

House Business Affairs & Labor

02/20/2025 01:30 PM

HB25-1208 Local Govs Tip Offsets for Tipped Employees

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
Ben Breaux Against themselves	I oppose this motion
Lily Gabriel Against themselves	Tipped workers deserve a livable wage. Not lowering the minimum tipped wage will ensure residents of Colorado who serve their community can continue to afford to live here.
Matthew Montgomery Against themselves	To all it may concern, This bill, in its passing, will be a detriment to the living wage of hundreds of thousands of service industry workers in this state. We already barely make ends meet with the way our economy is in shambles. I have to work two jobs as a server to barely make ends meet -- and I don't even have children! Please think of the negative impacts this will have on more than just our own income. I am worried that lawmakers have zero understanding of the current financial struggles of our service industry. We need lawmakers to stand up for us, not find ways to reduce our income. Sincerely, Matthew Montgomery 8350 East 104th Way, Henderson, CO 80640
Amanda Lampman Against themselves	I have been in the restaurant industry for over a decade. I've managed, served, bartended. I've seen restaurants close. I've seen them be successful. Do you know what is always the common denominator for a successful restaurant? The workers. And smart management. So it's really unfathomable that you want to slash their wages. My wages. It begs the question, what is the actually culprit? Or who rather. How about we focus on the more powerful people? What about the landlords with their ever increasing rent? Or food distributors? Why is the focus on the working class people trying to make ends meet in the ever increasing cost of living world we live in? This is a sloppy and unthoughtful "solution" for restaurants. The small

	business owners of my restaurant would be appalled at this. They care about us. Forced wage cuts are not the answer.
Adams Brookelle Against themselves	No no no please no
Addison Lopshire-Bratt Against themselves	This rollback literally undoes progress that has led to tipped workers having more reliable paychecks in an unpredictable industry. The reasons restaurants are closing are NOT because of a \$4 increase in wages but because of untenable rents and bad public transit and a generally poor economy. The answer is NOT to roll back crucial progress for workers dignity but instead to support workers during uncertain economic times and curtail greedy landlords.
Justina Koukeokingthale Against themselves	This is wrong. Servers are servers for the expectation of earning their income from tips. This beats the purpose of the job. The service industry will decline if this is implemented.
Jace Broncucia Against themselves	This legislation is directly going to affect 1000's of hospitality workers. As expensive as it already is in Colorado I would not be in a position to afford to live anymore as would many other people. With our current administration causing raised prices on food, gas, vehicles, etc, this legislation will only hurt people and not help anyone.
Terin Blake Against themselves	It's shameful that our legislators are trying to roll back wins for working class people and reduce wages-- when wages should be INCREASED. A living wage in Denver County is \$29/hr! We need to stop listening to those in power-- bosses and restaurant owners-- who claim that wages are causing restaurant closures. We need to stop blaming workers! These people simply aren't running a good business if they can't afford to pay their labor force and need to look more deeply at those in actual power-- their greedy landlords and food distributors. Don't turn your back on Denver's working class food servers, who more often than not are locals born & raised here and who are serving a higher class of out of state tech & office workers
Joel Brown For themselves	I support this bill. As a result of the higher minimum wage in Denver, restaurants are struggling to survive. The independent restaurants are going out of business and only the chains can survive. This is a well thought out fix. Thank you Rep Woodrow. Please pass this, and get it to the governor's desk.

<p>Kristesen Davis Against themselves</p>	<p>I am against it as a server myself I do would struggle with less wage</p>
<p>Gayle Davis Against themselves</p>	<p>I am against lowering minimum wage.</p>
<p>demasse shantine Against themselves</p>	<p>i am against the lowering of wages for tipped workers. as a server myself my income is already low</p>
<p>Christina Davis Against themselves</p>	<p>Living wage is needed to support ourselves in Denver. We need to keep the same wage to ensure equality in the communities.</p>
<p>Ellen Buckley Against The Women's Lobby of Colorado</p>	<p>I am writing on behalf of the Women’s Lobby of Colorado to urge you to vote no on HB25-1208. This bill harms food and beverage workers (largely women) who can least afford it by increasing the amount employers can deduct from the minimum wage to tipped employees. Employers are already allowed to deduct money from workers’ paychecks, thereby transferring the burden of paying employees minimum wage to the employees themselves. This bill would allow further deductions of pay, thus giving employees an extra pay cut of \$4 an hour. Imagine paying your rent and utilities after a pay cut of thousands of dollars a year.</p> <p>I put myself through college by waitressing, luckily in a state that did not allow tip offsets to minimum wage. What many people don’t understand is that food and beverage tipped employees don’t get to keep all their tips. Depending on the establishment, at the end of shift, your food server may have to give some of their tips to the busboy, bartender, host, etc. With this bill, in addition to being unable to keep all their tips, employees will be unable to keep even more of the minimum wage they have been earning (minus the current \$3.02 tip credit offset).</p> <p>Jurisdictions that have increased minimum wage above the state’s minimum have done so because they recognize the state’s minimum wage is not livable, particularly in areas like Denver and Boulder where the cost of living is extremely high. Any bill telling those governments they must reduce tipped employees’ pay back down to</p>

	<p>the state minimum wage violates local control and harms the workers local governments have tried to help.</p> <p>The Women’s Lobby of Colorado urges you to vote no on this bill.</p> <p>Respectfully, Ellen Buckley, Board Chair Women’s Lobby of Colorado</p>
<p>Kent Davis Against themselves</p>	<p>I am opposed to this bill</p>
<p>Taylor Haley Against themselves</p>	<p>I implore you to find other ways to help businesses with money the state already has, versus asking employees and customers to cover rising costs of business. Tipped employees are making less tips than ever, and relying more and more on their base pay. I don’t know anyone, in any field, who can take a \$8,000 a year pay cut with zero consequences. I do not doubt that businesses are struggling to keep up with rising costs of almost everything, but so are the hourly, tipped employees. It would seem to be looking at a situation where costs are too high, and putting that on the people who are showing up to work every day. Unless this bill has a magical plan to lower the living expenses of these workers, I don’t see how you could justify this change. It seems like an especially odd move, after city groups paid hundreds of thousands of dollars to get the Michelin group to come here and give stars to our restaurants. How do you think those places will be when their staff can’t afford to work for them anymore? I beg you, please do not support this bill.</p>
<p>Aubree Hesley Against themselves</p>	<p>To the General Assembly,</p> <p>Regarding the sponsors of the House Bill 1208- namely the Colorado Chamber of Commerce, the Hispanic Restaurant Association, EatDenver, the Tavern League, the Downtown Denver Partnership and the Downtown Boulder Partnership- all listed have business capital interests in seeing this bill passed into law and it comes as a deep betrayal to the thousands of restaurant tipped employees that helped birth and create the very food scene culture in Colorado that keeps it’s tourists, it’s residents, and it’s business owners well fed with excellent service. To pull the rug from under them is disingenuous, spiteful, and will not save our dying restaurants.</p> <p>Surviving the onslaught of COVID 19 lockdown measures has been a slow death of a thousand cuts for business owners and workers alike, with countless familiar store fronts being shuttered for good on 16th street mall in downtown Denver, and countless businesses still making up back payments on rent, taxes, and supply costs. Even tycoons, like the Hard Rock Cafe, could not survive the consequences of COVID</p>

	<p>19 and have since shuttered their doors. Workers face the same realities as our businesses, seeing less and less money in checkbook receipts, their paychecks going from dollars to pennies, and hours of dead foot traffic that leave their normal bustling Friday shifts a complete wash. We are all in the same struggle to revitalize our personal and communal lives in Colorado.</p> <p>To address downtown Denver; the rigid and inflexible landlords of the 16th street mall enjoy the luxury of being removed from the realities of navigating the city. Construction has actively blocked traffic flow of incoming visitors' vehicles, the forceful crowding of people into narrower and narrower streets between black meshed chain link fences, the inimical noise of jack hammers, and the unpleasant reality of the cost of living crisis have steered people away from our businesses. What is there to enjoy downtown when there is no longer a downtown? Relentless media coverage of the homeless crisis, the reporting on crimes in the city, and the exaggeration of Denver being "dirty" has added the one thousandth and one cut to our reputation. It is easy for businesses to turn their backs on the very people who earned them their five star yelp reviews, built out their cocktail menus, and stuck by their side when business slowed down. It's easy to point the finger at someone who "asks too much" and cuts into a business's excess profits at the end of the day- but workers have not betrayed their employers. Point the finger of blame where it really lies - in the skyrocketing rents that real estate owners collude to bleed a business dry! Point the finger of blame where it really lies- at the uncontrollable rent prices that force foot traffic out of the city into ever-sprawling suburbs! Point the finger where it really belongs- the outpaced taxes on real estate that do not match the real value of these properties!</p> <p>Cutting workers' safety net of pay will only force workers farther away from the result HB-1208 wants, more revenue to restaurants to stay in business. Cut the pay of employees and they will prioritize their rent, their groceries, and will not think twice about patroning your business. How can they when they can not afford to? Cut workers wages and they will not be able afford to stay in the city, they will find work elsewhere that is closer to their new homes. If the General Assembly wants to save this city, it is not done by pushing workers to the edge of a personal financial crisis. This bill is a disastrous decision that will lead to cataclysmic result. Any business owner who is wise will be against this proposal, for it spells their business' demise.</p>
<p>Murphy Hogan Against themselves</p>	<p>As a tipped employee in Denver, I'm offended that our democratic lawmakers put my livelihood on the chopping block. I rely on higher wages than the minimum wage in order to survive in Denver. Cutting the floor by \$4 is insulting, and will lead to losses for the democratic party in Colorado. Shame on you.</p>
<p>Mel Ostrow Against themselves</p>	<p>H25-1208 attacks the wrong part of the problem and further perpetuates the disproportionate pay those who support it say it fights. Rather than rely on what is seemingly yet another bail out that supports big business, it attacks the tipped employees that make the industry run. I am firmly against the passing of this bill when restaurant groups run rampant across Denver, over saturating the market in a way that makes it difficult for the little guy to keep up. The Colorado Restaurant Association is perpetuating a list of closures over the last year in an attempt to push the agenda of this bill, when in fact a large number of restaurants on that graphic are</p>

	<p>owned by large c-corps and not small local proprietors, and while they closed entities in the Denver metro area, they went on to open several more. While i agree the industry is on its knees, it's not the burden of the tipped employee to bare. What would be fair if the argument is to evenly distribute pay within the house, is to pay all employees a livable hourly wage and have tips be an addition that is distributed evenly through FOH and BOH. It is not fair to write policy that further blurs the lines that allow racism, discrimination, and wage theft to run rampant in our industry. Thank you for your time.</p>
<p>Adam Reed For himself</p>	<p>Greetings and thank you for your attention and service to our community!</p> <p>I've been working in restaurants in Boulder for the last 25 years, and prior to that I was dining in them. I grew up in Boulder and the restaurant community has always been a vibrant, exciting and unique industry, albeit a rigorous and difficult one. So many of us enjoy this industry for the passion for hospitality and the charge of serving others and much of what we gain is non-monetary. Joy is a tremendous currency, but regrettably, is it not accepted as payment on invoices.</p> <p>I attended the listening sessions that preceded the minimum wage change in Boulder and I voiced my concerns regarding the minimum wage increase as it related to the tip credit. This has been an issue in Denver where the change happened without consultation of the community. This increase and scheduled progressive increases puts restaurants, who are employing tipped staff, in a very unique and challenging situation.</p> <p>When I was working in restaurants in Boulder (anyone remember Trios?) as a server, the tipped minimum wage would barely cover the taxes being withheld from my checks. In fact, most paychecks were \$0. But no one batted an eye, as we knew we were well compensated and businesses focused their labor dollars on paying kitchen and other non-tipped personnel because we were well compensated by the guest in the form of gratuities.</p> <p>At that time the tip credit was essentially a 60%+ discount on the min wage. Today that percentage has dwindled to >20%, forcing us to pay employees earning a significant amount of tips, dollars that could and should be going to our non-tipped back of house staff.</p> <p>I support the increase in minimum wage in general but in the hositality industry, a dangerous pattern has emerged. Increase minimum wage, wage cost goes up, prices go up, tips based on those elevated menu prices go up. So those who need the raise in minimum wage the least, get a double boost, while the non-tipped workers cannot be supported in the same way. It's a 'double dip' with every minimum wage increase.</p>

	<p>The server/bartender/support staff community does not need to be protected by minimum wage. By not having a tip credit that morphs with the rise in minimum wage, we are preventing proper staffing, and taking \$ out of the pockets of those that are NOT tipped. Most tipped employees are VERY well compensated and are earning at times, even more than their managers because the house cannot redistribute wages because of the antiquated tip credit. Minimum wage is set to guarantee a living wage, but in many cases we continue to give equal raises to individuals who are tip compensated and making over \$70-80k annually working 30 hrs a week. This failing of the immovable tip credit harms employers, and the employees who are not tipped.</p> <p>These drastically rising labor costs coupled with increased rents (primarily driven by property taxes) and inflated costs of goods have nearly all local restaurants questioning the future and often are barely breaking-even currently. Rising costs and flat to declining revenues have made operating in Boulder/Denver incredibly challenging.</p> <p>But there is an opportunity for restaurants to survive and support our teams that most deserve it, in our kitchens. I'm writing to share my support for the Restaurant Relief Act (HB25-1208), asking for you to vote YES to help local, independent restaurants stay in business and invest in our teams.</p> <p>Restaurants are closing every single day in Colorado, and without the Restaurant Relief Act, my business is in jeopardy, too. This bill will reset our broken tip offset (or tip credit) system in Colorado, which handcuffs restaurant owners and has directly led to hundreds of business closures over the past few years. Workers are losing their jobs and industry peers are losing their businesses. It's time to fix the problem – and this bill does that, all while ensuring that our teams can keep earning great wages.</p> <p>How many more businesses need to close? The Denver Post reported a 22% decrease in restaurants over the past three years, which equates to more than 425 businesses closed and more than 21,200 local workers out of a job, on the low end!</p> <p>The restaurants that remain have done everything we can to stay above water: We've eliminated positions, laid off staff, cut the fat from our budgets... and now we're down to bone. Can Denver really support a higher tipped minimum wage than New York City, Washington D.C., Chicago, or Boston? We want to pay our kitchen crews more, just like we want to bring back bussers and hosts and stop cutting tipped workers' shifts. It's no longer possible to do those things without a larger tip offset. We're desperate for relief, and we need your help. Not next session, but right now.</p> <p>Please join Senators Amabile and Daugherty and Representatives Woodrow and Valdez and others in fighting for our survival. Please support the increase in the tip</p>
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	<p>offset that the Restaurant Relief Act provides before many more of my fellow restaurant operators and I have to close.</p> <p>Now is the time to fix this.</p> <p>I respectfully ask that you vote YES on HB25-1208.</p>
<p>Erik Swanson Against themselves</p>	<p>Reducing the wages of tipped laborers is unfair and unnecessary. A group of workers who are not relatively high earners compared to many other fields do not need to have their wages lowered. Their labor is skilled and difficult and if anything, they should be paid more to accommodate the high price of housing and groceries.</p>
<p>Nicholas Dalton For Brasserie Brixton</p>	<p>This will create an opportunity for our beautiful city of Denver to support the people of our community and the businesses we work in and operate.</p> <p>I personally am going to have to close a business this year due to the rising costs of operating in Denver. Brixton has a profit margin of 1% is a recommended Michelin restaurant, was built in a dilapidated corner store with dirt floors, in an under served neighborhood with no grocery stores or places to eat. We opened this restaurant with our own money, laid the tile ourselves because we couldn't afford to pay someone, painted the walls ourselves because we couldn't afford to pay someone. We have brought life into this neighborhood, created a community in this neighborhood, opened in the middle of pandemic to show that nothing is impossible.</p> <p>This climate and current costs implemented by the city of Denver have made it impossible to operate. The only people who can afford to open and operate in this city aren't from this city. They have multiple units in other cities supporting the lack of revenue of their Denver businesses.</p> <p>We need a tip credit. Period. Happy to open our books but more than 75 percent of revenue goes to labor. There just isn't enough left to pay the rent.</p> <p>I moved here 17 years ago and my entire family now lives in Colorado as well. This is my home and hospitality is my career. Please don't make me move my home.</p>
<p>Kyndal Lee Against themselves</p>	<p>I've been a Colorado resident my entire life.</p> <p>Been in the service industry about 30 years. I've worked service jobs in rural, suburban and urban Colorado.</p>

	<p>I worked service as a barista at a local coffee shop that has been apart of Denver for 30 years. My boss has always paid above minimum wage.</p> <p>In the 13 years I've worked at Pablo's coffee, I have been able to have a career, where I make a livable wage, because my boss shares his profits with us by paying us a liveable wage.</p> <p>This seems to be a rarity, and you hear of many restaurants finding ways to drop wages, and not paying liveable wages.</p> <p>Of we lower denver minimum wage for tipped employees by \$4 an hour.</p> <p>People would lose about \$10,000 a year.</p> <p>That is significant to people who make on average make \$42,000-\$56,250 net income.</p> <p>Service industry people often have 1-3 jobs, because service jobs often do not give 40 hours a week. They already have to hustle, and you want to hustle more.</p> <p>We also would be forced out of the city and have to commute further to work, as we would have less money to afford the expensive rents in denver.</p> <p>Service industry also live with roommates just to afford the city.</p> <p>How many more sacrifices do we have to make, to serve the local community we love and are apart of?</p> <p>Why are we not questioning the food distribution companies? Why are we not in question of the landlords and how much they are charging?</p> <p>The servers want the job opportunities, the restauranteers want the servers. We need to question who is making the exhoberant amount of money? We know it's not the restaurants or the servers. They are just surviving.</p>
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	<p>So put control on the earning potential of the distributors and the landlords... not on the people who are barely making ends meet.</p> <p>Thank you</p>
<p>Josh Wolkon For Secret Sauce Food and Beverage</p>	<p>I've been operating restaurants in Denver since 1997, with the opening of Vesta Dipping Grill. I closed Vesta, after 23 years, at the start of the Pandemic, which turned out to be the right move given the current state of Lodo. I closed Steuben's, Arvada in 2023, as the pressures of running three restaurants in this environment were just too much. I continue to run the original Steuben's, Uptown and Ace Eat Serve right next door. Both Vesta and Steuben's were integral parts of the revitalization of both Lodo and Uptown. We have won numerous awards for our commitment to the community through our Philanthropic efforts, most notably with our support of Urban Peak over the past 20 years. At one point we employed 350 people. We currently employ 120 and continue to lower our staffing levels to handle the increased costs of labor.</p> <p>For the past year I have been searching for a way to exit the industry. Between labor costs, increased property taxes, crime, homelessness and a never ending flow of anti-restaurant legislation, the joy of making our staff and guests happy has been replaced with a never ending stress to make ends meet. We used to average a 15% profit margin. Today, despite decent revenue, profit margins are basically non-existent. The majority of full service restaurants, especially at the mid-price point, can no longer operate sustainably in Denver. There will always be exceptions with below market rent or real estate ownership or just the hottest restaurant at the moment, but in general, our margins are so slim that it just takes one snowstorm, power outage, lawsuit, or equipment malfunction to put the business in the red. The hard part about finding an exit is that nobody wants to operate restaurants in Denver so finding a buyer has proven challenging. We are simply one of the worst cities in the country to operate. It's sad. I have always taken a lot of pride in being part of the amazing growth of Denver over the past 28 years, but when our industry has needed help from our City, we seem to be met with deaf ears.</p> <p>The majority of the public and elected officials do not understand the impact of the tip credit and the annual raise given to our tipped employees. Every year this costs our two restaurants around \$100,000. Wage increases lead to menu price increases which further increases the income for our service staff. This continues to create an unfair pay disparity between front of house tipped employees and back of house hourly employees. We continue to let employees go and operate with less in order to handle these increases. Our property tax at Ace is \$100,000. We just can't charge enough for some noodles to make these numbers work.</p>

	<p>Thank you for paying attention and doing your part to make a change and help keep the soul and unique identity of our city sustainable.</p> <p>Sincerely,</p> <p>Josh Wolkon</p>
<p>steven alix For Tight End</p>	<p>I have four bars/restaurants on Colfax and we are dealing with several issues but most of them we are hoping to work thru but the wage issue makes it from able to survive to likely having to close. I am not sure why the majority doesnt understand why this bill will help everyone and not hurt the staff like is being represented but my staff is in favor of this bill also because they will keep their jobs as opposed to losing them if we have to close. Please ask ALL the questions and understand this in its entirety before you dismiss this. You are making history in Denver today and I hope you are on the right side of it and I also hope your favorite restaurant can survive if you don't support this bill. thanks</p>
<p>Katie Butler Against themselves</p>	<p>Please do not pass this bill! It is extremely harmful for the hardworking people who already struggle to make ends meet as it is.</p>
<p>Will Trautman For Stoney's Bar and Grill</p>	<p>Good afternoon ladies and gentlemen,</p> <p>My name is Will Trautman, and I am one of the owners of Stoney's bar and Grill. I am here in support of House bill 25- 1208.</p> <p>We have two, soon to be three Stoney's in Denver, and one up in Winter park. Many of the restaurant owners here have very similar things to say. The cost of labor, food, alcohol, rent, and property taxes have skyrocketed since 2020. We have seen our profit margins shrink from 10%-12% to 3-5%. The news is full of once successful restaurants closing because it is just ceasing to be worth it to do business in Denver.</p> <p>The wage disparity between the FOH and BOH is growing with each increase to minimum wage. In 2020 our BOH was averaging between \$20-\$24 an hour, and our Servers were making an average of \$33 per hour. In 2025 our servers are making \$50 an hour, and BOH is making the same \$20-\$24 an hour. We are effectively giving the people who make the most money in the restaurant a triple raise each year. They get the increase in minimum wage each year, they get increased tips from us raising prices in response, and in an effort to save on labor, they get more tables to wait on. We love that they are making good money, but our cooks, hosts, and management are being left behind. It is getting more and more expensive to eat out, and service is</p>

	<p>getting worse and worse due to staffing. The affordable restaurant is being squeezed out of the city, and the dream of opening an independent restaurant is becoming out of reach for many.</p> <p>An increase in the tip credit would be a life raft for restaurants. It will open up 10's of thousands of dollars that can be allocated to offer competitive wages for our BOH employees, it will bring more diversity in restaurants to the city. It will create better service at restaurants, it will make it more affordable to eat out, and hopefully it will help to bring back the dream that many of us had of going off on your own and opening our own place.</p> <p>Thank you for your consideration,</p> <p>Will Trautman Owner Stoney's Bar and Grill Stoney's Uptown Joint Stoney's Winter Park Stoney's Sloans Lake</p>
<p>Shayla Sanders Against themselves</p>	<p>Good Afternoon,</p> <p>My name is Shayla Sanders writing today against HB 25-1208. I am not here to reiterate the data concerning decreasing housing affordability, inflation, and skyrocketing healthcare and other costs of living here in Colorado. Suffice it to say that Coloradans and Denverites have all been feeling the consequential pressure, the squeeze of economic instability.</p> <p>Any legislation that reduces consistent wages for essential workers who generally provide consistent face-to-face customer service is both irresponsible and insidious.</p> <p>The harm done is not only to front line workers who are the face of business operations, Who often take the brunt of criticism and get little thanks. Harm is done also to businesses who will experience higher volumes of turnover and to customers and patrons whose needs will not be effectively met.</p> <p>Paying your workers what they're worth is only common sense and for that reason, I am opposed to HB 25-1208.</p>

	Thank you.
Jonathan Banis For Japango	<p>Dear House Representatives & Senators:</p> <p>I am writing in regards to House Bill 1208 . I have owned and operated Japango on the Pearl St Mall in Boulder for 18 years with my wife. Japango just celebrated our 25th anniversary this past December. The challenges of operating and running a restaurant have always been tough, but over the last few years it has become almost impossible. Every cost has gone up from all goods and services, food, rent, property taxes, insurance, inflation, FAMILI (which we support), paid sick leave, mandatory 401K, health insurance, and wages have gone up 20-40% depending on the department over COVID just to simply retain them during a time when we were at risk of going out of business.</p> <p>Luckily we survived, but now we are facing an even bigger risk to our business. We are struggling and very close to dying. Our sales have decreased by 16% from 2023 to 2024, while all other costs and wages have risen substantially and remained. 183-220 of restaurants closed in the Denver metro area from Summer 2023-present. I have a family of four, and another child on the way, and their futures are at risks for simple flaws in our laws. We do not, and have not paid anyone in our organization minimum wage for probably over ten years. But over the last 8 years we have had to increase our top earners, our tipped employee's base wage at our company. This has costed us at the lower end in 2016 of about \$55,000 a year for our highest earning staff members. This current year of 2025 the projected costs will be between \$86,000-\$95,000 that will go to our already highest earning staff members. All of these automatic increases over the last many years have absolutely hobbled our ability to give proper raises to our back of house (kitchen) staff members who are paid the least. We want to close the wage gap, but this part of the law is increasing the wage gap.</p> <p>To give reference, over the last quarter of 2024, our front of house servers and bar staff made on average \$38-56/ hour (tipped wage + tips), while back of house employees made and average of \$24-26/ hour (base wage only). Every time the tipped wage goes up, it makes so that it is impossible for us to increase our back of house wages.</p> <p>Please join Senator Amabile and Representative Woodrow in fighting for our survival and support the increase in tip credit that Restaurant Relief Act provides before many more of my fellow restaurant operators and I have to close. This needs to be fixed!</p> <p>Sincerely, Jon, Erin, Isla, Charley and baby on the way Banis</p>

<p>George McGrath</p> <p>Against himself</p>	<p>I am a citizen of Denver, lifelong resident of the metro area, and fifteen year service industry veteran who has worked in a multitude of top tier Denver restaurants under James Beard award winning chefs and for Michelin awarded restaurants. You're being asked to lower the tipped minimum wage. I would argue that although there may be a minority of smaller businesses that could indeed benefit from a lower tipped minimum wage, the main proponents of this measure are larger players in the Denver restaurant scene who most stand to profit from a wage decrease while workers suffer and consumers see little relief from inflated prices.</p> <p>An argument has been presented to you that this is not a minimum wage argument, that lowering the tipped minimum would have little affect on the wages of wait staff, and that the reduced overhead costs would help restaurants to thrive in a difficult economic environment. It is true that front of house staff in restaurants earn at or above minimum wage with their tips. However, if it is not obvious to the members of our representative body, the reason workers flock to the service industry is that the minimum wage alone does not offer a living wage, whereas the tipped minimum plus tips and/or other wages (tips as well as income from service fees) makes it possible for a single income earner to procure a living wage.</p> <p>I sympathize with the plight of small businesses owners who are asked to pay higher minimum wages. It is a difficult hurdle amongst many others, especially rent prices. However, the workers too contend with such market forces. If any wage laws are to be changed, a simplistic approach will not do, and the sharks must be distinguished from the minnows.</p> <p>If the tipped minimum wage is reduced, it would not result in a depreciation of the minimum wage for front of house service staff. However, it would result in a decrease in their real wages. It would also result in lower operating costs for the businesses that benefit from such a reduction. The question put before you then is how to balance these harms and benefits.</p> <p>Short notice of this hearing precludes a lengthy analysis or the presentation of facts and figures in any detailed manner. Suffice it to say that by my estimation, for a medium sized restaurant doing \$50,000 in sales a week, with 5-7 front of house staff on a day, and an average of six hour shifts, those workers stand to take an 8-12% pay cut.</p> <p>Restaurants already have a tool to adjust for inflation, which is their percentage based cost setting guidelines. For the workers it is their percentage based income (derived from tips or fees from bill totals). This wage change affects around 3% of a restaurant's overhead costs, but depending on how it is implemented could cost workers as much as a 20% pay cut. It would not lower prices for the consumer at all. Even if it were translated to the menu, is getting that \$30.00 entree for \$29.00 really the win you're looking for?</p> <p>At least some of the louder voices pushing for this reduction in wages are being rather dishonest about the pay their employees receive, and how this reduction in wages would affect their business's operating costs and potential savings for their patrons.</p> <p>Service charges are being added to customers' final bills at varying rates. Some restauranteurs include a small fee to supplement back of house wages, some include a twenty percent fee (indistinguishable to the ordinary patron from the customary</p>
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	<p>twenty percent tip often paid to front of house staff) which is divided amongst the whole staff, both front and back. In at least one large company's case, this twenty percent fee is not passed on wholly to the restaurant's staff. Instead, thirty percent of that fee is paid to the corporate body, to be allocated as they see fit. It can be used to cover the minimum wages set by this governmental body, effectively reducing the cost to the business proprietor. It may be used to supplement the cost of managerial wages. It can be used however the company deems fit, as it is considered a line item and not a tip.</p> <p>To provide some example numbers typical for the industry, if a steak costs the company \$5.00 they will charge the customer ~\$23, a pint of beer costs \$1.62 they will charge \$9.00. Of these items' \$32.00 in sale price minus cost of goods they have a profit of \$25.38 to work with. From here they expect to pay the front of house worker \$3.84 and the back of house worker \$5.76 (total \$9.60) off of this sale, leaving \$15.78. If they accrue 30% of a 20% service fee on this sale, they have an additional \$1.92 in the coffers above and beyond what they account for in payroll and food/beverage cost projections, 20% of labor overhead, or about 12% of food, beverage, and labor costs combined, coming out around about 6% overall. If the overall profit margin of the restaurant is as low as five percent after other overhead items, their profits are doubled by their retention of the service fee.</p> <p>For the workers the effect is the opposite. Whereas without a service fee most patrons opt to tip 20% after tax, with the service fee it is calculated before tax. So what might have been a tip of around \$7.04 on our \$32 steak and beer (~\$35.20 after tax), with the pretax service fee minus thirty percent to the house is now \$4.48, about 36% less. The consumer pays the same. The company makes more. The workers get less. A decrease in the wages such a restaurant is required to pay an employee for their time in this scheme is repulsive.</p> <p>It may be that the small mom and pop shops could use a price cut on their labor. Tying the tipped minimum to a percentage of the overall minimum wage may be wise. However, for any restaurant charging a service fee, that fee should either by necessity go to the workers, or else that restaurant should pay at or above the full minimum wage. These restaurants are having no trouble paying the present tipped minimum wage, and should not be further subsidized by their workers. This bill does not recognize these inequities, and should not be passed.</p>
<p>Erika Thomas For High Point Creamery</p>	<p>Nearly five years ago to the day, I stood in the middle of a very empty Denver Central Market, stunned by the weight of what had just happened. We were a world in peril, COVID-19 had swiftly taken over our lives, and restaurants were ordered to close their doors. The fear of what could happen next settled into in a low-grade panic that didn't stop for a couple of years.</p> <p>How bad was this going to get? How many people were going to die? How many businesses wouldn't make it through?</p> <p>I really wasn't sure we could survive. Could we pivot, change, be resilient enough?</p> <p>Unbelievably, for us, the answer was yes. But it was not without a lot of strife. I thought 2020 was bad, then came 2021, 2022, 2023... Each year keeps getting harder.</p> <p>Nearly a quarter of Denver's restaurants have closed over the past 3 years. I'll let people smarter than me figure out whose fault it is. Is it inflation? Cost of goods?</p>

	<p>Rent? Wages? Fentanyl? Crime? It is of course, all those things. There’s one universal cure for every restaurant’s struggle: revenue. But when people are struggling to pay their rent and buy groceries, there’s not a lot left for dining out... maybe an ice cream cone or two.</p> <p>In March 2020, Denver’s tipped minimum wage was \$9.83. Today, it’s \$15.79—that’s a staggering 60% increase. In March 2020, the tip offset was \$3.02, and five years later? It’s still \$3.02. I’ll let you do the math.</p> <p>The proposed Restaurant Relief Bill aims to keep Colorado's restaurants operational by adjusting the state's rigid tip offset laws. It’s not about cutting wages—it’s about creating a system that allows independent restaurants to compete, survive, and pay all workers fairly. It acknowledges that sustainability isn’t just about great food and service—it’s about ensuring that independent restaurants can keep their doors open while taking care of their teams. Importantly, the bill does not decrease the non-tipped minimum wage, ensuring that all employees continue to earn competitive pay while maintaining their tips.</p> <p>Will this bill save every restaurant? No. But it will help. And, most importantly, it will help bridge the growing pay gap between kitchen staff and front-of-house workers—a divide that has only widened as labor costs skyrocket.</p> <p>So, why should you care about what happens to your neighborhood restaurant? Because we are the backbone of your community. We are the place makers. We employ 11% of all Coloradans. We celebrate your milestones, feed your families, and provide gathering spaces where memories are made.</p> <p>I will keep fighting for all independent restaurants because since I stood in the empty Denver Central Market all those years ago, almost half of the owners have had to walk away.</p> <p>I also know that most owners are just like me.</p> <p>I love my team. I love our neighborhoods. I love being part of your celebrations, your routines, your post-game victories and heartbreaks, your birthdays, your friendships, your good grades, your bad days. I love that ice cream has the power to turn someone’s day around.</p> <p>We don’t want a handout; we want a fair shot. The Restaurant Relief Bill won’t fix everything, but it’s a step in the right direction. And I believe that restaurants like ours—restaurants built on passion, creativity, and community—deserve to survive. We’ve made it this far, but now we need you. Your support. Your voices. Your presence at our tables, in our shops.</p> <p>Because when independent restaurants disappear, something bigger is lost: the heart and soul of our cities, the places that make our communities feel like home.</p> <p>When we fight for small businesses, we’re fighting for the communities we love.</p>
<p>Madeline Rouze Against</p>	<p>I am strongly opposed to this bill. Supporters argue that it will help small business owners by decreasing their labor costs. I believe that businesses should not decrease wages for their employees to help them stay afloat. I understand the financial</p>

<p>themselves</p>	<p>hardships many restaurants face in keeping their doors open. However, cutting wages will not help this problem at all. More workers making less money each year means less people spending money at restaurants and bars. This bill will continue the pattern of business owners stealing the profits of their employees' labor. Tipped workers deserve to be fairly compensated for the profits they generate for a business. If the legislature wants to help restaurants and bars keep their doors open, they should propose and pass bills to help small business owners without hurting working-class people. Legislation should support small business by preventing commercial space landlords from price gouging their customers. Legislators should help get more money into the pockets of residents to increase the business restaurants are getting. This bill will decrease the wages of tipped workers on average by \$5,000 per year. This is unacceptable and the legislators must vote against this bill to support the tens of thousands of their constituents who work tipped jobs instead of the smaller number of business owners using their power and influence to hurt workers.</p>
<p>Julie Andrews Against themselves</p>	<p>As a student and part time employee at a Denver area restaurant, the move to cut wages for tipped employees is gravely concerning. I, like every single one of my coworkers and fellow restaurant employees elsewhere, rely on the base wage to keep a roof over our heads, clothes on our backs and food on the table. Tips earned can vary drastically on a day-to-day basis, of which we have no say in. On busy days, we can make a decent living on the tipped portion, but on slow days (of which we have no control over), the base pay may be all we come home with, and that must pay living expenses. It makes no sense to cut pay to employees when the cost of living has only gotten more and more expensive, forcing some even now to hold second jobs to make ends meet. I, for one, rely on these wages to pay for not only living expenses, but also my education. As it stands, I am already not able to afford seemingly basic necessities, such as a winter coat, and a new prescription for glasses now that my vision is worsening. Taking away part of the untapped wage means not only can I not afford these things, I would no longer even have the ability to save up for them. \$4 for a part time employee such as myself means a loss of over \$4,000 annually. That's a full year of groceries, or 10 months of rent, or a semester of school that I would be losing, along with thousands of other people. All reducing this wage will do is benefit business profit margins while hurting the people that are necessary to make the business money in the first place. Please consider the lives of those that this impacts, like me, and the harm that could come if this goes into action. Thank you.</p>
<p>Jillian Bryan Against themselves</p>	<p>I've worked in restaurants for my entire adult life: 25 years. After covid, restaurant owners started encroaching further and further into the server's tips as a way to circumvent paying other employees a fair living wage. I tip out the hosts, bartenders, bussers, AND back of house! My tip out only ever goes up! It never goes down! So to now hear that greedy restauranters are asking to pay these same employees, who they've been stealing from for years, less than what was established by LAW is an insult of the highest order. If a restaurant cannot afford to pay its workers the democratically elected wage, then they do not know how to run a business. If restauranters are seeing their profits go down during an economic slump, then they need to adjust their personal budget. I have watched 25 years of clueless, bloated owners run their businesses into the ground from ego, stubbornness, & greed. To</p>

	<p>think that any member of any committee anywhere in one of the most expensive cities in the country remotely supports this initiative makes me wonder what your living wage is? How can we put a bill to cut your pay? I am disgusted beyond belief. Restaurants are not entitled to exist. No business is entitled to exist. If an owner cannot adjust with the times, the business has run its course. This is a bail out for the wealthy class at the worker's expense! Everything keeps going up, yet somehow our wages get to go down, so mismanaged funds don't affect the number of vacations the owners gets this year? GET REAL! Remember exactly who you work for! US!!!</p>
<p>Beth Ginsberg For Trompeau Bakery + Cafe</p>	<p>My name is Beth Ginsberg and I am a restaurant business owner in Colorado. I have owned and operated 7 different brands during my 18 year tenure in Colorado. Currently, I have units in both Denver and Englewood under the brand, Trompeau Bakery + Cafe. My Denver unit is on the 16th Street Mall. I'm writing to share my support for the Restaurant Relief Act (HB25-1208), asking for you to vote YES to help local, independent restaurants like mine, stay in business and invest in our brands and teams.</p> <p>Restaurants are closing every single day in Colorado, and without the Restaurant Relief Act, my business is in jeopardy, too. I am currently in negotiations to open two more brick and mortars both in Denver and in the metro area. I have made a decision that if this bill doesn't pass, I will forego opening more units in Denver because the climate is just too much against my success. It is already very difficult for me to justify to my staff the differences in pay structure between the Denver and Englewood cafe and I just don't think it is a prudent business decision to open more in Denver.</p> <p>This bill will reset our broken tip offset (or tip credit) system in Colorado, which handcuffs restaurant owners like me and has directly led to hundreds of business closures over the past few years. Workers are losing their jobs and industry peers are losing their businesses. In my Denver location, I have to be more strategic with scheduling and am much more proactive at cutting hours and reducing our open time. We can't afford to open on holidays when the hourly overtime rate is too much for the business to justify. It's time to fix the problem – and this bill does that, all while ensuring that our teams can keep earning great wages.</p> <p>How many more businesses need to close? The Denver Post reported a 22% decrease in restaurants over the past three years, which equates to more than 425 businesses closed and more than 21,200 local workers out of a job, on the low end!</p> <p>The restaurants that remain have done everything we can to stay above water: We've eliminated positions, laid off staff, cut the fat from our budgets... and now we're down to the bone. My friends and family are constantly asking me 'what's up with Denver? So many restaurants are closing and many after a short period of time.' My answer is always that Denver has a challenging business climate for restaurants. Can Denver really support a higher tipped minimum wage than New York City, Washington D.C., Chicago, or Boston?</p> <p>We want to pay our kitchen crews more, just like we want to bring back bussers and hosts and stop cutting tipped workers' shifts. It's no longer possible to do those things without a larger tip offset. We're desperate for relief, and we need your help. Not next session, but right now. If this bill passes, my strategy would be to subject future staff to the higher tip credit. I am reticent to reduce my current staff's hourly wage, but with a light at the end of the tunnel, I will be able to support my BOH with</p>

	<p>more peace of mind. I think that most operators will adopt the same decision, and I encourage you to consider that this is not an across the board cut immediately but will be put in place over time and with confidence.</p> <p>Please join Senators Amabile and Daugherty and Representatives Woodrow and Valdez and others in fighting for our survival. Please support the increase in the tip offset that the Restaurant Relief Act provides before many more of my fellow restaurant operators and I have to close.</p> <p>Now is the time to fix this. I would be happy to discuss this with you via phone if I can help. Please don't hesitate to call, my number is below.</p> <p>I respectfully ask that you vote YES on HB25-1208.</p> <p>Beth Ginsberg President Trompeau Bakery + Cafe 303-250-9792</p> <p>2950 S Broadway Englewood, CO 80113</p> <p>934 16th Street Mall Denver, CO 80209</p>
<p>Katie Knoch For themself</p>	<p>Hello,</p> <p>I am writing to express my strong support for HB25-1208, the Restaurant Relief Act. As a small business owner providing PR and social media services to the restaurant industry in Denver, I have witnessed firsthand the devastating impact that current economic conditions are having on our local dining scene.</p> <p>My livelihood directly depends on the success of independent restaurants, and I'm deeply concerned about the sustainability of our hospitality ecosystem. Already in 2024, more than 220 restaurants have closed in Denver alone. Each closure not only represents lost jobs within those establishments but creates a ripple effect that harms small businesses like mine that support the industry.</p> <p>The current wage structure has created significant imbalances that threaten the entire restaurant model:</p> <ul style="list-style-type: none"> • Tipped workers (servers and bartenders) earn nearly twice as much as non-tipped workers (cooks, dishwashers), creating operational challenges. • Colorado's hourly wages have increased 216% over the past eight years, outpacing every other state in the country—even surpassing high-cost markets like New York City.

	<ul style="list-style-type: none"> • Restaurant operating costs continue to rise while customer visits decline, eliminating already thin profit margins. <p>I want to emphasize that HB25-1208 maintains Colorado's minimum wage standards, including annual inflation-based increases. The bill simply adjusts the tip offset to create more sustainable operations, allowing restaurants to:</p> <ul style="list-style-type: none"> • Keep their doors open • Provide better compensation for back-of-house staff • Maintain adequate staffing levels • Preserve the full-service dining experience that defines our vibrant culinary culture <p>Without this relief, we face a future where independent, full-service restaurants with traditional tipping become obsolete. This transformation would devastate not just restaurants but the entire ecosystem of small businesses—like mine—that depend on their success.</p> <p>My clients are increasingly forced to choose between drastically cutting their marketing budgets or closing altogether. This doesn't just represent lost business for me; it represents the unraveling of Denver's distinctive dining culture that attracts residents, businesses, and tourists alike.</p> <p>I urge you to support HB25-1208 as a critical first step in addressing the unintended consequences of our current regulatory environment. By doing so, you'll help preserve not just restaurants but the entire community of small businesses that make Denver's hospitality scene thrive.</p> <p>Thank you for your consideration.</p> <p>Sincerely,</p> <p>Katie Knoch</p> <p>Hard Knoch PR</p> <p>katie@hardknochpr.com</p>
<p>Sydney Younggreen For The Regular</p>	<p>Chairperson and Members of the Committee,</p> <p>My name is Sydney Younggreen, and I own The Regular in downtown Denver with my husband Brian De Souza. We are an innovative family-owned fine dining restaurant located in the heart of this beautiful city. We bring a unique and vibrant Peruvian-influenced concept to Denver that adds cultural diversity and flair to our local food scene. We host hundreds of happy customers every week and employ 20 staff members.</p> <p>I would like to make it known that we are in favor of the bill that would increase the tip credit for Denver's minimum wage. As a new business in this city we are facing hardships that seem to be common ground amongst independently owned</p>

	<p>restaurants in this city. The rising cost of labor, food, rent and rising cost of doing business in general have made it almost impossible to break even and become profitable. The current climate of downtown Denver is not conducive to consistent and regular business. We believe in taking care of our staff, and we know that we could not operate without a happy, healthy and thriving team. But we cannot continue to employ the 20 wonderful people that work hard for us every single day if we cannot pay our bills and take care of our own family. Our front of house staff takes home upwards of \$45/hour with tips, more than double Denver’s minimum wage. This bill would allow us to keep labor costs sustainable without causing a detriment to our tipped staff.</p> <p>Without this change our wonderful city is in danger of losing more independent restaurants that bring color and vibrancy to our local culture. And without these restaurants, the very people the city aims to protect with the rising wage requirements will be out of work completely.</p>
<p>Brian De Souza For The Regular</p>	<p>Chairperson and Members of the Committee,</p> <p>My name is Brian De Souza, and I own The Regular in downtown Denver with my wife Sydney Younggreen. We are an innovative family-owned fine dining restaurant located in the heart of this beautiful city. We bring a unique and vibrant Peruvian-influenced concept to Denver that adds cultural diversity and flair to our local food scene. We host hundreds of happy customers every week and employ 20 staff members.</p> <p>I would like to make it known that we are in favor of the bill that would increase the tip credit for Denver’s minimum wage. As a new business in this city we are facing hardships that seem to be common ground amongst independently owned restaurants in this city. The rising cost of labor, food, rent and rising cost of doing business in general have made it almost impossible to break even and become profitable. The current climate of downtown Denver is not conducive to consistent and regular business. We believe in taking care of our staff, and we know that we could not operate without a happy, healthy and thriving team. But we cannot continue to employ the 20 wonderful people that work hard for us every single day if we cannot pay our bills and take care of our own family. Our front of house staff takes home upwards of \$45/hour with tips, more than double Denver’s minimum wage. This bill would allow us to keep labor costs sustainable without causing a detriment to our tipped staff.</p> <p>Without this change our wonderful city is in danger of losing more independent restaurants that bring color and vibrancy to our local culture. And without these restaurants, the very people the city aims to protect with the rising wage requirements will be out of work completely.</p>
<p>Beaut Homsanit</p>	<p>I’m against House Bill 1208 to decrease tip workers wages to \$11.79, this is \$4 less than what I’m currently getting paid hourly. With the current economy and the</p>

<p>Against themselves</p>	<p>Trump administration not caring about the rising grocery prices, the housing crisis, and cutting many federal funding such as Medicaid. You think it's a good idea to cut wages for some of the already lowest-paid workers? To put the burden of the whole restaurant industry on us is not fair! It is a privilege to open and own a restaurant, not a right! If you can't pay you tipped employees the full minimum wage then downsize your business. It is not up to us to put the whole restaurant industry on our backs! I've worked for restaurant owners who drive around in their Mercedes and BMW, come and go as they please, and work their employees well past closing hours. Restaurant employees are abused by customers who already think that "it's up to them to pay our wages" tipping culture has gotten out of hand and given many patrons a bad taste in their mouth. We should not be so dependent on tips to make the bottom line! Cutting \$8000-\$9000 out of our yearly income is diabolical and would cost a ripple effect in the industry that they claim to care about so much. Then this idea of business owners taking the extra money to pay their back of house staff is a lie!! Stealing tips and wage theft is very common in this industry and again, why should it be up to the tipped staff to pay for your non-tipped staff? If that's the case, then these businesses need to make us their business partners and we get a percentage of their profits. We work weekends, holidays and nights for these owners to live out their dreams. Cutting our wage in order to line their pockets is a stab in the back. I beg you please, there is better way to support restaurant owners than at the expense of their most abused employees.</p>
<p>Ben Cappellucci Against themselves</p>	<p>I have been a server and bartender working in Denver restaurants since 2011. I do not support decreasing the wages of tipped employees in Denver. I understand that the restaurant industry is struggling in Denver right now but the solution should not come from the pockets of hourly employees. The increased wages have allowed me to stay afloat through the aftermath of Covid and the loss of potentially \$5000 or more a year will make the difference in my being able to continue living and working in the city or having to relocate elsewhere. Vote against this proposal and support the thousands of working class people that benefit from the current minimum wage structure. Thank your for your time.</p>
<p>Jennifer Sevcik For themselves</p>	<p>My name is Jen, I own Side Pony in Denver. We have made zero profit since we opened our doors and without a larger tip credit, we are at risk of closing our doors. We employ 12 people and we have brought an amazing concept to West Colfax. In fact, we are only of the only businesses who has given commercialization on West Colfax a chance. This area remains stricken with crime and homelessness and we fight to stay alive. We need to rally together to help make some changes that help advocate for restaurant business owners.</p> <p>\$15.79 tipped wage is too large in this market.</p> <p>Please vote yes on the bill and make it possible for small businesses like mine to survive.</p>

I have worked in the restaurant industry for years, and I'm writing to share my support for the Restaurant Relief Act (HB25-1208), asking for you to vote YES to help local, independent restaurants stay in business and invest in our teams.

Restaurants are closing every single day in Colorado, and without the Restaurant Relief Act, my business is in jeopardy, too.

This bill will reset our broken tip offset (or tip credit) system in Colorado, which handcuffs restaurant owners and has directly led to hundreds of business closures over the past few years. Workers are losing their jobs and industry peers are losing their businesses. It's time to fix the problem – and this bill does that, all while ensuring that our teams can keep earning great wages.

How many more businesses need to close? The Denver Post reported a 22% decrease in restaurants over the past three years, which equates to more than 425 businesses closed and more than 21,200 local workers out of a job, on the low end!

The restaurants that remain have done everything we can to stay above water: We've eliminated positions, laid off staff, cut the fat from our budgets... and now we're down to bone. Can Denver really support a higher tipped minimum wage than New York City, Washington D.C., Chicago, or Boston?

We want to pay our kitchen crews more, just like we want to bring back bussers and hosts and stop cutting tipped workers' shifts. It's no longer possible to do those things without a larger tip offset. We're desperate for relief, and we need your help. Not next session, but right now.

Please join Senators Amabile and Daugherty and Representatives Woodrow and Valdez and others in fighting for our survival. Please support the increase in the tip offset that the Restaurant Relief Act provides before many more of my fellow restaurant operators and I have to close.

Now is the time to fix this.

I respectfully ask that you vote YES on HB25-1208.

Testimony of Yannet Lathrop

National Employment Law Project

In Opposition to HB25-1208, Which Cuts the Wage for Tipped Worker in Colorado Localities

Hearing before the Colorado General Assembly

House Committee on Business Affairs and Labor

February 20, 2025

Yannet Lathrop

Senior Researcher and Policy Analyst

National Employment Law Project

90 Broad Street, Suite 1100

New York, NY 10004

(202) 640-6518

ylathrop@nelp.org

Thank you for the opportunity to testify today. My name is Yannet Lathrop, and I am a senior researcher and policy analyst for the National Employment Law Project (NELP). NELP is a national nonprofit advocacy organization that for more than 50 years has sought to build a just and inclusive economy where all workers have expansive rights and thrive in good jobs. We partner with federal, state, and local lawmakers and local community-based groups on a wide range of workforce issues, including the minimum wage.

NELP testifies in strong opposition to HB25-1208, which would slash the base wage of thousands of tipped workers in Denver, Edgewater, Boulder County and the city of Boulder, all of which have enacted ordinances raising their wage floors above the state minimum wage.

HB25-1208 could cut the wages of tipped workers by as much as \$8,300 in the 12 months beginning October 2025 for workers in Denver, assuming full-time, year-round work. (Table 1). That means that Denver tipped workers would need to earn over \$8,000 more in tips to make up the difference, if this bill becomes law. In the city of Boulder, Boulder County and Edgewater, the loss in base pay could range from \$1,580 to \$3,660.

At a time when wages and the cost of living are top of mind for workers in Colorado and across the nation,¹ this bill is the wrong policy.

Table 1. Estimated Impact of HB25-1208, October 2025 - October 2026

Local Jurisdiction	Hourly Wage Cut	Annual Loss (Part-Time)	Annual Loss (Full-Time)
Denver	\$4.00	\$4,160	\$8,320
Edgewater	\$1.71	\$1,778	\$3,557
Boulder County	\$1.76	\$1,830	\$3,661
Boulder	\$0.76	\$790	\$1,581

Restaurant owners and other employers of tipped workers already count on a \$3.02 tip credit under current law. There is no need to subsidize their labor costs further—not at the expense of workers who have been struggling with high inflation for the past three years, many of whom cannot afford a \$400 emergency.² A majority of tipped workers are women and people of color,³ who are twice as likely as other workers to live in poverty, and who face double the rates of sexual harassment as their non-tipped peers.⁴

HB25-1208 is an affront to local power, as it prohibits localities from improving upon the state tipped wage baseline by mandating an expansion on the tip credit. Local governments are closest to their constituents and understand local needs best. That was the basis for adopting a repeal of wage preemption in Colorado in 2019. Colorado would be ill-advised to reverse that gain by adopting HB25-1208.

Conclusion and recommendations

For the reasons discussed above, NELP urges an unfavorable report on House Bill 25-1208.

Endnotes

1. Aimee Picchi, "Americans Say the Economy is a Top Election Issue. Here's How Economists are Grading It," CBS News, October 18, 2024, <https://www.cbsnews.com/news/trump-kamala-harris-policies-how-strong-is-the-economy-election/>.
2. "37% of Americans Can't Afford an Emergency Expense Over \$400, According to Empower Research," Empower, July 2, 2024, <https://www.empower.com/press-center/37-americans-cant-afford-emergency-expense-over-400-according-empower-research>.
3. Nina Mast, "Tipping is a Racist Relic and a Modern Tool of Economic Oppression in the South," Economic Policy Institute, June 18, 2024, <https://www.epi.org/publication/rooted-racism-tipping/>.
4. Teófilo Reyes, "One Fair Wage: Supporting Restaurant Workers and Industry Growth," in Stuart Andreason, Todd Greene, Heath Prince, and Carl E. Van Horn (editors), *Investing in America's Workforce: Improving Outcomes for Workers and Employers*, Volume 2 (Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 2018), 32-34.

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Written Testimony

Written testimony is a public record under the Colorado Open Records Act (CORA) and is provided to individuals upon request. Individuals submitting written testimony must use this sheet, but do not need to complete the optional portions. Attachments to this sheet are permitted. Please see a staff person for any questions regarding written testimony.

Bill: 1208

Date: 2/20/25

Hello, my name is Mas Torito. I own and operate Kokoro Restaurant in both Denver and Arvada.

We are very proud to have many long term staff including some who have worked with us for 39 years!

This bill is all about equity. By working to address this bill we would make sure to pay our kitchen staff the full amount of the wage offset. This is not about putting more money in our pockets, this is about being able to hire more staff and being able to pay everyone a more equitable wage.

Please reach out to me and meet me at our restaurant, meet our staff and see how this bill will effect all of us.

Arigato (thank you in Japanese)

Mas Torito

Name	Masaru Torito	
Address (optional)		
City (optional)		Zip (optional)
Telephone: (optional)		
Email: (optional)	MASTORITO@GMAIL.COM	
Representing		
Position on Bill:	For	Against
	Neutral	

Testimony Opposing House Bill 1208
Presented by: Crystalynn [Last Name]

Good afternoon, Chair and Members of the Committee,

My name is Crystalynn Brunnemer, and I am here today to strongly oppose House Bill 1208. I am a tipped worker in Denver, and like many others in the service industry, I am barely making ends meet as it is. This bill would cut the already fragile wages of thousands of workers like me, making it even harder to survive in one of the most expensive cities in the country.

I understand that this bill is being proposed as a way to help restaurants, but the biggest outcome is going to be making it harder on employees like me while making the rich even richer. The people who will benefit the most from this legislation are not the small, family-owned restaurants that are struggling—it's the large corporate chains that already turn a profit. If we truly want to help small restaurants, we should be looking at policies that support them directly, not ones that come at the expense of workers who are already fighting to survive.

Right now, we are living in uncertain and terrifying times. Rent is at an all-time high, the cost of groceries continues to skyrocket, and many of us are struggling just to afford basic necessities. On top of that, we are navigating an economy where job security feels nonexistent, and the rising cost of living is forcing people to make impossible choices every day. The last thing we should have to worry about is the government making it even harder for us to get by.

Tipped workers are not guaranteed a livable wage—we depend on the generosity of customers, and tips are never consistent. Reducing our base pay will not help businesses thrive; it will only drive more workers into financial instability. Many of us work long hours, often sacrificing nights, weekends, and holidays to keep the hospitality industry running. We deserve stability, not uncertainty.

This bill is being framed as a way to help struggling businesses, but what about the workers who keep these businesses running? What about the single parents, the students, the full-time service workers who rely on every dollar they earn just to keep a roof over their heads? We are scared. We are exhausted. And we cannot afford to have our wages cut by lawmakers who are supposed to protect us.

I urge you to reject this bill. Cutting wages for the people who already earn the least is not the solution to economic hardship—it's a recipe for disaster. Instead, we should be working toward policies that uplift workers and support small businesses without handing more profits to massive corporations.

Thank you for your time. I hope you will stand with tipped workers and vote NO on House Bill 1208.

I am writing to you today to ask you to please vote yes on House Bill 1208 on Thursday February 20th.

I am the owner of The Bindery in LoHi, and one of many small business owners in Denver who has had the misfortune of working through the pandemic, employee shortages, inflation and now 5 years plus of wage increases that have completely brought most businesses like mine to the breaking point.

One of the things our city auditor does not understand is most of us in the restaurant industry aren't doing what we do for the money...we do it because we love hospitality and providing a service to the city and community of Denver. However, there is a breaking point for each of us.

House Bill 1208 will be a small step in the right direction and critical for the survival of the restaurant industry in this state.

An overlooked consideration is the difference between our FOH and BOH demographics. This is factual. Our FOH staff tends to be younger, in transition and pretty content with the money they are making for the hours they are working. Our BOH staff is relying completely on their income to support families. This is it for them. The inability to compensate them with a comparable wage has been undermined by the fixed tip credit and tipped minimum wage increases by the city of Denver.

Another very important consideration, that is not immediately evident, is that not only have our wage responsibilities increased dramatically and quickly, but so have many other operating expenses such as workers' comp and unemployment insurances since they are linked to wage increases along with FICA obligations. There is a triple net effect that is nearly impossible to manage.

This is not a minimum wage or living wage conversation when we are talking about tipped employees that make \$40, \$50, \$60, \$70 an hour in tips. We are talking about sustaining the small businesses that employ them and supporting our kitchen teams.

I know we are focused on the tip credit but the minimum wage increase impact on all employees at a rapid rate post-Covid has been based on poor economic tracking data. This was studied between 2020 and 2022, when everyone was spending money as restaurants and the world started to reopen. The per capita spending in Denver was bound to be bigger than in other parts of the state due to population and accessibility and Covid restlessness.

The truth of the matter has been seen in the last few years while the minimum wage continued to rise and consumers started to reel in their spending.

We should also be looking at House Bill 19-1210 that gave local governments in Colorado the authority to establish these high minimum wages. This is where the problem lies. But any effort to rectify the dire situation we exist in would be beneficial, and the Restaurant Relief Act would bring us relief right now.

Thank you for your consideration, and please vote yes,

Linda Hampsten Fox

Chef / Owner

The Bindery

1817 Central St

Denver, Co 80211

303 956 9965

linda@thebinderydenver.com