

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

REENGROSSED

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

LLS NO. 14-0333.01 Bart Miller x2173

HOUSE BILL 14-1127

HOUSE SPONSORSHIP

Coram,

SENATE SPONSORSHIP

Hodge,

House Committees

Judiciary
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING DISCLOSURE OF INFORMATION FOR ASSET RECOVERY,**
102 **AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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://www.leg.state.co.us/billsummaries>.)

The bill allows a judgment creditor to file a petition in court to compel the department of labor and employment to disclose certain information about a judgment debtor. Judgment creditors must follow federal requirements for protecting any information disclosed and may not share it with other persons. A civil penalty of \$1,000 may be assessed

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

HOUSE
3rd Reading Unamended
April 9, 2014

HOUSE
Amended 2nd Reading
April 8, 2014

against a judgment creditor who fails to comply with these requirements.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 12-14-127.5 as
3 follows:

4 **12-14-127.5. Disclosure of information for asset recovery -**
5 **court order - procedures - restrictions on use of information -**
6 **penalties.** (1) THE DEPARTMENT OF LABOR AND EMPLOYMENT SHALL
7 DISCLOSE TO A JUDGMENT CREDITOR OF A PERSON THE NAME AND
8 ADDRESS OF THE PERSON'S CURRENT EMPLOYER, OR EMPLOYERS IF MORE
9 THAN ONE, AS CONTAINED IN THE DEPARTMENT'S WAGE AND EMPLOYMENT
10 INFORMATION DATABASE, IF THE JUDGMENT CREDITOR:

11 (a) HAS OBTAINED A JUDGMENT AGAINST THE PERSON FROM A
12 COURT OF COMPETENT JURISDICTION;

13 (b) OBTAINS A COURT ORDER REQUIRING THE DISCLOSURE OF
14 INFORMATION IN ACCORDANCE WITH SUBSECTION (2) OF THIS SECTION;
15 AND

16 (c) COMPLIES WITH REQUIREMENTS OF SUBSECTION (3) OF THIS
17 SECTION.

18 (2) A COURT THAT ENTERS A MONEY JUDGMENT AGAINST AN
19 INDIVIDUAL SHALL, REGARDLESS OF WHETHER THE JUDGMENT CREDITOR
20 HAS EXHAUSTED OTHER REMEDIES, GRANT AN ORDER REQUIRING THE
21 DEPARTMENT OF LABOR AND EMPLOYMENT TO DISCLOSE THE NAME AND
22 ADDRESS OF THE JUDGMENT DEBTOR'S CURRENT EMPLOYER OR
23 EMPLOYERS IF:

24 (a) THE JUDGMENT CREDITOR FILES A MOTION WITH THE COURT
25 AND SERVES A COPY OF THE MOTION ON THE JUDGMENT DEBTOR IF

1 REQUIRED BY THE COLORADO RULES OF CIVIL PROCEDURE; AND

2 (b) IF THE JUDGMENT DEBTOR OPPOSES THE MOTION, THE COURT
3 HOLDS A HEARING WITHIN FOURTEEN DAYS AFTER THE FILING OF A TIMELY
4 OBJECTION AND DENIES OR OVERRULES THE OBJECTION.

5 (3) WHEN A COURT ORDER IS GRANTED, THE JUDGMENT CREDITOR
6 SHALL:

7 (a) PROVIDE TO THE DEPARTMENT OF LABOR AND EMPLOYMENT A
8 CERTIFIED COPY OF THE COURT ORDER REQUIRING DISCLOSURE;

9 (b) (I) PAY THE DEPARTMENT OF LABOR AND EMPLOYMENT A
10 REASONABLE FEE THAT REFLECTS THE ACTUAL COST OF PROCESSING THE
11 REQUEST AS DETERMINED IN RULES ADOPTED BY THE DEPARTMENT UNDER
12 SECTION 24-4-103, C.R.S. THE DEPARTMENT SHALL TRANSFER ALL FEES
13 COLLECTED UNDER THIS SUBPARAGRAPH (I) TO THE STATE TREASURER,
14 WHO SHALL CREDIT THE MONEYS TO THE JUDGMENT DEBTOR DISCLOSURE
15 FUND CREATED IN SECTION 24-1-121, C.R.S.

16 (II) THE FEE PAID UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH
17 (b) MAY BE RECOVERED BY THE JUDGMENT CREDITOR AS A TAXABLE
18 LITIGATION COST.

19 (c) COMPLY WITH THE DATA SAFEGUARD AND SECURITY MEASURES
20 DESCRIBED IN 20 C.F.R. 603.9 WITH RESPECT TO INFORMATION RECEIVED
21 FROM THE DEPARTMENT UNDER THIS SECTION.

22 (4) IF A JUDGMENT CREDITOR COMPLIES WITH SUBSECTION (3) OF
23 THIS SECTION, THE DEPARTMENT OF LABOR AND EMPLOYMENT SHALL
24 PROVIDE THE INFORMATION TO THE JUDGMENT CREDITOR WITHIN SEVEN
25 BUSINESS DAYS AFTER THE DAY THE DEPARTMENT RECEIVES THE COURT
26 ORDER.

27 (5) A JUDGMENT CREDITOR MAY NOT:

1 (a) USE THE INFORMATION OBTAINED UNDER THIS SECTION FOR A
2 PURPOSE OTHER THAN SATISFYING THE JUDGMENT BETWEEN THE
3 JUDGMENT CREDITOR AND THE JUDGMENT DEBTOR; OR

4 (b) SHARE THE INFORMATION WITH ANY OTHER PERSON.

5 (6) THE DEPARTMENT OF LABOR AND EMPLOYMENT, WITH JUST
6 CAUSE AND AT ITS OWN EXPENSE, MAY AUDIT A JUDGMENT CREDITOR
7 RECEIVING INFORMATION UNDER THIS SECTION FOR COMPLIANCE WITH THE
8 DATA SAFEGUARD AND SECURITY MEASURES OF 20 C.F.R. 603.9.

9 (7) IF A JUDGMENT CREDITOR FAILS TO COMPLY WITH THE DATA
10 SAFEGUARD AND SECURITY MEASURES UNDER 20 C.F.R. 603.9, THE
11 JUDGMENT CREDITOR, AFTER A COURT FINDING OF NONCOMPLIANCE, IS
12 SUBJECT TO A CIVIL PENALTY OF NOT MORE THAN ONE THOUSAND
13 DOLLARS FOR EACH VIOLATION AS FOLLOWS:

14 (a) THE ATTORNEY GENERAL, ON THE ATTORNEY GENERAL'S
15 BEHALF OR ON BEHALF OF THE DEPARTMENT OF LABOR AND EMPLOYMENT,
16 MAY FILE AN ACTION IN DISTRICT COURT TO SEEK AND ENFORCE THE CIVIL
17 PENALTY; AND

18 (b) THE PREVAILING PARTY IS ENTITLED TO AN AWARD OF ITS
19 REASONABLE ATTORNEY FEES, COURT COSTS, AND INVESTIGATIVE
20 EXPENSES.

21 (8) WHEN COLLECTING ON ANY DEBT ARISING FROM PAST DUE
22 ORDERS, OBLIGATIONS, FINES, OR FEES DUE TO THE STATE OR ANY
23 POLITICAL SUBDIVISION WITHIN THE STATE, ANY FEES OR COSTS OF
24 PRIVATELY RETAINED COUNSEL OR A COLLECTION AGENCY ARE ADDED TO
25 THE AMOUNT DUE AND PLACED FOR COLLECTION, WHETHER OR NOT THE
26 DEBT IS REDUCED TO JUDGMENT. EXCLUSIVE OF THE ACCRUAL OF
27 INTEREST, ANY FEES OR COSTS MUST NOT EXCEED TWENTY-FIVE PERCENT

1 OF THE AMOUNT TO BE COLLECTED, UNLESS ADDITIONAL REASONABLE
2 ATTORNEY FEES ARE AWARDED BY THE COURT.

3 **SECTION 2.** In Colorado Revised Statutes, 12-14-136, **amend**
4 (2) as follows:

5 **12-14-136. Disposition of fees - civil penalties - fines -**
6 **collection agency cash fund - creation.** (2) All CIVIL PENALTIES AND
7 fines collected pursuant to this article, including ~~but not limited to~~ CIVIL
8 PENALTIES COLLECTED UNDER SECTION 12-14-127.5 AND fines collected
9 ~~pursuant to~~ UNDER section 12-14-130, shall be collected by the
10 administrator and transmitted to the state treasurer, who shall credit the
11 same to the general fund.

12 **SECTION 3.** In Colorado Revised Statutes, 24-1-121, **add** (1.7)
13 as follows:

14 **24-1-121. Department of labor and employment - creation.**
15 (1.7) THERE IS HEREBY CREATED IN THE STATE TREASURY THE JUDGMENT
16 DEBTOR DISCLOSURE FUND. THE FUND CONSISTS OF MONEYS FROM FEES
17 COLLECTED UNDER SECTION 12-14-127.5, C.R.S., FOR REQUESTS FOR
18 DISCLOSURE OF CURRENT EMPLOYER INFORMATION ON JUDGMENT
19 DEBTORS. THE MONEYS IN THE FUND ARE SUBJECT TO ANNUAL
20 APPROPRIATION BY THE GENERAL ASSEMBLY FOR THE DIRECT AND
21 INDIRECT COSTS OF THE DEPARTMENT OF LABOR AND EMPLOYMENT
22 PROCESSING REQUESTS FOR DISCLOSURE OF CURRENT EMPLOYER
23 INFORMATION ON JUDGMENT DEBTORS UNDER SECTION 12-14-127.5,
24 C.R.S. THE STATE TREASURER SHALL CREDIT ALL INTEREST DERIVED FROM
25 THE DEPOSIT AND INVESTMENT OF MONEYS IN THE FUND TO THE FUND. AT
26 THE END OF ANY FISCAL YEAR, ALL UNEXPENDED AND UNENCUMBERED
27 MONEYS IN THE FUND REMAIN IN THE FUND AND ARE NOT TRANSFERRED

1 TO THE GENERAL FUND OR ANY OTHER FUND.

2 **SECTION 4. Appropriation.** (1) In addition to any other
3 appropriation, there is hereby appropriated, out of any moneys in the
4 judgement debtor disclosure fund created in section 24-1-121 (1.7),
5 Colorado Revised Statutes, not otherwise appropriated, to the department
6 of labor and employment, for the fiscal year beginning July 1, 2014, the
7 sum of \$233,358 and 4.0 FTE, or so much thereof as may be necessary,
8 to be allocated to the division of unemployment insurance for the
9 implementation of this act as follows:

10 (a) \$213,358 and 4.0 FTE for program costs for personal services
11 and operating expenses;

12 (b) \$20,000 for the purchase of computer center services.

13 (2) In addition to any other appropriation, there is hereby
14 appropriated, out of any moneys in the judicial stabilization cash fund
15 created in section 13-32-101 (6), Colorado Revised Statutes, not
16 otherwise appropriated, to the judicial department, for the fiscal year
17 beginning July 1, 2014, the sum of \$228,738 and 3.0 FTE, or so much
18 thereof as may be necessary, to be allocated to the trial courts for the
19 implementation of this act as follows:

20 (a) \$221,138 and 3.0 FTE for trial court programs for personal
21 services; and

22 (b) \$7,600 for trial court programs for operating expenses.

23 (3) In addition to any other appropriation, there is hereby
24 appropriated, out of any moneys in the judicial stabilization cash fund
25 created in section 13-32-101 (6), Colorado Revised Statutes, not
26 otherwise appropriated, to the judicial department, for the fiscal year
27 beginning July 1, 2014, the sum of \$70,656, or so much thereof as may

1 be necessary, to be allocated for courthouse capital expenses related to the
2 implementation of this act.

3 (4) In addition to any other appropriation, there is hereby
4 appropriated to the governor - lieutenant governor - state planning and
5 budgeting, for the fiscal year beginning July 1, 2014, the sum of \$20,000,
6 or so much thereof as may be necessary, for allocation to the office of
7 information technology, for the provision of computer center services for
8 the department of labor and employment related to the implementation of
9 this act. Said sum is from reappropriated funds received from the
10 department of labor and employment out of the appropriation made in
11 paragraph (b) of subsection (1) of this section.

12 **SECTION 5. Safety clause.** The general assembly hereby finds,
13 determines, and declares that this act is necessary for the immediate
14 preservation of the public peace, health, and safety.