

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

ENGROSSED

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

LLS NO. 23-0656.01 Nicole Myers x4326

SENATE BILL 23-180

SENATE SPONSORSHIP

Cutter and Baisley, Priola

HOUSE SPONSORSHIP

Titone and Weinberg, Parenti

Senate Committees

Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING CHANGES TO THE STATE'S PAYROLL SYSTEM TO CODIFY**
102 **CURRENT PAY PERIODS FOR STATE 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/>.)

Joint Technology Committee. The majority of state employees who are paid through the state's payroll system (state employees) are paid based on a monthly pay period and some state employees are paid based on a biweekly pay period. In 2015, in anticipation of the implementation of a new payroll system for state employees, the general assembly enacted a bill to require that all state employees be paid twice a month for pay

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.*

SENATE
Amended 2nd Reading
March 31, 2023

periods that began on or after July 1, 2017. However, the payroll system that would have paid state employees twice a month was not implemented. The bill repeals the requirement that state employees be paid twice a month and restores the monthly and biweekly pay periods.

In 2015, the general assembly also enacted a one-time loan program that allowed any state employee to apply to the department of personnel for a loan to assist the employee in July 2017, when the transition to the twice a month payroll system would have created a 2-week lag in state employees' pay. It was not necessary for any state employee to use the one-time loan program, and the bill repeals the program.

In 2016, the general assembly enacted a bill to allow the state personnel director to delay the date by which state employees would be paid twice a month after providing notice to state employees and the general assembly. The bill repeals such authority, as the state personnel director no longer intends to implement a twice a month payroll system.

The bill also makes necessary conforming amendments to allow the state's payroll system to pay employees on either a monthly or biweekly basis.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-50-104, **amend**
3 (8)(a) introductory portion, (8)(a.5), (8)(a.6) introductory portion, and
4 (8)(a.6)(III); and **repeal** (8)(b), (8)(c), and (8)(g) as follows:

5 **24-50-104. Job evaluation and compensation - state employee**
6 **reserve fund - created - study - report - definitions - repeal.**

7 (8) **Payroll.** (a) ~~For pay periods beginning before July 1, 2017, Salaries~~
8 ~~for positions in the state personnel system~~ paid on a monthly basis shall
9 be paid as of the last working day of the month; except that:

10 ~~(a.5) For pay periods beginning before July 1, 2017, for state~~
11 ~~employment positions that are not in the state personnel system and that~~
12 ~~are not otherwise covered by paragraph (a) of this subsection (8).~~ Salaries
13 ~~paid on a monthly basis for~~ the month of June shall be paid on the first
14 working day of July. ~~THIS SUBSECTION (8)(a.5) DOES NOT APPLY TO~~

1 INSTITUTIONS OF HIGHER EDUCATION.

2 (a.6) For pay periods beginning before July 1, 2017, For state
3 employment positions that are not otherwise covered by paragraph (a) or
4 (a.5) of this subsection (8) SUBSECTION (8)(a) OF THIS SECTION, whether
5 or not the positions are in the state personnel system:

6 (III) Effective July 1, 2012, and for pay periods beginning before
7 July 1, 2017, Salaries paid on a biweekly basis shall be paid fourteen days
8 after the last day of the fourteen-day pay period.

9 (b) For pay periods beginning on or after July 1, 2017, salaries for
10 employees paid through the state's payroll system shall be paid twice a
11 month as follows:

12 (I) For work performed from July 1, 2017, to July 15, 2017,
13 employees shall be paid on July 31, 2017. For work performed from July
14 16, 2017, to July 31, 2017, employees shall be paid on August 15, 2017.

15 (II) Except as otherwise specified in subparagraph (III) of this
16 paragraph (b), for all pay periods after the pay periods specified in
17 subparagraph (I) of this paragraph (b), for work performed from the first
18 day of the month to the fifteenth day of the same month, employees shall
19 be paid on the last day of that month. For work performed from the
20 sixteenth day of the month to the end of the same month, employees shall
21 be paid on the fifteenth day of the following month.

22 (III) For work performed from June 1, 2018, to June 15, 2018,
23 employees shall be paid on July 1, 2018, and for work performed from
24 June 1 to June 15 each year thereafter, employees shall be paid on July 1
25 of the applicable year.

26 (c) (I) Any state employee may apply to the department of
27 personnel for a one-time loan to assist the employee in covering expenses

1 in July 2017. The amount of the loan shall not be more than an amount
2 equal to the employee's net pay for a one-half month pay period.

3 (H) ~~An employee who receives a loan from the state pursuant to
4 this paragraph (c) shall repay the loan as specified in this subparagraph
5 (H). An employee may repay the loan early with no prepayment penalty.
6 If an employee separates from state employment prior to the full loan
7 repayment, the balance of the loan shall be deducted from the employee's
8 last paycheck. An employee shall repay the loan over a three-year period
9 with an after-tax deduction in each paycheck equal to one seventy-second
10 of the loan amount plus simple interest at the state treasury's incremental
11 borrowing rate.~~

12 (g) ~~Notwithstanding the provisions of this subsection (8), if the
13 state personnel director determines that, due to circumstances in
14 connection with the implementation of the human resources information
15 system, it will not be possible on July 1, 2017, to begin paying salaries
16 twice monthly for employees paid through the state's payroll system as
17 otherwise required in this subsection (8), the director shall, on or before
18 June 1, 2017, notify employers that pay employees through the state's
19 payroll system, employees who are paid through the state's payroll
20 system, and the general assembly that the department will not meet the
21 July 1, 2017, deadline and include in the notice the new date on which the
22 implementation of the twice monthly payroll system will begin. In
23 addition, if the implementation of the twice monthly payroll system is
24 delayed, the director shall allow any state employee to apply to the
25 department of personnel for a one-time loan to assist the employee in
26 covering expenses in the first month in which employees will be paid
27 twice monthly, rather than for the month of July 2017, as provided in~~

1 paragraph (c) of this subsection (8):

2 **SECTION 2.** In Colorado Revised Statutes, 24-75-201, **amend**
3 (2)(a)(III)(A); and **repeal** (2)(a)(III)(B) as follows:

4 **24-75-201. General fund - general fund surplus - custodial**
5 **money.** (2) (a) The general fund surplus shall be determined based upon
6 the accrual system of accounting, as enunciated by the governmental
7 accounting standards board; except that:

8 (III) (A) General fund revenues shall be restricted only upon
9 actual payment on the first ~~and fifteenth~~ working day of July of MONTHLY
10 salaries of state employees for the month of June from general fund
11 revenues.

12 (B) ~~General fund revenues shall be restricted only upon actual~~
13 ~~payment in July of any bimonthly salaries of state employees for which~~
14 ~~all or a portion thereof is for work performed during the month of June~~
15 ~~from general fund revenues.~~

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