



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note Memorandum

TO: House Finance Committee
FROM: Louis Pino, Principal Economist, louis.pino@coleg.gov, 303-866-3556
DATE: March 14, 2025

Fiscal Assessment of L.018 to HB25-1208

This memorandum is an assessment of the fiscal impact of the attached proposed amendment L.018 to HB25-1208. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment

Beginning on January 1, 2026, Amendment L.018 allows local governments that have enacted a minimum wage that exceeds the state minimum wage to increase their tip offset credit, as long as the increase does not cause the local tipped minimum wage to fall below the state tipped minimum wage.

Fiscal Impact of Amendment

Relative to the published fiscal note, Amendment L.018 will reduce state revenue by an indeterminate amount, depending on decisions made by local governments that have enacted local minimum wages higher than the state minimum wage. Similarly, with the workload incurred by the CDLE to respond to wage complaints will be reduced by an indeterminate amount relative to the prior fiscal note estimate and depend on local decisions regarding local decision on the tip offset credit in their jurisdictions.

Bill's Revised Fiscal Impact with Amendment

Based on the changes described above, the bill as amended by Amendment L.018 will have the following fiscal impacts. These impacts are summarized in Table 1 below



State Revenue

As amended, the bill will reduce General Fund revenue but the exact amount is indeterminate. Currently there are four local governments with a minimum wage higher than the state minimum wage. To the extent these local governments and any future local governments with a minimum wage higher than the state minimum wage raises their tip offset credit greater than \$3.02, General Fund revenue to the state will be reduced relative to current law.

State Expenditures

As amended, the bill increases workload in the CDLE to receive, evaluate, and respond to additional wage complaints. The exact impact will depend on local decisions regarding the tip offset credit. If local governments, especially those with large populations, significantly increase the tip credit offset, it is likely that a higher volume of complaints to the CDLE will occur. Given uncertainty on the amount and timing of any changes to the tip credit offset by local governments, it is assumed that this workload can be managed by CDLE within existing appropriations and will be addressed through the annual budget process if additional resources are required.

Table 1
State Fiscal Impacts with Amendment L.018

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue ¹	Indeterminate	Indeterminate
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	Indeterminate	Indeterminate
Change in State FTE	0.0 FTE	0.0 FTE

¹ State revenue will be lower if local governments increase the tip credit offset in their jurisdictions, as permitted by the bill. This impact is indeterminate and will depend on future decisions by local governments.