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## Business and Economic Development

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During the 2019 legislative session, the General Assembly made modifications to state laws regulating businesses and promoting economic development.

### Business Regulation

The General Assembly considered seven bills related to regulations for small businesses and a bill to clarify the state Corporations and Associations Act.

*Senate Bill 19-086* makes modifications and clarifications to the Colorado Business Corporation Act and conforming changes to the Colorado Corporations and Associations Act. These changes include updates to provisions governing articles of incorporation, mergers, standards of conduct for employees and officers, and procedures for seeking judicial dissolution of a corporation.

State law requires restaurants to be licensed. While most counties issue such licenses locally, the Colorado Department of Public Health and Environment issues licenses and conducts inspections of restaurants in several counties that do not perform their own inspections. *House Bill 19-1014* modifies, makes clarifying amendments, and updates penalties for violations of the state Food Protection Act, which governs these inspections including expanding the definition of an imminent health

hazard, repealing language that separated violations between critical and noncritical violations, and clarifying that a facility cannot continue to operate under a suspended license.

Under *Senate Bill 19-014*, secondhand dealers or individuals who sell goods at a flea market or similar venue must record the purchase of store credit, gift cards, or merchandise cards in a register accessible to law enforcement for inspection at any time. Failure to maintain this record for purchases of \$30 or more is a class 3 misdemeanor.

Under *Senate Bill 19-103*, minors who operate small businesses, such as lemonade stands, for fewer than 84 calendar days per year are no longer subject to local government business licensing or permitting requirements.

*House Bill 19-1246* permits the Colorado Municipal League to coordinate a study of local government regulation of food trucks and report any findings, recommendations, or potential legislation to the General Assembly.

Three bills considered ways to minimize the use of disposable food service items. All were postponed indefinitely. *Senate Bill 19-034* would have allowed local governments the option to set standards for retail food establishments' disposable food containers. *House Bill 19-1143* would have prohibited restaurants from providing single-use plastic

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beverage straws to consumers unless requested. *Senate Bill 19-243* would have similarly prohibited the use of polystyrene containers for off-premises ready-to-eat foods.

### Motor Vehicles

The General Assembly added regulations to peer-to-peer car sharing programs and permitted businesses to sell certain fleet vehicles.

Businesses that want to sell their used vehicles may apply for a motor vehicle business disposal license from the Colorado Motor Vehicle Dealer Board under *Senate Bill 19-249*. The license allows a business to sell vehicles older than one year that have been used exclusively for business purposes, are titled by the business and for which all taxes have been paid, and are not designed to carry passengers. Such sales cannot exceed 20 percent of the businesses gross revenue.

A car-sharing program connects private vehicle owners to drivers who need cars. The owner of a car makes his or her vehicle available to use, via an online site, for a fee. *Senate Bill 19-090* establishes regulations for these peer-to-peer car sharing programs. The bill requires a concession agreement for owners who wish to operate at an airport unless they are exempted from an agreement in writing. Drivers must provide a valid driver license to use the vehicle. Similarly, under current law, vehicle owners who rent their cars must inspect the renter's driver license. *House Bill 19-1321* allows the person who rents the vehicle to verify the driver license of the person to whom the vehicle is rented by use of an electronic device. The person who rents the vehicle is currently required to keep a record of the vehicle registration number, the name and address of the person to whom the vehicle is rented, as well as the person's driver license information.

The bill allows the person who rents the vehicle to maintain this information in electronic format.

### Wages and Economic Development

The General Assembly considered four bills related to worker wages and job programs.

Current state law prohibits local governments from enacting minimum wage laws separate from those of the state. Colorado's minimum wage will be \$12.00 per hour beginning January 1, 2020 and will adjust each year based on an increase in the Consumer Price Index. *House Bill 19-1210* repeals the restriction on local governments enacting their own minimum wage laws and allows up to 10 percent of the local governments in the state to establish minimum wage laws via an initiative or referendum or through a local governing body. Such minimum wage must exceed the state minimum wage. In communities that pass minimum wage increases, the law allows eligible nursing facility providers in those communities to apply for a local minimum wage enhancement payment from the General Assembly. The enhancement will cover the difference between the state and the local minimum wage. In addition, the bill requires those localities that establish a higher minimum wage to provide a tip offset for employees of food service industries who routinely receive tips as a portion of their wages.

Businesses in Colorado where tipping is customary can require employees to share gratuities so long as the business posts signs indicating the practice in a conspicuous place in the business. *House Bill 19-1254* expands this requirement so that, in the event gratuities are shared by employees, the business notifies each patron in writing either via a notice on the menu, on a table tent, or on a receipt.

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A call center, as defined by *House Bill 19-1306*, is a business or division of a business whose primary purpose is initiating or receiving phone communications to solicit sales or share information connected to certain services. The bill requires the Colorado Department of Labor and Employment to include data regarding call center jobs and wages as part of its annual State Measurement for Accountable, Responsive, and Transparent (SMART) Act report. The SMART Act created a performance management system for state government agencies. The agencies report annually to joint legislative committees of reference.

Gender-based wage discrimination complaints are currently under the authority of the Department of Labor and Employment. *Senate Bill 19-085* allows a person to bring a civil action within two years of a reported violation. The bill permits a wage differential in certain circumstances if the employer can demonstrate that the differential is based on a seniority or merit system or a system that measures earnings by quantity or quality of production. The bill prohibits employers from seeking a prospective employee's wage history, discriminating or retaliating against such employee for not disclosing that information, or prohibiting employees from disclosing wage information. Employers who violate wage discrimination laws are liable for economic damages and equitable relief as well as the employee's legal costs.