



Chris L. Thomas

Partner
303.290.1611
Denver
clthomas@hollandhart.com

Colorado Adds a Step to I-9 Compliance

Insight — July 24, 2026

Colorado Enacts New Employer Requirements for Handling Government-Issued Identification Documents

Colorado has enacted HB 26-1283, a new law restricting how employers handle government-issued identification documents. Although the statute is primarily intended to prevent the exploitation of workers, including vulnerable populations such as migrant and seasonal workers, it also creates a new administrative obligation that will affect routine hiring practices. The law will take effect on August 12, 2026.

For many employers, the most significant impact will arise during the employment eligibility verification process. In addition to limiting how employers may handle identification documents, the law introduces a Colorado-specific written notice and acknowledgment requirement that will apply when employers review identity and work authorization documents for Form I-9 purposes. Employers with Colorado employees, particularly multi-state employers with standardized onboarding processes, should evaluate whether their existing systems can accommodate this requirement.

What the Law Requires

Subject to limited exceptions, HB 26-1283 prohibits employers and their agents from demanding, confiscating, retaining, or otherwise requiring applicants or employees to surrender government-issued identification documents. Employers may continue to review documents for Form I-9 purposes and make copies, but they may not retain original documents for more than ten hours.

The law also requires employers, during the Form I-9 process, to provide a written notice describing the statute's protections and obtain a written acknowledgment confirming receipt. That acknowledgment must be retained in the employee's records.

Practical Compliance Considerations

Rather than simply updating a handbook or workplace posting, employers will need to incorporate a new compliance step into their onboarding process. Employers should determine:

- Who must receive the notice;
- When and how it will be delivered;
- How acknowledgments will be collected; and

- Where those records will be maintained.

These requirements may be challenging for employers that rely on electronic Form I-9 vendors, HRIS platforms, applicant tracking systems, or other automated onboarding tools that were not designed for state-specific Form I-9 requirements. Where necessary, employers may need to implement a separate workflow or recordkeeping process.

Employers should also ensure HR personnel understand the distinction between reviewing identity documents for Form I-9 purposes and retaining original documents. As a best practice, employers should review documents, make copies where appropriate, and promptly return the originals.

Enforcement

The law imposes criminal penalties for knowing violations of the prohibition against confiscating or improperly retaining government-issued identification documents, including treatment as a Class 2 misdemeanor and enhanced penalties for certain bias-motivated conduct.

The statute is less clear regarding the consequences for failing to provide the required notice or obtain the acknowledgment. Although it does not appear to establish a specific penalty for those procedural requirements, employers should treat them as mandatory compliance obligations and retain documentation demonstrating compliance to help reduce potential enforcement or litigation risks.

Key Takeaway

Although HB26-1283 is framed primarily as a prohibition on confiscating employee identification documents, its most immediate impact for many employers will be operational. Before the law takes effect, employers should ensure their employment eligibility verification process includes the required notice and acknowledgment procedures.

Employers should also coordinate with immigration compliance counsel, HR personnel, and, where applicable, electronic Form I-9 vendors or other technology providers to develop a practical process for creating, collecting, retaining, and tracking acknowledgments within existing onboarding and employment verification workflows.

Subscribe to get our Insights delivered to your inbox.

This publication is designed to provide general information on pertinent legal topics. The statements made are provided for educational purposes only. They do not constitute legal or financial advice nor do they necessarily reflect the views of Holland & Hart LLP or any of its attorneys other than the author(s). This publication is not intended to create an attorney-client relationship between you and Holland & Hart LLP.

Substantive changes in the law subsequent to the date of this publication might affect the analysis or commentary. Similarly, the analysis may differ depending on the jurisdiction or circumstances. If you have specific questions as to the application of the law to your activities, you should seek the advice of your legal counsel.