



## Interpretive Notice & Formal Opinion (“INFO”) #23A: Delivery Network Companies (DNCs): Driver Rights and Labor Transparency

### Overview

- Two statutes establish transparency and related responsibilities for app-based Delivery Network Companies<sup>1</sup> (“DNCs,” for delivery of food or other purchases) and Transportation Network Companies<sup>2</sup> (“TNCs,” for ride services, often called “rideshares”), as well as related rights of drivers and consumers.
- This INFO covers the Protections for Delivery Network Company Drivers Act (the “DNC Act”) and the rules implementing the Act — the Delivery Network Company (DNC) and Transportation Network Company (TNC) Acts Labor Rules (“DATA Labor Rules”).<sup>3</sup>
- For the Transportation Network Company Transparency Act (the “TNC Act”), see INFO #23B.

### Coverage

- **DNCs** are companies with digital platforms connecting drivers with consumers for food or other deliveries.<sup>4</sup>
- Some DNCs provide only delivery services; others provide delivery services of goods they also sell.
- Moving or towing companies regulated by the Public Utilities Commission are not covered.<sup>5</sup>
- DNCs need not comply with requirements of the DNC Act for drivers, or delivery tasks performed by drivers, receiving a federal Form W-2 from the DNC for earnings for services through the DNC’s platform.<sup>6</sup>

**Requirements.** The DNC Act has four categories of requirements, each detailed below:

- 1) **Disclosures to Drivers**
- 2) **Disclosures to Consumers**
- 3) **Deactivation/Suspension Policies and Challenges**
- 4) **Task Acceptance Time for Driver**

### 1) Disclosures to Drivers

- **Task Offer Disclosures.** When DNCs offer a driver a “delivery task,” they must disclose:
  - The **amount the driver will be paid** by the DNC for the delivery (which can be an estimate for the first disclosure at the time of the offer);
  - Any **tips already left** by consumers and any **reimbursements** the DNC will pay the driver;
  - The **number of transactions** (separate orders) involved in the delivery task;
  - The **address(es)** where the goods must be picked up;

<sup>1</sup> C.R.S. 8-4-126 ([HB 24-1129](#), Protections for Delivery Network Company Drivers Act, “DNC Act”).

<sup>2</sup> C.R.S. 8-4-127 ([SB 24-075](#), Transportation Network Company Transparency Act, “TNC Act”).

<sup>3</sup> Delivery Network Company (DNC) And Transportation Network Company (TNC) Acts Labor Rules (“DATA Labor Rules”), [7 C.C.R. 1103-19](#).

<sup>4</sup> “Digital platform” means an online application, internet site, or system a DNC uses to facilitate and/or manage delivery services. One common type is an application that drivers and consumers install and access on smartphones.

<sup>5</sup> C.R.S. 8-4-126(1)(c)(II).

<sup>6</sup> C.R.S. 8-4-126(9).

- The **direction** from where the driver is to where the goods must be delivered;
- The estimated or actual **time**<sup>7</sup> the driver will spend on the delivery task; and
- The estimated or actual **distance** they will travel for the delivery task.
- **Disclosures for a “Block of Time” for Multiple Deliveries**
  - If a DNC offers pay not per delivery, but for a **block of time with multiple deliveries**, then its task offer disclosure can disclose **total pay** guaranteed for the entire block of time, not per task.
  - Once the block of time **begins**, DNCs must prominently display on the driver’s screen:
    - The total **number of deliveries** that must be completed during the block of time;
    - A reasonable estimate of the engaged **time**<sup>8</sup> required to complete all deliveries;
    - The **range of time** in which the deliveries can be completed;
    - A reasonable estimate of the **distance** the driver will have to travel to complete the deliveries;
    - Pick-up and drop-off **locations** for all deliveries; and
    - Clear information on which deliveries need to be completed within **specific timeframes**.
- **Post-Task Disclosures**. Within 24 hours after a delivery task is completed by a driver (or canceled), DNCs must send the driver an email containing, or otherwise make available for at least one year:<sup>9</sup>
  - The actual amount the driver was **paid** for the task, with tips and reimbursements listed separately;
  - The full amount of any **tips** paid, with separate amounts if multiple consumers left tips;
  - The actual **time** spent, and **distance** traveled, by the driver for the task; and
  - If the task or a transaction was **canceled**, who initiated the cancellation.
- **Summary Disclosures**
  - **Timing**. Summary disclosures must be monthly or quarterly, sent within **30 days** after the end of the month or calendar quarter covered.
  - **Contents**. DNCs must provide drivers a summary of the total **miles** they drove for delivery tasks, and the IRS mileage **deduction rate** applicable for that month or quarter.<sup>10</sup>
- **Format**
  - All **post-task, summary, and consumer payment disclosures** must be:
    - prominently displayed on a **single screen**, in either the DNC’s **digital platform** or an **email**,<sup>11</sup>

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<sup>7</sup> The relevant “time” (also called “engaged time”) starts when a task is accepted (or, for tasks accepted in advance, when work on a task starts), and lasts until the end of the last delivery. DATA Labor Rules, 7 C.C.R. 1103-19, Rule 2.8(A).

<sup>8</sup> See the prior footnote.

<sup>9</sup> This disclosure requirement applies whether a driver is paid per task, transaction, or multi-delivery block of time.

<sup>10</sup> The DNC need not provide a mileage rate to a driver exclusively using a vehicle lacking an IRS mileage deduction rate.

<sup>11</sup> For information to be on a “single screen,” it must be accessible without clicking links, navigating to other pages or screens, or scrolling at length (e.g., if the required material follows a significant amount of other, non-required information). The information need not always be entirely visible within the four corners of a device’s screen without scrolling.

- in a **50% larger font** than is used for other information on the screen or in the email; and
- presented using **design** techniques intended to draw the eye to the required information.
- Driver **post-task** and **summary disclosures** may each be a **data file** (.csv, spreadsheet, etc.):
  - that a driver can **access** from an email or a digital platform;
  - that is **readable** by drivers (sometimes called “human-readable”), and
  - that also may include **prior** data (e.g., the file may also have data from prior tasks or periods).
- **Contract Transparency**
  - At least 14 days before a **new or amended contract** becomes enforceable, DNCs must both:
    - disclose it to **drivers**, both by email and on the digital platform; and
    - post it **publicly** on a website or public digital app.<sup>12</sup>
  - The contract a DNC must provide a **new driver** is the contract they will work under.
  - **Requirements** for these contract disclosures:
    - include a **table of contents** on the first page,<sup>13</sup>
    - present their material terms in **plain language**, and
    - be provided to drivers in six **languages** —
 

- English	- Arabic	- Swahili (also known as Kiswahili)
- Spanish	- Amharic	- Nepali (also known as Nepalese)

**Example 1:** VroomStuff2U, a DNC, issues a new contract. At least 14 days before it can begin enforcing that contract, VroomStuff2U must send a copy to all drivers engaged on its digital platform and make it publicly available. Once 14 days pass, VroomStuff2U can begin enforcing the new contract. Until then, it can keep enforcing the previous contract.

**Example 2:** An individual applies to drive for VroomStuff2U. VroomStuff2U must provide them the contract enforceable at that time. If VroomStuff2U posted a new or revised contract less than 14 days before the individual applied, it must provide the prior contract, because that is the contract enforceable for them until the new or revised contract is distributed to drivers and posted for 14 days. VroomStuff2U does not have to wait until 14 days after the individual begins driving to enforce a contract that it properly distributed and posted.

## 2) Disclosures to Consumers

- **Payment Disclosures.** When a DNC prompts a consumer to leave a tip for a driver, it must tell the consumer the total amount they paid, or will pay, for the delivery.
  - DNCs **cannot reduce** the amount they pay a driver based on a consumer tip.
  - DNCs must pay drivers **all tips** paid by consumers.

<sup>12</sup> C.R.S. 8-4-126(4)(e). This requirement applies to DNC contracts with drivers, not deactivation policies (covered below).

<sup>13</sup> If a DNC has contracts in a context without “pages,” like a scrollable document on a digital platform, it should provide the table of contents at the top, or after a modest amount of preliminary material.

- If a consumer has already paid a tip when a DNC offers a delivery task to a driver, the DNC must indicate the amount of the tip to the driver, amongst other required disclosures.
- For **format** requirements for consumer payment disclosures, see section 1.
- **Driver Safety.** When connecting consumers to drivers, DNCs must prompt consumers to ensure safety for driver arrival. DNCs have flexibility on the timing and contents, as long as they prompt consumers:
  - to ensure a **clear, well-lit delivery path**, and **secure all pets**, before driver arrival;<sup>14</sup> and
  - after the driver accepts the task, and before the driver arrives at the consumer's location, in **enough time** for the consumer to review and act on it before arrival.<sup>15</sup>

### 3) Deactivation/Suspension Policies and Challenges

#### ● The Policy

- DNCs must have a written policy defining “**violations**” that may result in driver deactivation (including suspensions of more than **72 hours**).
- The policy must be **specific** enough to let drivers reasonably understand what would be a violation.

**Example 6:** VroomStuff2U includes in its deactivation policy a statement that it can deactivate a driver at any time, for any reason. This is not permissible because it does not describe a “violation” that a driver might reasonably be able to understand.

#### ● Disclosures

- **Drivers.** DNCs must provide the policy to new drivers before they drive for the DNC.
- **The Division.** DNCs must provide their policy to the Division, which will post it on its website.
  - The policy must be posted by the Division for at least **30 days before** it can be enforced.
  - Any **new** policy, or **revisions** to the enforceable policy, must go through the same procedure, and be posted for 30 days before becoming enforceable.
  - Division posting of a DNC policy does not mean the Division determined the policy to be compliant, though the Division may inform a DNC if its policy appears non-compliant in any way.

**Example 7:** VroomStuff2U wants to start enforcing its deactivation policy by January 1, 2025. As of January 1, 2025, DNCs cannot deactivate drivers until their policy has been posted by the Division for at least 30 days. So VroomStuff2U must provide its policy to the Division by December 2, 2024, for the policy to be posted at least 30 days before enforcement.

- **Languages.** DNCs must make the policy available to drivers and the Division in six languages:
  - English      - Arabic      - Swahili (also known as Kiswahili)
  - Spanish      - Amharic      - Nepali (also known as Nepalese)

#### ● Compliance

- As of January 1, 2025, a DNC driver can be **deactivated or suspended only consistent with the policy**,<sup>16</sup> including for only violations listed in the policy.

<sup>14</sup> C.R.S. 8-4-126(6).

<sup>15</sup> DATA Labor Rules, 7 C.C.R. 1103-19, Rule 5.3.1(A).

<sup>16</sup> C.R.S. 8-4-126(5)(c).

- A DNC **deactivating a driver must disclose** to them:
  - the **effective date** of the deactivation;<sup>17</sup>
  - enough information for the driver to understand **why** they were deactivated, with reference to the provision of the account deactivation policy they allegedly violated;<sup>18</sup>
  - the **steps**, if any, the driver can take to attempt to correct the violation and be reactivated; and
  - notice of the right to **challenge the deactivation** (described in the next section below) with a description of the deactivation challenge process or a link to that description.

## ● Challenges

- DNCs must have a **deactivation challenge procedure** for drivers to challenge deactivations.
- The procedure must be **available** immediately at notice of deactivation, and 30 days after.
- DNCs must **respond** in 14 days after receiving a challenge (or, if more time is needed, must explain why, and give a reasonable response date), and issue a decision, as detailed in the table below.

If the DNC finds the driver:	Then its decision must:
1) <b>is in violation</b> of its deactivation policy	<b>reaffirm</b> the deactivation, explaining (a) why, and (b) any steps the driver can take to attempt to correct the violation and be reactivated
2) <b>did not violate</b> its deactivation policy	<b>reactivate</b> the driver as soon as possible, no later than 72 hours after the determination
3) <b>corrected</b> a violation they committed	<b>reactivate</b> the driver as soon as possible, no later than 72 hours the determination

- A driver who disagrees with the outcome of their challenge may file a Division or court **complaint**.

**Example 8:** VroomStuff2U's deactivation policy says drivers will be deactivated if they lack current vehicle registration, but may be reactivated if they renew the registration. A driver is deactivated for expired registration, then renews the registration and files a challenge seeking reactivation. VroomStuff2U refuses to consider the challenge. This is inconsistent with the policy for two reasons: 1) DNCs must allow challenges to any deactivations, which includes a challenge claiming that a cured violation warrants reactivation under the policy; and 2) the policy says drivers renewing expired registrations may be reactivated.

**Example 9:** Under VroomStuff2U's deactivation policy, customer approval ratings below 50% are grounds for deactivation. A driver is deactivated after negative reviews drop their rating to 48%; they file a challenge claiming the reviews were unfair. VroomStuff2U reconsiders and reaffirms the deactivation, as it was based on the rating, not the fairness of the reviews. This deactivation and reaffirmation are consistent with the deactivation policy.

<sup>17</sup> The effective date of deactivation is the date a DNC blocks or restricts driver access to its app, if the restriction is intended to be permanent or the DNC knows or reasonably believes the restriction could last more than 72 hours. Otherwise, the restriction becomes a deactivation once it has lasted more than 72 hours. Rule 2.3(A): "If, at the time that it restricts a driver's access to its digital platform, a DNC or TNC knows or reasonably expects that the restriction could last 72 hours or more under the TNC Act or more than 72 hours under the DNC Act, the DNC or TNC is considered to have "deactivated" the driver and shall comply with the deactivation requirements of the DNC Act or TNC Act, respectively."

<sup>18</sup> DNCs need not give drivers information they reasonably believe could compromise customer safety or privacy. C.R.S. 8-4-126(5)(f).

#### 4) Task Acceptance Time for Drivers

- Whether a DNC offers a delivery task to one driver, or to multiple drivers at the same time, the DNC must give the drivers **at least 60 seconds** to decide whether to accept or reject the offer.
- DNCs cannot **penalize** or **retaliate** against drivers based on responding to offers in under 60 seconds.
- DNCs also cannot **encourage** drivers to respond in under 60 seconds by rewarding them for doing so — whether by offering them more money, more (or more preferable) delivery tasks, or any other incentive based entirely or partially on whether drivers respond to offers in under 60 seconds.

**Example 3:** VroomStuff2U restricts access to some delivery opportunities to drivers who meet certain metrics. One of those metrics is how frequently the driver accepts or rejects a delivery offer in under 60 seconds. This is not permissible, because it both penalizes drivers who do not respond in under 60 seconds, and rewards drivers who do.

**Example 4:** VroomStuff2U pays more per delivery to drivers accepting 75% of delivery offers. This is permissible, as the rate isn't based on accepting offers in under 60 seconds.

**Example 5:** VroomStuff2U offers to pay drivers for a “block of time” containing multiple deliveries. It lets multiple drivers review the offer simultaneously for a limited period. All drivers who selected the offer have 60 seconds to review the offer details. VroomStuff2U then lets any driver reviewing the offer accept or reject it. When multiple drivers accept the offer, VroomStuff2U has considered three ways to decide which driver to give the offer.

- A. Driver seniority. This is permissible: drivers have 60 seconds to review offers with no penalty, encouragement, or award of offers based on responding in less time.
- B. Random selection. This is permissible for the same reason as driver seniority.
- C. Which driver accepts first. This is permissible only if all drivers reviewing the offer have at least 60 seconds to decide whether to accept or reject. If any driver can accept and claim the offer in under 60 seconds, then other drivers lacked the required 60 seconds. If three drivers review the offer, the third driver who chose to review the offer needs at least 60 seconds to review before being required to accept or reject. After 60 seconds pass, the DNC could then allow any driver to accept or reject, and could award based on who accepts first. That would be permissible: drivers have 60 seconds to review offers with no penalty, encouragement, or award of offers based on responding in less time.

#### Complaints, Investigations, and Enforcement

- **Who Can File Complaints?** Any **driver or consumer** claiming a violation of the Act may file with the Division. Those needing **assistance** can contact the Division or have an authorized representative file.
- **How Can a Complaint Be Filed?** Complaints must be filed using the Division's complaint form available on the Division's DNC page ([cdle.colorado.gov/DNC](https://cdle.colorado.gov/DNC)).
- **What to Include in Complaints.** Complaints should include as much of the following information as possible. If not all information is available, complaints should include whatever information is available.
  - **Explanation** of any alleged violations, with as much information as possible, such as dates of key events (actual, estimated, or time range), names of decision-makers or others affected, etc.
  - **Documents if relevant** to the claim — emails, text messages, letters, deactivation notices, witness statements, screenshots, etc.
  - **Timing details if relevant** to the claim — start date, deactivation date, task date and time, etc.

- **Initial Review by the Division**

- The Division first reviews whether a complaint is a type it has **authority to investigate** and, if so, whether to exercise its **discretion to investigate** based on information the complainant provided.
- If the Division determines that it will not investigate, it sends the complainant a **dismissal notice**, which will let the complainant know of any option to pursue the claim in court.

- **Response.** If the Division investigates, it will **notify** the DNC of the complaint and give a deadline for:

- an explanation of **which allegations** the DNC does and does not dispute;
- all **information requested** by the Division; and
- any documentation or other **evidence** the DNC wishes the Division to consider.

- **Decisions and Orders.** After reviewing all available information, the Division may:

- **terminate or dismiss** the investigation;
- issue a **notice of compliance** finding that the alleged violation did not occur; or
- issue a **written determination** that a violation occurred, which may —
  - order **finest** payable to the State of **\$100 per violation, per consumer or driver** affected, as well as any fines under other laws, e.g., for not complying with Division requests or orders; and
  - notify the complainant of the right to pursue **further remedies in court** (orders, damages, etc.).

**For More Information:**

Visit the Division [website](#) or the Division's DNC and TNC pages ([cdle.colorado.gov/DNC](https://cdle.colorado.gov/DNC) and [cdle.colorado.gov/TNC](https://cdle.colorado.gov/TNC)), call 303-318-8441, or email [cdle\\_accountability\\_programs@state.co.us](mailto:cdle_accountability_programs@state.co.us).