

CHAPTER 397

LABOR AND INDUSTRY

HOUSE BILL 25-1208

BY REPRESENTATIVE(S) Woodrow and Valdez, Armagost, Bird, Boesenecker, Lindstedt, Mauro, Richardson, Clifford, Duran, Ricks, McCluskie;
also SENATOR(S) Amabile and Daugherty, Frizzell, Kirkmeyer, Liston, Pelton B., Rich, Snyder.

AN ACT

CONCERNING INCREASING THE AMOUNT OF THE TIP OFFSET ASSOCIATED WITH A LOCAL GOVERNMENT'S MINIMUM WAGE, AND, IN CONNECTION THEREWITH, REQUIRING A LOCAL GOVERNMENT THAT ENACTS A LOCAL MINIMUM WAGE THAT EXCEEDS THE STATE MINIMUM WAGE TO SATISFY CERTAIN REQUIREMENTS IN DETERMINING THE AMOUNT OF THE TIP OFFSET ASSOCIATED WITH THE LOCAL GOVERNMENT'S MINIMUM WAGE.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 8-6-101, **amend** (3)(a)(I); and **add** (3.5) as follows:

8-6-101. Legislative declaration - minimum wage of workers - authority of a local government to enact minimum wage laws - tip offsets - enforcement - report - severability - definition. (3) (a) (I) (A) Notwithstanding any other provision of law, a local government may enact through its governing body or, when available, through its initiative or referendum powers, a law establishing minimum wages for individuals performing, or expected to perform, four or more hours of work for an employer in ~~any~~ A given week within the geographic boundaries of the local government's jurisdiction. Minimum wages established in accordance with this section may exceed the statewide minimum wage established in accordance with section 15 of article XVIII of the state constitution, any other minimum wage established by state law, or any minimum wage established by federal law; except that a local government that enacts a minimum wage in accordance with this subsection (3) shall provide a tip offset for employees of ~~any~~ A business or enterprise that prepares and offers for sale food or beverages for consumption either on or off the premises. ~~equal to the tip offset provided in section 15 of article XVIII of the state constitution.~~ The tip offset applies only to employees who regularly receive tips and only when a tip offset is permitted by state law. A LOCAL

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

GOVERNMENT SHALL DETERMINE THE AMOUNT OF THE TIP OFFSET IN ACCORDANCE WITH SUBSECTION (3.5) OF THIS SECTION.

(B) A local government shall not include in its minimum wage law time spent in the local government's jurisdiction by an employee solely for the purpose of traveling through the local government's jurisdiction from a point of origin outside of the local government's boundaries to a destination outside of the local government's boundaries, with no employment-related or commercial stops in the local government's jurisdiction, except for refueling or the employee's personal meals or errands.

(3.5) (a) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (3.5), EXCEPT AS DESCRIBED IN SUBSECTION (3.5)(b) OF THIS SECTION, THE AMOUNT OF THE TIP OFFSET ASSOCIATED WITH A LOCAL MINIMUM WAGE IS THREE DOLLARS AND TWO CENTS.

(b) ON AND AFTER JANUARY 1, 2026, A LOCAL GOVERNMENT THAT HAS ENACTED A CODE OR ORDINANCE THAT IMPOSES A LOCAL MINIMUM WAGE IN AN AMOUNT THAT EXCEEDS THE AMOUNT OF THE STATE MINIMUM WAGE MAY INCREASE THE AMOUNT OF THE TIP OFFSET ASSOCIATED WITH THE LOCAL MINIMUM WAGE; EXCEPT THAT A LOCAL GOVERNMENT SHALL NOT IMPOSE A TIP OFFSET IN AN AMOUNT THAT ALLOWS A TIPPED EMPLOYEE TO EARN LESS THAN THE STATE MINIMUM WAGE MINUS THREE DOLLARS AND TWO CENTS.

SECTION 2. Effective date. This act takes effect July 1, 2025.

SECTION 3. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: June 3, 2025