CHAPTER 383

LABOR AND INDUSTRY

HOUSE BILL 24-1129

BY REPRESENTATIVE(S) Vigil and Mabrey, Bacon, Bird, Boesenecker, Brown, Clifford, deGruy Kennedy, Duran, Epps, Froelich, Garcia, Hamrick, Hernandez, Herod, Joseph, Kipp, Lieder, Lindsay, Lindstedt, Marvin, Ortiz, Ricks, Rutinel, Sirota, Titone, Velasco, Amabile, English, Lukens, McLachlan, Parenti, Weissman;

also SENATOR(S) Hinrichsen and Priola, Bridges, Buckner, Cutter, Exum, Fields, Ginal, Gonzales, Jaquez Lewis, Kolker, Marchman, Michaelson Jenet, Mullica, Rodriguez, Sullivan.

AN ACT

CONCERNING PROTECTIONS FOR DRIVERS ENGAGED WITH DELIVERY NETWORK COMPANIES, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, add 8-4-126 as follows:

- 8-4-126. Cost and wage transparency from delivery network companies notice requirements - deactivation requirements - enforcement - driver safety - task acceptance time - penalties - definitions - rules. (1) Definitions. As USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:
- (a) "Consumer" means an individual who uses a digital platform to ORDER DELIVERY SERVICES FROM A DELIVERY NETWORK COMPANY.
- (b) "DEACTIVATE" OR "DEACTIVATION" MEANS CONDUCT THAT A DELIVERY NETWORK COMPANY ENGAGES IN TO MATERIALLY RESTRICT A DRIVER'S ACCESS TO THE DIGITAL PLATFORM FOR MORE THAN SEVENTY-TWO HOURS, INCLUDING BLOCKING A DRIVER'S ACCESS TO THE DIGITAL PLATFORM, SUSPENDING A DRIVER, OR CHANGING A DRIVER'S STATUS FROM ELIGIBLE TO INELIGIBLE TO PROVIDE DELIVERY SERVICES THROUGH THE DELIVERY NETWORK COMPANY'S DIGITAL PLATFORM.
- (c) (I) "Delivery network company" or "DNC" means any person that SELLS THE DELIVERY OF GOODS OR SERVICES, INCLUDING DELIVERY PROVIDED AS PART OF THE SALE OF GOODS, IN THE STATE AND THAT ENGAGES OR DISPATCHES DELIVERY DRIVERS THROUGH A DIGITAL PLATFORM.

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- (II) "Delivery network company" or "DNC" does not include a motor carrier of towed motor vehicles regulated by the public utilities commission pursuant to part 4 of article 10.1 of title 40 or a motor carrier of household goods regulated by the public utilities commission pursuant to part 5 of article 10.1 of title 40.
- (d) "Delivery Task" or "Task" means the time spent, distance traveled, and route followed by a driver to provide delivery services to a consumer through a delivery network company, including traveling to a merchant's business; picking up food, beverages, or other goods for delivery; and taking and depositing the delivery at a different location, as requested. A delivery task may encompass multiple transactions.
- (e) "DIGITAL PLATFORM" MEANS AN ONLINE APPLICATION, INTERNET SITE, OR SYSTEM THAT A DELIVERY NETWORK COMPANY USES TO FACILITATE, MANAGE, OR FACILITATE AND MANAGE DELIVERY SERVICES.
- (f) "Driver" means an individual providing delivery services through a delivery network company's digital platform in a personal vehicle.
- (g) "IRS MILEAGE RATE" MEANS THE FEDERAL INTERNAL REVENUE SERVICE'S STANDARD MILEAGE RATE FOR BUSINESS USE.
- (h) "MERCHANT" MEANS A THIRD PARTY THAT SELLS GOODS OR SERVICES TO CONSUMERS THROUGH A DELIVERY NETWORK COMPANY.
 - (i) "TIP" MEANS A GRATUITY THAT A CONSUMER:
- (I) Indicates through a digital platform as intended for direct payment to the driver; or
 - (II) Would reasonably expect to be paid in full to the driver.
- (j) "Transaction" means an order that a consumer makes using a delivery network company's digital platform to request that a driver deliver food, beverages, or other goods from a merchant. A driver may pick up goods related to multiple transactions as part of a single delivery task.
- (2) **Consumer payments.** (a) On the same screen on which a DNC prompts a consumer to leave a tip for a driver, the DNC shall disclose in a manner prominently displayed on the screen the amount of money that the consumer paid or will pay for the transaction.
 - (b) A DNC shall not decrease the amount the DNC pays a driver for a

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DELIVERY TASK BASED ON THE AMOUNT OF A CUSTOMER'S TIP FOR THAT DELIVERY TASK

- (c) A DNC SHALL PAY A DRIVER ALL TIPS PAID BY A CONSUMER.
- (d) The information disclosed to consumers pursuant to this subsection (2) must be:
 - (I) PROMINENTLY DISPLAYED ON THE SCREEN;
- (II) IN A FONT THAT IS AT LEAST ONE AND ONE-HALF TIMES LARGER THAN THE FONT USED TO PRESENT ANY OTHER INFORMATION ON THE SCREEN; AND
- (III) Presented using design techniques intended to draw the eye to the information.
- (3) Wage transparency to driver. (a) Each time a DNC offers a delivery task to a driver who is compensated on a per-delivery-task or a per-transaction basis, but not to a driver who is compensated for a block of time for multiple deliveries, before the driver accepts the task, the DNC shall disclose to the driver the following information on a smartphone or similar screen in a clearly legible format:
- (I) The estimated or actual amount the driver will earn for the delivery task, disaggregated to show the full and accurate amount of any tip or reimbursement;
 - (II) THE NUMBER OF TRANSACTIONS INVOLVED IN THE DELIVERY TASK;
- (III) THE ADDRESS OR ADDRESSES WHERE THE FOOD, BEVERAGES, OR OTHER GOODS MUST BE PICKED UP;
- (IV) THE CARDINAL AND INTERCARDINAL DIRECTION FROM WHERE THE DRIVER IS REQUIRED TO PICK UP THE FOOD, BEVERAGES, OR OTHER GOODS TO THE LOCATIONS WHERE THE FOOD, BEVERAGES, OR OTHER GOODS MUST BE DELIVERED;
- (V) The estimated or actual time the driver will spend on the delivery task; and
- (VI) THE ESTIMATED OR ACTUAL DISTANCE THE DRIVER WILL TRAVEL FOR THE DELIVERY TASK.
- (b) Within twenty-four hours after a driver completes a delivery task for which the driver was paid on a per-delivery-task or a per-transaction basis, or after such a delivery task is cancelled, but not for a driver who is compensated for a block of time for multiple deliveries, a DNC must

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DISCLOSE TO THE DRIVER BY E-MAIL OR OTHER MECHANISM THAT REMAINS AVAILABLE TO THE DRIVER FOR AT LEAST ONE YEAR IN A CLEARLY LEGIBLE FORMAT:

- (I) The actual amount the driver was paid for the delivery task, disaggregated to show the amount of any tip or reimbursement;
 - (II) THE FULL AND ACCURATE AMOUNT OF ANY TIP PAID BY THE CONSUMER;
 - (III) THE ACTUAL TIME THE DRIVER SPENT ON THE DELIVERY TASK;
- (IV) THE ACTUAL DISTANCE THE DRIVER TRAVELED FOR THE DELIVERY TASK; AND
- (V) If the delivery task or a transaction was cancelled, who initiated the cancellation.
- (c) If a DNC compensates a driver for a block of time for multiple deliveries, the DNC shall prominently display on the screen, prior to the driver accepting the block of time, the minimum amount the DNC will pay the driver for completing deliveries during the specified block of time and the address where the food, beverages, or other goods must be picked up, and prominently display the following information on the screen when the block of time begins:
- (I) THE TOTAL NUMBER OF DELIVERIES TO BE COMPLETED DURING THE SPECIFIED BLOCK OF TIME;
- (II) A reasonable estimate of the engaged time required to complete all assigned deliveries;
 - (III) THE RANGE OF TIME IN WHICH THE DELIVERIES CAN BE COMPLETED;
- (IV) Areasonable estimate of the number of miles required to complete all deliveries;
- (V) THE APPROXIMATE PICK-UP AND DROP-OFF LOCATIONS FOR ALL DELIVERIES; AND
- (VI) CLEAR INFORMATION ON WHICH DELIVERIES NEED TO BE COMPLETED WITHIN SPECIFIC TIME WINDOWS.
- (d) Within twenty-four hours after a driver completes a delivery task for which the driver was compensated for a block of time, or after such a delivery task is canceled, a DNC shall make the following disclosures to the driver by e-mail or other mechanism that remains available to the driver for at least one year:

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- (I) The actual amount the driver was paid for the delivery task, disaggregated to show the amount of any tip or reimbursement;
 - (II) THE FULL AND ACCURATE AMOUNT OF ANY TIP PAID BY THE CONSUMER;
 - (III) THE ACTUAL TIME THE DRIVER SPENT ON THE DELIVERY TASK;
- (IV) THE ACTUAL DISTANCE THE DRIVER TRAVELED FOR THE DELIVERY TASK; AND
- (V) If the delivery task or a transaction was cancelled, who initiated the cancellation.

(e) (I) A DNC SHALL:

- (A) Within thirty days after the end of each calendar quarter, provide to each driver, by e-mail or through the digital platform, a disclosure identifying at least the total number of miles traveled to complete each delivery task through the DNC during the calendar quarter and the IRS mileage rate applicable for the calendar quarter; or
- (B) Within thirty days after the end of each calendar month, provide to each driver, by e-mail or through the digital platform, a disclosure identifying at least the total number of miles traveled to complete each delivery task through the DNC during the calendar month and the IRS mileage rate applicable for the calendar month.
- (II) FOR EACH DELIVERY TASK FOR WHICH THE DRIVER WAS PAID ON A PER-DELIVERY-TASK OR A PER-TRANSACTION BASIS, BUT NOT FOR A DRIVER WHO IS COMPENSATED FOR A BLOCK OF TIME FOR MULTIPLE DELIVERIES, THE DNC SHALL CALCULATE THE MILES TRAVELED TO COMPLETE A DELIVERY TASK AS ALL MILES TRAVELED FROM THE LOCATION WHERE THE DRIVER ACCEPTED A DELIVERY TASK TO THE LOCATION WHERE THE DRIVER DROPPED OFF THE LAST ITEM TO BE DELIVERED AS PART OF THAT DELIVERY TASK.
- (III) (A) For each delivery task that is compensated in a block of time for multiple deliveries, the DNC shall calculate the miles traveled to complete a delivery task from the pick-up location where the driver was directed to begin the delivery task to the location where the driver dropped off the last item to be delivered as part of that delivery task.
- (B) For each delivery task that is compensated in a block of time for multiple deliveries, the DNC shall notify the driver that any additional miles the driver incurred traveling to the pick-up location where the driver was directed to begin the delivery task and traveling from the

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LOCATION WHERE THE DRIVER WAS DIRECTED TO MAKE THE LAST DELIVERY MAY BE ELIGIBLE FOR TAX MILEAGE DEDUCTIONS UNDER STATE AND FEDERAL LAW.

- (C) As part of the disclosures made pursuant to subsection (3)(e)(I) of this section, the DNC shall disclose to the driver that for each delivery task that is compensated in a block of time for multiple deliveries, the mileage report only includes miles traveled from the location where the driver began the delivery task to the location where the driver dropped off the last item to be delivered as part of that delivery task.
- (IV) As part of the disclosures made pursuant to subsection (3)(e)(I) of this section, the DNC may include a notice that this disclosure is not tax advice and that the driver should contact a tax professional.
- (f) The information disclosed to a driver pursuant to this subsection (3) must be:
 - (I) PROMINENTLY DISPLAYED ON THE SCREEN OR IN THE E-MAIL;
- (II) In a font that is at least one and one-half times larger than the font used to present any other information on the screen or in the e-mail; and
- (III) Presented using design techniques intended to draw the eye to the information.
- (4) **Contract transparency.** (a) A DNC shall offer a driver a contract or changes to a contract on the digital platform and by e-mail.
- (b) A DNC shall include in a contract a table of contents describing the terms or sections of the contract on the first page of the contract.
- (c) All material terms of a contract the DNC offers to a driver must be disclosed in plain language.
- (d) When providing a new driver with a contract, a DNC shall prominently display the contract on the screen and e-mail the contract at the time the driver applies to work for the DNC.
- (e) When a DNC changes a contract or issues a new contract, the DNC shall:
- (I) E-MAIL THE CONTRACT TO ALL DRIVERS ENGAGED ON THE DIGITAL PLATFORM AT LEAST FOURTEEN DAYS BEFORE THE CONTRACT BECOMES ENFORCEABLE; AND
 - (II) POST THE CONTRACT ONLINE, IN THE DIGITAL PLATFORM, OR IN ANOTHER

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LOCATION THAT IS AVAILABLE TO THE PUBLIC ON AN ONGOING BASIS FOR AT LEAST FOURTEEN DAYS BEFORE THE CONTRACT BECOMES ENFORCEABLE.

- (f) A DNC shall provide drivers with contracts in English, Spanish, Arabic, and up to three additional languages commonly spoken by drivers in the state, as determined by the director.
- (g) Once a driver agrees to a contract with the DNC, the DNC shall e-mail the contract to the driver and make the signed contract continuously available to the driver on the digital platform.
- (5) Account deactivation transparency deactivation challenge procedure.
 (a) A DNC shall develop and maintain an account deactivation policy. The policy must:
 - (I) BE IN WRITING, WHICH MAY BE IN AN ELECTRONIC FORMAT;
- (II) DEFINE WHAT CONSTITUTES A VIOLATION THAT MAY RESULT IN AN ACCOUNT DEACTIVATION AND BE SPECIFIC ENOUGH FOR A DRIVER TO REASONABLY UNDERSTAND WHAT CONSTITUTES A VIOLATION;
- (III) BE PROVIDED TO THE DRIVER PRIOR TO THE DRIVER PROVIDING DELIVERY SERVICES THROUGH THE DNC'S DIGITAL PLATFORM; AND
- (IV) BE AVAILABLE TO THE DRIVER IN ENGLISH, SPANISH, ARABIC, AND UP TO THREE ADDITIONAL LANGUAGES COMMONLY SPOKEN BY DNC DRIVERS IN THE STATE, AS DETERMINED BY THE DIRECTOR.
- (b) A DNC shall provide the account deactivation policy to the division in English, Spanish, Arabic, and up to three additional languages commonly spoken by drivers in the state, as determined by the director. The division shall post the DNC's account deactivation policy and any revisions to the DNC's account deactivation policy publicly on the division's website for at least thirty days before the deactivation policy becomes enforceable.
- (c) A DNC shall not deactivate a driver unless the deactivation is consistent with the DNC's deactivation policy adopted and distributed in accordance with this subsection (5).
- (d) A DNC shall provide a driver with written notice of an account deactivation in an electronic format via e-mail, text message, or through the DNC's digital platform upon the effective date of the deactivation. Anotice required by this section must include the following information:
 - (I) SUFFICIENT INFORMATION FOR THE DRIVER TO REASONABLY UNDERSTAND THE

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REASONS FOR THE ACCOUNT DEACTIVATION, INCLUDING THE PROVISION OF THE DNC'S ACCOUNT DEACTIVATION POLICY THAT WAS VIOLATED;

- (II) THE EFFECTIVE DATE OF THE ACCOUNT DEACTIVATION;
- (III) A DESCRIPTION OF THE STEPS, IF ANY, THE DRIVER CAN TAKE TO REMEDY THE VIOLATION;
- (IV) NOTIFICATION OF THE DRIVER'S RIGHT TO CHALLENGE THE ACCOUNT DEACTIVATION PURSUANT TO SUBSECTION (5)(e) OF THIS SECTION; AND
- (V) THE DNC'S PROCESS FOR CHALLENGING AN ACCOUNT DEACTIVATION OR A LINK TO A DESCRIPTION OF THAT PROCESS.
- (e) (I) A driver has the right to challenge the driver's account deactivation through an internal account deactivation challenge procedure established by the DNC.
- (II) A DNC SHALL CREATE AN INTERNAL ACCOUNT DEACTIVATION CHALLENGE PROCEDURE THAT MUST BE MADE AVAILABLE TO THE DRIVER IMMEDIATELY UPON NOTICE OF THE DRIVER'S ACCOUNT DEACTIVATION AND FOR UP TO THIRTY DAYS AFTER THE DATE OF THE DEACTIVATION NOTICE.
- (III) A DNC shall provide the DNC's internal account deactivation challenge procedure to the driver along with the deactivation notice provided pursuant to subsection (5)(d) of this section in a format that is readily accessible to the driver.
- (IV) A DNC shall review and respond to a driver's challenge to an account deactivation within fourteen days after receiving the challenge. A DNC's response to a driver's challenge to an account deactivation must include a written statement, which may be in an electronic format, providing one of the following:
- (A) A DETERMINATION REAFFIRMING THE ACCOUNT DEACTIVATION, INCLUDING A DESCRIPTION OF THE STEPS, IF ANY, THE DRIVER CAN TAKE TO REMEDY THE VIOLATION, AND A SUMMARY OF THE REASONS THAT THE ACCOUNT DEACTIVATION IS REAFFIRMED;
- (B) ANY CIRCUMSTANCES NECESSITATING A DELAYED TIMELINE FOR THE DNC'S RESPONSE AND AN ANTICIPATED DATE FOR A RESPONSE EITHER REAFFIRMING THE ACCOUNT DEACTIVATION OR REINSTATING THE DRIVER; OR
- (C) A DETERMINATION THAT THE DRIVER DID NOT VIOLATE THE DNC'S ACCOUNT DEACTIVATION POLICY AND INFORMATION REGARDING WHEN THE DRIVER'S ACCESS TO THE DIGITAL PLATFORM WILL BE REINSTATED.

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- (V) Following the conclusion of the internal account deactivation challenge procedure, the DNC must reinstate the driver's access to the digital platform if the DNC determines that the driver did not violate the DNC's account deactivation policy or that the driver corrected any violation. The DNC must reinstate the driver's access as soon as possible and no later than seventy-two hours following the DNC providing the written statement pursuant to subsection (5)(e)(IV) of this section.
- (f) This subsection (5) shall not be interpreted to require a DNC to provide a driver with any information that a DNC reasonably believes could compromise the safety or privacy of a consumer.
- (6) **Driver safety.** Each time a DNC connects a consumer to a driver, the DNC shall prompt the consumer as a means to encourage the consumer to ensure driver safety upon arrival, including by ensuring a clear, well-lit, safe delivery path and ensuring all pets are properly secured.
- (7) **Task acceptance time.** (a) A DNC shall ensure all drivers have at least sixty seconds after a delivery task offer is displayed on the driver's smartphone or similar screen to decide whether or not to accept the offer.
- (b) To ensure all drivers have the full amount of time to decide whether to accept a delivery task offer pursuant to subsection (8)(a) of this section, a DNC shall not penalize or retaliate against a driver for a failure to respond to a delivery task offer in a period of less than sixty seconds after displaying the offer on the driver's smartphone or similar screen, and a DNC shall not require or encourage the driver to respond to a delivery task offer in a period of less than sixty seconds after displaying the offer on the driver's smartphone or similar screen.
- (8) **Penalties, fines, and enforcement.** (a) If a DNC violates this section, the DNC may be subject to:
- (I) Statutory damages in the amount of one thousand dollars, as determined by a court, in a civil action brought pursuant to subsection (8)(d) of this section on a per-consumer or a per-driver basis, which amount the DNC shall pay to the consumer or driver affected by the violation;
- (II) A fine of one hundred dollars per violation, as determined by the director on a per-consumer or a per-driver basis, which amount the \overline{DNC} shall pay to the division; and
 - (III) Injunctive relief pursuant to subsection (8)(d)(II) of this section.

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- (b) The division may investigate alleged violations in response to complaints filed or at the division's discretion.
- (c) The director shall establish procedures for drivers and consumers to submit complaints to the division and for the division's investigations, hearings, and imposition of fines pursuant to this subsection (8).
- (d) (I) A person aggrieved by a DNC's violation of this section may file a civil action against the DNC in the district court where:
 - (A) THE PERSON RESIDES;
 - (B) THE VIOLATION OCCURRED; OR
 - (C) THE DNC HAS A PHYSICAL PLACE OF BUSINESS IN THE STATE.
 - (II) THE PERSON FILING THE CIVIL ACTION MAY SEEK:
- (A) Injunctive relief from the district court to compel a DNC to comply with this section;
- (B) Statutory damages as specified in subsection (8)(a)(I) of this section; and
 - (C) ANY ACTUAL DAMAGES SUSTAINED AS A RESULT OF THE VIOLATION.
- (e) The director shall transfer the fines collected pursuant to subsection (8)(a)(II) of this section to the general fund.
- (9) **Exemption.** A DNC NEED NOT COMPLY WITH THE PROVISIONS OF THIS SECTION WITH RESPECT TO DRIVERS OR DELIVERY TASKS PERFORMED BY DRIVERS WHO ANNUALLY RECEIVE OR WILL RECEIVE A FEDERAL FORM W-2 FROM THE DNC REFLECTING ALL AMOUNTS EARNED BY THE DRIVER WHILE PERFORMING SERVICES DISPATCHED OR FACILITATED THROUGH THE DNC'S DIGITAL PLATFORM.
- (10) **Rules.** The director shall adopt rules necessary to implement this section.
- **SECTION 2. Appropriation.** For the 2024-25 state fiscal year, \$163,409 is appropriated to the department of labor and employment for use by the division of labor standards and statistics. This appropriation is from the general fund and is based on an assumption the division will require an additional 1.6 FTE. To implement this act, the division may use this appropriation for program costs related to labor standards.

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SECTION 3. Act subject to petition - effective date - applicability. (1) Except as specified in subsection (2) of this section, this act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

- (2) Section 8-4-126 (2), (3), (4), (5), (6), and (9), Colorado Revised Statutes, as enacted in section 1 of this act, takes effect January 1, 2025.
- (3) This act applies to contracts executed or renewed on or after the applicable effective dates of this act.

Approved: June 4, 2024

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