

First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 25-0691.01 Renee Leone x2695

SENATE BILL 25-074

SENATE SPONSORSHIP

Bright,

HOUSE SPONSORSHIP

Barron,

Senate Committees

State, Veterans, & Military Affairs

House Committees

A BILL FOR AN ACT

101 CONCERNING CREATING AN EXEMPTION TO THE EMPLOYMENT
102 PROTECTION REQUIREMENTS UNDER THE "PAID FAMILY AND
103 MEDICAL LEAVE INSURANCE ACT" FOR AN EMPLOYER THAT
104 HAS A WORKFORCE CONSISTING OF A MAJORITY OF HIGHLY
105 SPECIALIZED EMPLOYEES.

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>.)

Under current law, when an employee takes leave from a job pursuant to the state's paid family and medical leave insurance program,

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 employer is required to hold the employee's job until the employee returns and maintain the employee's health-care benefits during the duration of their leave.

Section 1 of the bill creates an exemption from these requirements for an employer that has a workforce of 51% or more highly specialized employees. The bill requires an employer to apply to and get approval from the division of family and medical leave insurance (division) in the department of labor and employment before the employer can qualify for the exemption. An employer that qualifies must reapply annually to maintain the exemption. Lastly, **section 1** defines a highly specialized employee as an employee whose job description or duties:

- Involve responsibilities that are not easily transferrable;
- Require a specific or unique advanced degree that limits the pool of replacements; or
- Require a rare or in-high-demand skill set.

Section 2 requires the division to establish a standardized application process for employers to apply for the highly specialized employees exemption by submitting documentation that proves that the employer has a workforce of 51% or more highly specialized employees. On or before March 1, 2026, the director of the division is required to adopt necessary rules to implement the application process.

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

2 **SECTION 1.** In Colorado Revised Statutes, 8-13.3-509, **amend**
3 (8); and **add** (9) as follows:

4 **8-13.3-509. Leave and employment protection - exceptions -**
5 **definition.** (8) This section does not apply to:

6 (a) An employee of a local government that has elected coverage
7 pursuant to section 8-13.3-514; OR

8 (b) (I) ON AND AFTER JUNE 1, 2026, AN EMPLOYEE WHO WORKS
9 FOR AN EMPLOYER THAT HAS A WORKFORCE COMPRISED OF FIFTY-ONE
10 PERCENT OR MORE HIGHLY SPECIALIZED EMPLOYEES.

11 (II) PURSUANT TO A STANDARDIZED APPLICATION PROCESS
12 ADOPTED BY THE DIVISION IN ACCORDANCE WITH SECTION 8-13.3-516(8),
13 AN EMPLOYER THAT HAS A WORKFORCE COMPRISED OF FIFTY-ONE

1 PERCENT OR MORE HIGHLY SPECIALIZED EMPLOYEES MUST APPLY TO AND
2 GET APPROVAL FROM THE DIVISION TO QUALIFY FOR THE HIGHLY
3 SPECIALIZED EMPLOYEES EXEMPTION SET FORTH IN SUBSECTION (8)(b)(I)
4 OF THIS SECTION. AN EMPLOYER THAT THE DIVISION QUALIFIES FOR THE
5 EXEMPTION MUST REAPPLY ANNUALLY TO MAINTAIN THE EXEMPTION.

6 (9) AS USED IN THIS SECTION, "HIGHLY SPECIALIZED EMPLOYEE"
7 MEANS AN EMPLOYEE WHOSE JOB DESCRIPTION OR DUTIES:

8 (a) INVOLVE RESPONSIBILITIES THAT ARE NOT EASILY
9 TRANSFERABLE TO OTHER EMPLOYEES WITHOUT SIGNIFICANT TRAINING;

10 (b) REQUIRE A SPECIFIC OR UNIQUE ADVANCED DEGREE,
11 CERTIFICATION, OR TECHNICAL QUALIFICATION THAT LIMITS THE POOL OF
12 POTENTIAL REPLACEMENTS FOR THAT JOB; OR

13 (c) REQUIRE A SKILL SET THAT IS RARE OR IN HIGH DEMAND, AS
14 EVIDENCED BY LONG AVERAGE HIRING TIMES FOR SIMILAR JOBS AND
15 REGIONAL OR INDUSTRY-SPECIFIC SHORTAGES OF QUALIFIED APPLICANTS.

16 **SECTION 2.** In Colorado Revised Statutes, 8-13.3-516, **add** (8)
17 as follows:

18 **8-13.3-516. Family and medical leave insurance program -**
19 **rules.** (8) (a) THE DIVISION SHALL ESTABLISH A STANDARDIZED
20 APPLICATION PROCESS BY WHICH AN EMPLOYER MAY APPLY ANNUALLY TO
21 THE DIVISION FOR THE HIGHLY SPECIALIZED EMPLOYEE EXEMPTION SET
22 FORTH IN SECTION 8-13.3-509 (8)(b).

23 (b) THE STANDARDIZED APPLICATION PROCESS MUST REQUIRE AN
24 EMPLOYER APPLYING FOR THE HIGHLY SPECIALIZED EMPLOYEE EXEMPTION
25 TO SUBMIT DOCUMENTATION ESTABLISHING THAT FIFTY-ONE PERCENT OR
26 MORE OF THE EMPLOYER'S EMPLOYEES ARE HIGHLY SPECIALIZED, AS
27 DEFINED IN SECTION 8-13.3-509 (9).

1 (c) ON OR BEFORE MARCH 1, 2026, THE DIRECTOR SHALL ADOPT
2 NECESSARY RULES TO IMPLEMENT THE STANDARDIZED APPLICATION
3 PROCESS.

4 **SECTION 3. Act subject to petition - effective date.** This act
5 takes effect at 12:01 a.m. on the day following the expiration of the
6 ninety-day period after final adjournment of the general assembly; except
7 that, if a referendum petition is filed pursuant to section 1 (3) of article V
8 of the state constitution against this act or an item, section, or part of this
9 act within such period, then the act, item, section, or part will not take
10 effect unless approved by the people at the general election to be held in
11 November 2026 and, in such case, will take effect on the date of the
12 official declaration of the vote thereon by the governor.