



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**FISCAL NOTE**

<b>Drafting Number:</b>	LLS 18-0667	<b>Date:</b>	January 22, 2018
<b>Prime Sponsors:</b>	Rep. Williams D.	<b>Bill Status:</b>	House SVMA
		<b>Fiscal Analyst:</b>	Erin Reynolds   303-866-4146 Erin.Reynolds@state.co.us

**Bill Topic:** MINIMUM WAGE REQUIREMENT WAIVER

<b>Summary of Fiscal Impact:</b>	<input checked="" type="checkbox"/> State Revenue ( <i>not estimated</i> )	<input type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure ( <i>minimal</i> )	<input checked="" type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Statutory Public Entity

This bill allows an applicant or employee to opt-out of minimum wage laws and requires employers to post notice of the option. It will create an ongoing minimal workload increase for state and local agencies. The impact to state revenue has not been estimated.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** This fiscal note reflects the introduced bill.

**Summary of Legislation**

This bill allows an applicant or employee to waive his or her right to the payment of a minimum wage and requires employers to post notice about a right to negotiate wages.

**Background**

**Colorado's minimum wage.** Prior to 2007, Colorado's minimum wage law was set by federal law. In 2006, Colorado voters adopted an amendment to the state constitution that raised the minimum wage from \$5.15 per hour to \$6.85 per hour beginning in 2007, and from \$2.13 to \$3.02 less than the state minimum wage for tipped workers. In 2016, Colorado voters again amended the state constitution to increase the state minimum wage from \$8.31 to \$9.30 per hour beginning on January 1, 2017, after which it increases annually by \$0.90 per hour until it reaches \$12.00 per hour on January 1, 2020. Beginning January 1, 2021, it will be adjusted each year thereafter by the increase in the CPI. Colorado law does not allow cities to enact minimum wage laws separate from that of the state. The federal minimum wage is currently set at \$7.25 per hour, and \$2.13 for tipped workers.

Table 1 shows the Colorado minimum wage and tipped employee minimum wage from 2006 to 2020.

**Table 1**  
**Colorado State Minimum Wage, 2006-2020**

<b>Effective Year</b>	<b>Minimum Wage</b>	<b>Tipped Employee Minimum Wage</b>
2006	\$5.15	\$2.13
2007	\$6.85	\$3.83
2008	\$7.02	\$4.26
2009	\$7.28	\$4.26
2010	\$7.24	\$4.22
2011	\$7.36	\$4.34
2012	\$7.64	\$4.62
2013	\$7.78	\$4.76
2014	\$8.00	\$4.98
2015	\$8.23	\$5.21
2016	\$8.31	\$5.29
2017	\$9.30	\$6.28
2018	\$10.20	\$7.18
2019	\$11.10	\$8.08
2020	\$12.00	\$8.98

*Source: Colorado Department of Labor and Employment; Colo. Const. art. XVIII, § 15.*

### **State Revenue**

The bill's impact on state revenue has not been estimated. This fiscal note does not estimate how the measure will affect individuals' wages and the subsequent impact on tax collections nor does it estimate the overall impact to businesses and the economy. Such an estimate would rely on many secondary factors outside the scope of this analysis.

### **State Expenditures**

Based on current job classifications and wages, most state workers earn more than the minimum wage. However, state employers paying minimum wage will be required to post and maintain a notice informing job applicants and employees that they have the right to negotiate wages. This workload increase is expected to be minimal. These departments are: Agriculture, Corrections, Higher Education, and Natural Resources.

### **Local Government, School District, and Statutory Public Entity Impact**

Similar to the state, local governments, school districts, and statutory public entities paying minimum wage will be required to post and maintain a notice informing job applicants and employees that they have the right to negotiate wages.

## Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

## State and Local Government Contacts

Agriculture  
Health Care Policy and Financing  
Information Technology  
Natural Resources

Corrections  
Higher Education  
Law

Counties  
Human Services  
Municipalities