

California and Colorado Among Jurisdictions Increasing Wage Violation Enforcement

JANUARY 26, 2023

Authors: [Adam Primm](#)

In 2023, several jurisdictions aim to increase enforcement of wage violations. Unsurprisingly, California took the lead when Governor Newsom proposed a budget increase for California's workplace enforcement agency. The measure includes \$16 million dedicated to increase staffing to reduce a backlog in wage claim investigations. In 2021, California enacted a law imposing criminal charges statewide for intentional wage theft. If the state proves an employer intentionally underpaid a worker more than \$900, the wage theft becomes a criminal offense. The law also lets workers make a claim on the personal assets of an employer's executives or directors in some cases. But California has still drawn criticism for a backlog in its investigations of wage claims, which the new measures are intended to address.

Colorado also amended its wage theft law, effective January 1, 2023, to increase penalties for employers that do not timely pay wages, allow employees to demand wages on behalf of a class of similarly situated employees, and limit employers' ability to recover attorney's fees for successfully defending a claim. The law would allow the Colorado Department of Labor and Employment's Division of Labor Standards and Statistics (the "Division") to investigate such demands on a class-wide basis, and, if the Division initially declines to investigate, permit similarly situated employees to consent in writing to participate in a as parties to allow the Division to pursue a direct investigation based on that complaint. Similarly, in Denver, the city council passed a measure to let workers file complaints through the city auditor's office rather than having to sue an employer in court. Companies could face penalties up to three times the amount of unpaid wages even for good-faith mistakes.

California and Colorado are not the only jurisdictions to increase wage violation enforcement, although they are the only jurisdictions to successfully enact enforcement measures. Massachusetts considered and could revisit provisions to permit the attorney general to issue stop-work orders for businesses in violation of wage laws. Oregon lawmakers included combating wage theft on their 2023 policy agenda.

For more information, please contact a member of Benesch's [Labor & Employment Practice Group](#).

Adam Primm at aprimm@beneschlaw.com or 216.363.4451.