



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-121: OVERTIME THRESHOLD FOR AGRICULTURAL EMPLOYEES

Prime Sponsors:

Sen. Rodriguez; Simpson
Rep. Martinez; Winter T.

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Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. This bill requires an agricultural employer to pay an agricultural employee an overtime rate for time worked in excess of 60 hours per work week, with certain exceptions.

Types of impacts. The bill is projected to affect the following areas on a one-time basis:

- State Revenue
- State Expenditures

Appropriations. For FY 2026-27, the bill requires an appropriation of \$32,536 to the Department of Labor and Employment.

**Table 1
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$39,912	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.4 FTE	0.0 FTE

Fund sources for these impacts are shown in the tables below.

**Table 1A
State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$32,536	\$0
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$7,376	\$0
Total Expenditures	\$39,912	\$0
Total FTE	0.4 FTE	0.0 FTE

Summary of Legislation

This bill requires an agricultural employer to pay an agricultural employee an overtime rate for time worked in excess of 60 hours per work week, except for an agricultural employee who is:

- principally engaged in the range production of livestock on the open range;
- a decision-making manager; or
- a family member of a family owner of an agricultural employer.

The director may adopt rules to address the overtime requirements for the agricultural employees exempted under the bill. In addition, the bill repeals obsolete requirements related to previous rulemaking completed by the Director of the Division of Labor Standards and Statistics in the Department of Labor and Employment (CDLE) concerning overtime and maximum hours protections to agricultural employees.

Background

[Senate Bill 21-087](#) established overtime pay for agricultural workers. As of January 1, 2025, overtime for agricultural workers begins after 48 hours per week, or after 56 hours for up to 22 peak weeks for highly seasonal employers.

State Revenue

The bill may increase minimally increase revenue to CDLE and the Judicial Department. These increases are described below.

Penalties and Fines—CDLE

The CDLE practices compliance assistance when investigating violations of agricultural wage requirements, which provides employers with an opportunity to demonstrate compliance rather than having CDLE initiate a formal investigation. As a result, penalties and fines levied are expected to be minimal.

Filing Fees—Judicial Department

The bill may minimally increase revenue from filing fees from additional civil cases filed with the trial courts in the Judicial Department.

State Expenditures

The bill increases state expenditures in the Division of Labor Standards and Statistics in CDLE by about \$40,000 and 0.4 FTE in FY 2026-27 only. These costs, paid from the General Fund, are summarized in Table 2. It also increases workload for the Judicial Department. These impacts are described below.

Table 2
State Expenditures
Department of Labor and Employment

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$32,536	\$0
Centrally Appropriated Costs	\$7,376	\$0
Total Costs	\$39,912	\$0
Total FTE	0.4 FTE	0.0 FTE

Department of Labor and Employment

The CDLE requires an additional 0.4 FTE to update the Colorado Overtime and Minimum Pay Standards Order (COMPS ORDER) #40 through rulemaking to reflect the changes in the bill. The bill requires 800 hours of a Policy Adviser VI to review, consider, and incorporate stakeholder feedback, and to amend existing public guidance and outreach materials to reflect the bill and rule changes. This staff person will also respond to queries from employers, workers and workers' advocates.

Judicial Department

Because this bill adds additional protections to agricultural workers, district courts may receive additional civil case filings regarding violations. However, given that the bill expands existing wage protections and the assumption that most employers will follow the law, it is anticipated the any impact on the courts can be addressed within existing appropriations.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature. It applies to time worked and contracts entered into or renewed on or after the date that the bill takes effect.

State Appropriations

For FY 2026-27, the bill requires a General Fund appropriation of \$32,536 to the Department of Labor and Employment, and 0.4 FTE.

State and Local Government Contacts

Agriculture	Labor
Judicial	Law

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).