEE FROM AN EMPLOYEE:
22	(a) FOR THE COST OF REGISTRATION OF THE STAFFING AGENCY OF
23	THE COST OF PROCURING EMPLOYMENT;
24	(b) FOR ANY GOOD OR SERVICE UNLESS THE FEE IS CHARGED OF
25	ACCEPTED PURSUANT TO THE TERMS OF A WRITTEN CONTRACT WITH THE
26	EMPLOYEE, WHICH CONTRACT CLEARLY STATES IN A LANGUAGE
2.7	UNDERSTANDABLE TO THE EMPLOYEE THAT THE PAYMENT OF THE FEE IS

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1	VOLUNTARY AND THAT THE STAFFING AGENCY WILL NOT GAIN A PROFIT
2	FROM THE FEE CHARGED TO THE EMPLOYEE;
3	(c) IN AN AMOUNT THAT EXCEEDS THE ACTUAL COST PER
4	EMPLOYEE FOR A DRUG SCREEN OR FOR THE PROVISION OF A BANK CARD,
5	DEBIT CARD, PAYROLL CARD, VOUCHER, DRAFT, MONEY ORDER, OR
6	SIMILAR FORM OF PAYMENT OR WAGES;
7	(d) FOR A CRIMINAL HISTORY RECORD CHECK;
8	(e) FOR TRANSPORTATION, EXCEPT AS PROVIDED IN SUBSECTION
9	(7) OF THIS SECTION;
10	(f) FOR ANY GOOD OR SERVICE IF THE AMOUNT OF THE FEE IS
11	SUFFICIENT TO CAUSE THE EMPLOYEE TO EARN LESS THAN THE APPLICABLE
12	MINIMUM WAGE; OR
13	(g) FOR ANY OTHER GOOD OR SERVICE THAT IS OTHERWISE
14	PROHIBITED BY LAW.
15	(6) A STAFFING AGENCY, A WORK-SITE EMPLOYER, OR A PERSON
16	ACTING IN THE INTEREST OF THE STAFFING AGENCY OR WORK-SITE
17	EMPLOYER SHALL NOT DEDUCT COSTS OR FEES FROM THE WAGES OF AN
18	EMPLOYEE WITHOUT THE EXPRESS WRITTEN AUTHORIZATION OF THE
19	EMPLOYEE. IF THE EMPLOYEE PROVIDES EXPRESS WRITTEN
20	AUTHORIZATION, THE STAFFING AGENCY OR THE WORK-SITE EMPLOYER
21	SHALL PROVIDE A COPY OF THE AUTHORIZATION TO THE EMPLOYEE IN A
22	LANGUAGE THAT THE EMPLOYEE UNDERSTANDS.
23	(7) (a) If a staffing agency or work-site employer, or a
24	PERSON ACTING IN THE INTEREST OF EITHER, OFFERS TRANSPORTATION
25	SERVICES TO AN EMPLOYEE, THE STAFFING AGENCY, WORK-SITE
26	EMPLOYER, OR PERSON MAY NOT CHARGE A FEE THAT EXCEEDS THE
27	ACTUAL COST TO TRANSPORT THE EMPLOYEE TO OR FROM THE DLACE OF

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1	EMPLOYMENT. THE FEE, IF ANY, MAY NOT EXCEED THREE PERCENT OF THE
2	EMPLOYEE'S TOTAL DAILY WAGES AND MUST NOT REDUCE THE
3	EMPLOYEE'S TOTAL DAILY WAGES BELOW THE APPLICABLE MINIMUM
4	WAGE.
5	(b) A STAFFING AGENCY OR WORK-SITE EMPLOYER THAT REQUIRES
6	THE USE OF SPECIFIC TRANSPORTATION MAY NOT CHARGE A FEE TO THE
7	EMPLOYEE FOR THE TRANSPORTATION.
8	(c) IF A STAFFING AGENCY SENDS AN EMPLOYEE TO A WORK-SITE
9	EMPLOYER FOR EMPLOYMENT, NO EMPLOYMENT EXISTS FOR THE
10	EMPLOYEE, AND THE STAFFING AGENCY CHARGED THE EMPLOYEE FOR
11	TRANSPORTATION, THE STAFFING AGENCY SHALL REFUND TO THE
12	EMPLOYEE THE FULL COST OF TRANSPORTATION TO AND FROM THE PLACE
13	OF EMPLOYMENT.
14	(8) A STAFFING AGENCY SHALL NOT:
15	(a) Knowingly issue, distribute, circulate, or provide any
16	FALSE, FRAUDULENT, OR MISLEADING INFORMATION, REPRESENTATION,
17	PROMISE, NOTICE, OR ADVERTISEMENT TO AN EMPLOYEE OR APPLICANT
18	FOR EMPLOYMENT;
19	(b) ASSIGN OR PLACE AN EMPLOYEE IN EMPLOYMENT BY FORCE OR
20	FRAUD, FOR ILLEGAL PURPOSES, OR WHERE THE EMPLOYMENT IS IN
21	VIOLATION OF STATE OR FEDERAL LAWS GOVERNING MINIMUM WAGE,
22	CHILD LABOR, COMPULSORY SCHOOL ATTENDANCE, OR REQUIRED
23	LICENSURE, REGISTRATION, OR CERTIFICATION;
24	(c) ASSIGN OR PLACE AN EMPLOYEE IN EMPLOYMENT AT ANY
25	LOCATION THAT IS ON STRIKE OR LOCKOUT WITHOUT NOTIFYING THE
26	EMPLOYEE OF THE STRIKE OR LOCKOUT; OR
27	(d) REFUSE TO RETURN ON DEMAND ANY PERSONAL PROPERTY

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1	BELONGING TO AN EMPLOYEE OR ANY FEE THAT IS CHARGED OR ACCEPTED
2	BY A STAFFING AGENCY OR WORK-SITE EMPLOYER IN EXCESS OF THE
3	AMOUNTS ALLOWED PURSUANT TO THIS SECTION.
4	(9) (a) On and after January 1, 2021, Each Staffing Agency
5	DOING BUSINESS IN THIS STATE SHALL REGISTER ANNUALLY WITH THE
6	DIVISION. AT THE TIME OF REGISTRATION, THE STAFFING AGENCY SHALL
7	PAY A REGISTRATION FEE TO THE DIVISION IN AN AMOUNT DETERMINED BY
8	RULE OF THE DIRECTOR OF THE DIVISION AND SUBMIT INFORMATION IN A
9	FORM AND MANNER DETERMINED BY THE DIVISION.
10	(b) THE DIVISION SHALL CREATE AND MAINTAIN ON ITS PUBLIC
11	WEBSITE A LIST OF STAFFING AGENCIES IN THIS STATE WHOSE
12	REGISTRATION:
13	(I) Is in good standing;
14	(II) HAS BEEN SUSPENDED, INCLUDING THE REASON FOR THE
15	SUSPENSION, THE DATE THE SUSPENSION WAS INITIATED, AND THE DATE,
16	IF KNOWN, THAT THE SUSPENSION IS TO BE LIFTED; AND
17	(III) HAS BEEN REVOKED, INCLUDING THE REASON FOR THE
18	REVOCATION.
19	(10) (a) A work-site employer shall verify that a staffing
20	AGENCY HAS A REGISTRATION IN GOOD STANDING BEFORE THE WORK-SITE
21	EMPLOYER ENTERS INTO A CONTRACT WITH THE STAFFING AGENCY FOR
22	PART-TIME OR TEMPORARY EMPLOYEES AND ON OR BEFORE MARCH 1 AND
23	SEPTEMBER 1 OF EACH YEAR THAT A CONTRACT REMAINS IN PLACE. THE
24	DIVISION MAY ASSESS A FINE AGAINST A WORK-SITE EMPLOYER THAT DOES
25	BUSINESS WITH AN UNREGISTERED STAFFING AGENCY OF UP TO FIVE
26	HUNDRED DOLLARS FOR EACH DAY THAT THE VIOLATION OCCURS.
27	(b) (I) A STAFFING AGENCY SHALL:

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1	(A) AT THE TIME OF ENTERING INTO A CONTRACT WITH A
2	WORK-SITE EMPLOYER, PROVIDE THE WORK-SITE EMPLOYER WITH PROOF
3	OF VALID REGISTRATION ISSUED BY THE DIVISION; AND
4	(B) NOTIFY EACH WORK-SITE EMPLOYER WITH WHOM IT HAS A
5	CONTRACT, BY TELEPHONE AND IN WRITING, OF ANY DENIAL, SUSPENSION,
6	OR REVOCATION OF THE STAFFING AGENCY'S REGISTRATION BY THE
7	DIVISION.
8	(II) A CONTRACT BETWEEN A STAFFING AGENCY AND A WORK-SITE
9	EMPLOYER IS VOID AS OF THE DATE OF THE DENIAL, SUSPENSION, OR
10	REVOCATION OF A STAFFING AGENCY'S REGISTRATION.
11	(11) THE DIVISION MAY REVOKE OR SUSPEND THE REGISTRATION
12	OF A STAFFING AGENCY AND MAY ASSESS FINES PURSUANT TO SECTION
13	8-1-140 FOR VIOLATIONS OF THIS SECTION.
14	(12) THE DIRECTOR OF THE DIVISION MAY PROMULGATE RULES TO
15	IMPLEMENT THIS SECTION, INCLUDING RULES THAT STATE THE
16	INFORMATION THAT A STAFFING AGENCY IS REQUIRED TO SUBMIT TO THE
17	DIVISION AT THE TIME OF REGISTRATION PURSUANT TO SUBSECTION $(9)(a)$
18	OF THIS SECTION AND THAT ESTABLISH CIRCUMSTANCES UNDER WHICH
19	THE DIVISION MAY REVOKE OR SUSPEND A STAFFING AGENCY'S
20	REGISTRATION.
21	SECTION 3. Act subject to petition - effective date. This act
22	takes effect at 12:01 a.m. on the day following the expiration of the
23	ninety-day period after final adjournment of the general assembly (August
24	5, 2020, if adjournment sine die is on May 6, 2020); except that, if a
25	referendum petition is filed pursuant to section 1 (3) of article V of the
26	state constitution against this act or an item, section, or part of this act
27	within such period, then the act, item, section, or part will not take effect

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- 1 unless approved by the people at the general election to be held in
- November 2020 and, in such case, will take effect on the date of the
- 3 official declaration of the vote thereon by the governor.

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