

Proposed Initiative 2025-2026 # 43 Final Clean

Be it Enacted by the People of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, **add** article 13.7 of title 8 as follows:

Article 13.7

Just Cause for Discharge or Suspension of Employees Required8-13.7-101. Just cause for employee discharge or suspension required – notice of discharge or suspension required – civil actions – available relief – definitions. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) “DISCHARGE” MEANS AN INVOLUNTARY SEPARATION FROM EMPLOYMENT.

(b) “EMPLOYEE” MEANS ANY NATURAL PERSON WHO IS WORKING FOR A PRIVATE SECTOR EMPLOYER AND HAS WORKED FOR THAT SAME EMPLOYER FOR AT LEAST SIX CONSECUTIVE MONTHS. EMPLOYEE DOES NOT INCLUDE A WORKER WHO IS:

(I) FREE FROM THE CONTROL AND DIRECTION OF THE EMPLOYER, PERFORMS WORK OUTSIDE THE USUAL COURSE OF THE EMPLOYER’S BUSINESS, AND IS CUSTOMARILY ENGAGED IN AN INDEPENDENTLY ESTABLISHED TRADE, BUSINESS, OR OCCUPATION OF THE SAME NATURE AS THE WORK PERFORMED; OR

(II) ANY NATURAL PERSON COVERED BY ANY AGREEMENT, INCLUDING A BONA FIDE COLLECTIVE BARGAINING AGREEMENT, WHICH CONTAINS A JUST CAUSE PROVISION THAT PROVIDES SUBSTANTIALLY EQUAL OR GREATER PROTECTION THAN THAT PROVIDED IN THIS SECTION.

(c) (I) “EMPLOYER” MEANS ANY BUSINESS ENTITY THAT EMPLOYS AT LEAST EIGHT EMPLOYEES IN COLORADO.

(II) EMPLOYER INCLUDES THE UNIVERSITY OF COLORADO HOSPITAL AUTHORITY CREATED BY SECTION 23-21-503, AND THE DENVER HEALTH AND HOSPITAL AUTHORITY CREATED BY SECTION 25-29-103.

(III) EXCEPT AS DESCRIBED IN SUBSECTION (1)(c)(II) OF THIS SECTION, “EMPLOYER” DOES NOT INCLUDE A GOVERNMENTAL ENTITY.

(d) “GOVERNMENTAL ENTITY” MEANS ANY AGENCY OR DEPARTMENT OF FEDERAL, STATE, OR LOCAL GOVERNMENT, INCLUDING ANY BOARD, COMMISSION, SUBDIVISION, OR OTHER UNIT OF EXECUTIVE, LEGISLATIVE, OR JUDICIAL BRANCHES OF THE STATE; ANY CITY, COUNTY, CITY AND COUNTY, TOWN, OR OTHER UNIT OF THE EXECUTIVE, LEGISLATIVE, OR JUDICIAL BRANCHES THEREOF; ANY SPECIAL DISTRICT, SCHOOL DISTRICT, LOCAL IMPROVEMENT DISTRICT, OR SPECIAL TAXING DISTRICT AT THE STATE OR LOCAL LEVELS OF GOVERNMENT; ANY “ENTERPRISE” AS DEFINED IN SECTION 20 OF ARTICLE X OF THE COLORADO CONSTITUTION; OR ANY OTHER KIND OF MUNICIPAL, PUBLIC, OR QUASI-PUBLIC CORPORATION.

(e) “JUST CAUSE” MEANS:

(I) SUBSTANDARD PERFORMANCE OF ASSIGNED JOB DUTIES FOLLOWING NOTICE AND AN OPPORTUNITY TO CURE;

(II) MATERIAL NEGLECT OF ASSIGNED JOB DUTIES;

(III) REPEATED VIOLATIONS OF THE EMPLOYER’S WRITTEN POLICIES AND PROCEDURES RELATING TO JOB PERFORMANCE;

(IV) GROSS INSUBORDINATION THAT AFFECTS JOB PERFORMANCE;

(V) WILLFUL MISCONDUCT THAT AFFECTS JOB PERFORMANCE;

(VI) CONVICTION OF A CRIME OF MORAL TURPITUDE; OR

(VII) DISCHARGE OR SUSPENSION DUE TO SPECIFIC ECONOMIC CIRCUMSTANCES THAT DIRECTLY AND ADVERSELY AFFECT THE EMPLOYER AND ARE DOCUMENTED BY THE EMPLOYER PURSUANT TO SUBSECTION (3) OF THE SECTION.

(f) “SUSPENSION” MEANS AN INVOLUNTARY, UNPAID PERIOD OF EMPLOYMENT EXCEEDING ONE DAY. SUSPENSION DOES NOT INCLUDE:

(I) A REGULARLY SCHEDULED DAY OFF DURING A WORKWEEK;

(II) A VOLUNTARY LEAVE OF ABSENCE; OR

(III) AN INVOLUNTARY UNPAID PERIOD OF EMPLOYMENT AS A RESULT OF AN ACT OF GOD OR AN ACT OF A THIRD PARTY OUTSIDE THE CONTROL OF THE EMPLOYER THAT INTERRUPTS THE EMPLOYER’S NORMAL BUSINESS OPERATION AND IS UNRELATED TO THE CONDUCT OF THE EMPLOYEE.

(2) AN EMPLOYEE MAY BE DISCHARGED OR SUSPENDED ONLY IF THEIR EMPLOYER HAS FIRST ESTABLISHED JUST CAUSE FOR THE DISCHARGE OR SUSPENSION.

(3) AN EMPLOYER SHALL PROVIDE TO AN EMPLOYEE WHO IS DISCHARGED OR SUSPENDED WRITTEN NOTIFICATION OF THE DISCHARGE OR SUSPENSION, WHICH NOTIFICATION INCLUDES EVERY REASON THE EMPLOYER BELIEVES CONSTITUTES JUST CAUSE FOR DISCHARGE OR SUSPENSION. THE EMPLOYER SHALL PROVIDE THE WRITTEN NOTIFICATION TO THE EMPLOYEE WITHIN SEVEN DAYS AFTER THE EMPLOYEE’S DISCHARGE OR SUSPENSION.

(4) AN EMPLOYEE WHO BELIEVES THEY WERE DISCHARGED OR SUSPENDED WITHOUT JUST CAUSE MAY, WITHIN ONE HUNDRED EIGHTY DAYS AFTER RECEIPT OF WRITTEN NOTIFICATION OF THE DISCHARGE OR SUSPENSION, OR WITHIN ONE HUNDRED EIGHTY DAYS OF THE DATE ON WHICH AN EMPLOYER SHOULD HAVE PROVIDED WRITTEN NOTIFICATION OF THE DISCHARGE OR SUSPENSION PURSUANT TO SUBSECTION 3 OF THIS SECTION, FILE A CIVIL ACTION IN STATE DISTRICT COURT. IF THE DISCHARGE OR SUSPENSION IS HELD TO HAVE BEEN WRONGFUL UNDER THE PROVISIONS OF THIS SECTION, THE FOLLOWING SHALL APPLY:

(a) THE COURT MAY ORDER SUCH RELIEF AS THE COURT DETERMINES TO BE APPROPRIATE, INCLUDING:

- (I) REINSTATEMENT OR HIRING OF EMPLOYEES, WITH OR WITHOUT BACK PAY.
- (II) FRONT PAY; OR
- (III) ANY OTHER EQUITABLE RELIEF THE COURT DEEMS APPROPRIATE.

(b) THE COURT SHALL REDUCE AN AWARD OF BACK PAY BY ANY AMOUNT OF ACTUAL EARNINGS OF, OR AMOUNTS THAT COULD HAVE BEEN EARNED WITH REASONABLE DILIGENCE BY, THE ADVERSELY AFFECTED EMPLOYEE.

(c) THE COURT MAY AWARD REASONABLE ATTORNEY FEES AND COSTS TO A PREVAILING PLAINTIFF OF A CLAIM UNDER THIS SECTION. IF THE COURT FINDS THAT AN ACTION OR DEFENSE BROUGHT PURSUANT TO THIS SUBSECTION 4 WAS FRIVOLOUS, GROUNDLESS, OR VEXATIOUS AS PROVIDED IN ARTICLE 17 OF TITLE 13, C.R.S., THE COURT MAY AWARD COSTS AND ATTORNEY FEES TO A PLAINTIFF OR DEFENDANT IN THE ACTION. AN AWARD OF ATTORNEY FEES AND COSTS PURSUANT TO THIS SECTION SHALL BE CONSIDERED BY THE COURT IN THE SAME MANNER AS RELIEF IS AUTHORIZED PURSUANT TO SECTION 24-34-405.

(d) THE DECISION OF THE DISTRICT COURT MAY BE APPEALED TO THE COLORADO COURT OF APPEALS AND THE COLORADO SUPREME COURT AS PERMITTED UNDER THE COLORADO RULES OF CIVIL PROCEDURE.

SECTION 2. Effective date. This act takes effect upon official declaration of the governor and is self-executing.