

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 19-0572.01 Jery Payne x2157

HOUSE BILL 19-1254

HOUSE SPONSORSHIP

McLachlan and Van Winkle, Melton, Singer, Sirota

SENATE SPONSORSHIP

Fields and Priola,

House Committees
Business Affairs & Labor

Senate Committees
Business, Labor, & Technology

A BILL FOR AN ACT

101 **CONCERNING THE NOTICE REQUIREMENTS OF EMPLOYERS WITH**
102 **REGARD TO THE SHARING OF GRATUITIES.**

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>.)

Current law authorizes an employer to require employees to share gratuities if the employer posts a sign in a conspicuous place. The bill changes this law by requiring notification to each patron in writing, such as on the menu, table, or receipt.

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

SENATE
2nd Reading Unamended
April 19, 2019

HOUSE
3rd Reading Unamended
April 8, 2019

HOUSE
Amended 2nd Reading
April 5, 2019

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

2 **SECTION 1. Legislative declaration.** The general assembly
3 hereby declares that this act does not change who may participate in the
4 sharing of gratuities or who may be required to share gratuities and does
5 not change the legal minimum wage for any person in Colorado.

6 **SECTION 2.** In Colorado Revised Statutes, 8-4-103, **amend** (6)
7 as follows:

8 **8-4-103. Payment of wages - insufficient funds - pay statement**
9 **- record retention - gratuity notification.** (6) It is unlawful for ~~any~~ AN
10 employer engaged in ~~any~~ A business where the custom prevails of the
11 giving of ~~presents, tips, or~~ gratuities by patrons ~~thereof~~ to an employee of
12 ~~said~~ THE business to assert ~~any~~ A claim to, or right of ownership in, or
13 control over ~~such presents, tips, or~~ gratuities. ~~and such presents, tips, or~~
14 THESE gratuities ~~shall be~~ ARE the sole property of the employee of ~~said~~
15 business unless the employer ~~posts in his or her place of business in a~~
16 conspicuous place a printed card, at least twelve inches by fifteen inches
17 in size, containing a notice to the general public in letters at least one-half
18 inch high that all ~~presents, tips, or~~ gratuities given by any patron of ~~said~~
19 business to an employee thereof are not the property of ~~said~~ employee but
20 ~~belong to the employer~~ NOTIFIES EACH PATRON IN WRITING, INCLUDING BY
21 A NOTICE ON A MENU, TABLE TENT, OR RECEIPT, THAT GRATUITIES ARE
22 SHARED BY EMPLOYEES. Nothing in this section ~~shall prevent~~ PREVENTS
23 an employer ~~covered hereby~~ from requiring employees to share or
24 allocate ~~such presents, tips, or~~ gratuities on a preestablished basis among
25 the employees of ~~such~~ THE business.

26 **SECTION 3. Act subject to petition - effective date -**
27 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following

1 the expiration of the ninety-day period after final adjournment of the
2 general assembly (August 2, 2019, if adjournment sine die is on May 3,
3 2019); except that, if a referendum petition is filed pursuant to section 1
4 (3) of article V of the state constitution against this act or an item, section,
5 or part of this act within such period, then the act, item, section, or part
6 will not take effect unless approved by the people at the general election
7 to be held in November 2020 and, in such case, will take effect on the
8 date of the official declaration of the vote thereon by the governor.

9 (2) This act applies to gratuities given on or after the applicable
10 effective date of this act.