

**REGULATORY ANALYSIS  
FOR  
WAGE AND HOUR DIRECT INVESTIGATION RULES  
7 C.C.R. 1103-8**

- 1. Description of classes of persons who will be affected by the rules, including classes that will bear the costs of the rules and classes that will benefit from the rules.**

The proposed Wage and Hour Direct Investigation Rules apply to employers and employees as defined in the Colorado Wage Act at C.R.S. § 8-4-101, et. seq., and the Colorado Minimum Wage Order at 7 C.C.R. 1103-1 et. seq.

- 2. Description of the probable quantitative and qualitative impact of the adopted rules, economic or otherwise, upon the classes of affected persons.**

The proposed Wage and Hour Direct Investigation Rules are not anticipated to have an effect on employers, employees, and labor organizations beyond the obligations that already exist under Colo. Const. art. XVIII, § 15 and C.R.S. §§ 8-1-101 et. seq., 8-4-101 et. seq., and 8-6-101 et. seq.

- 3. Probable costs to the agency and other agencies of the implementation and enforcement of the adopted rules and any anticipated effect on state revenues.**

There is no anticipated impact on costs or revenue as a result of the adoption of these rules.

- 4. Comparison of the probable costs and benefits of the adopted rules to the probable costs and benefits of inaction.**

The Director anticipates that the adoption of these rules will strengthen the wage and hour enforcement efforts of the Division of Labor Standards and Statistics and will increase wage and hour law compliance statewide without additional costs.

- 5. Determination of whether there are less costly or less intrusive methods for achieving the purpose of the rules.**

There are no known less costly or less intrusive means.

- 6. Description of any alternative methods for achieving the purpose of the proposed rules that were seriously considered by the agency, and the reasons they were rejected in favor of the adopted rules.**

Under the Division's current rules, the only way for the Division to investigate potential wage and hour violations affecting many or all of an employer's employees is to receive complaints from all aggrieved employees. This is an impractical and inefficient way to ensure that an employer complies with Colorado wage and hour law with regards to all of

its employees. The Division rejects this method as an alternative in favor of effective and efficient direct investigations of all of an employer's impacted employees.