

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 25-0764.01 Richard Sweetman x4333

HOUSE BILL 25-1208

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A BILL FOR AN ACT

101 **CONCERNING INCREASING THE AMOUNT OF THE TIP OFFSET**
102 **ASSOCIATED WITH A LOCAL GOVERNMENT'S MINIMUM WAGE,**
103 **AND, IN CONNECTION THEREWITH, REQUIRING A LOCAL**
104 **GOVERNMENT THAT ENACTS A LOCAL MINIMUM WAGE THAT**
105 **EXCEEDS THE STATE MINIMUM WAGE TO SATISFY CERTAIN**
106 **REQUIREMENTS IN DETERMINING THE AMOUNT OF THE TIP**
107 **OFFSET ASSOCIATED WITH THE LOCAL GOVERNMENT'S**
108 **MINIMUM WAGE.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
3rd Reading Unamended
March 19, 2025

HOUSE
Amended 2nd Reading
March 18, 2025

Current law allows a local government to establish local minimum wages in excess of the statewide minimum wage established in the state constitution. A local government that enacts a minimum wage must provide a tip offset for tipped employees in an amount equal to the tip offset amount described in the state constitution, which is \$3.02.

The bill requires a local government that has enacted a code or an ordinance imposing a minimum wage that exceeds the state minimum wage to enact another code or ordinance on or before September 1, 2025, that:

- Imposes a tip offset for food and beverage employees in an amount that equals the amount by which the local minimum wage exceeds the state minimum wage, plus \$3.02; and
- Takes effect on or before October 1, 2025.

After September 1, 2025, and until October 1, 2026, a local government that enacts a code or an ordinance that imposes a minimum wage in an amount that exceeds the amount of the state minimum wage must also enact a code or an ordinance that imposes a tip offset in an amount that equals the amount by which the local minimum wage exceeds the state minimum wage, plus \$3.02.

On and after October 1, 2026, a local government may enact a code or an ordinance that increases or decreases the amount of the local tip offset; except that a local government may not enact a code or an ordinance that:

- Decreases the amount of the tip offset to an amount less than \$3.02;
- Decreases the amount of the tip offset by more than 50 cents in any 12-month period; or
- Increases the amount of the tip offset by an amount that would allow an employee to be paid a wage that is less than the state minimum wage, minus \$3.02.

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

1 government may enact through its governing body or, when available,
2 through its initiative or referendum powers, a law establishing minimum
3 wages for individuals performing, or expected to perform, four or more
4 hours of work for an employer in ~~any~~ A given week within the geographic
5 boundaries of the local government's jurisdiction. Minimum wages
6 established in accordance with this section may exceed the statewide
7 minimum wage established in accordance with section 15 of article XVIII
8 of the state constitution, any other minimum wage established by state
9 law, or any minimum wage established by federal law; except that a local
10 government that enacts a minimum wage in accordance with this
11 subsection (3) shall provide a tip offset for employees of ~~any~~ A business
12 or enterprise that prepares and offers for sale food or beverages for
13 consumption either on or off the premises. ~~equal to the tip offset provided~~
14 ~~in section 15 of article XVIII of the state constitution.~~ The tip offset
15 applies only to employees who regularly receive tips and only when a tip
16 offset is permitted by state law. A LOCAL GOVERNMENT SHALL DETERMINE
17 THE AMOUNT OF THE TIP OFFSET IN ACCORDANCE WITH SUBSECTION (3.5)
18 OF THIS SECTION.

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

27



1 (3.5) (a) ON AND AFTER THE EFFECTIVE DATE OF THIS SUBSECTION
2 (3.5), EXCEPT AS DESCRIBED IN SUBSECTION (3.5)(b) OF THIS SECTION, THE
3 AMOUNT OF THE TIP OFFSET ASSOCIATED WITH A LOCAL MINIMUM WAGE
4 IS THREE DOLLARS AND TWO CENTS.

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

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

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