

*Colorado Legislative Council Staff Fiscal Note*

**FINAL  
FISCAL NOTE**

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<b>Drafting Number:</b> LLS 15-0471	<b>Date:</b> July 1, 2015
<b>Prime Sponsor(s):</b> Rep. Moreno; Melton Sen. Merrifield	<b>Bill Status:</b> Postponed Indefinitely
	<b>Fiscal Analyst:</b> Josh Abram (303-866-3561)

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**BILL TOPIC:** LOCAL GOVERNMENT MINIMUM WAGE

<b>Fiscal Impact Summary*</b>	<b>FY 2015-2016</b>	<b>FY 2016-2017</b>
<b>State Revenue</b>	Potential Change	
Revenue Change General Fund		
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Appropriation Required:</b> None.		

*\* This summary shows changes from current law under the bill for each fiscal year.*

**Summary of Legislation**

The bill permits a unit of local government to enact laws establishing a minimum wage within its jurisdiction.

**State Revenue**

The bill potentially changes wages in local jurisdictions that choose to enact local minimum wage laws. Any impact on state revenue is conditional, dependant on future decisions made by local governments.

Changing income for individuals impacts the amount of sales and income taxes collected by the state. Requiring business to pay more to individuals changes the business' costs and investments, impacting the amount of sales and income tax paid. No estimate of the revenue change is available at this time. As additional data becomes available, this fiscal note will be revised.

**State Expenditures**

This fiscal notes assumes that the Division of Labor in the Colorado Department of Labor and Employment is not required to enforce local minimum wage laws or accompanying local workplace laws (e.g., overtime policies, meal and break policies, etc.) enacted by a local government under the permissive authority of the bill. For this reason, the bill is assessed as having no impact on the department. As additional information and analysis become available, this fiscal note will be revised.

**Local Government Impact**

The fiscal note assumes that a unit of local government includes municipalities and counties only; however, a unit of local government may also include special districts, school districts, urban renewal boards, other commissions, etc. Any impact on local government expenditures or revenue is conditional, dependant on future decisions made by those local governments.

A municipality or county that changes local law to require a unique minimum wage will change the expenses of that government in order to pay their employees a different wage amount. Additionally, each municipality or county that enacts a unique minimum wage must also create an enforcement mechanism where none currently exists, increasing local government costs.

A local government's revenue from sales taxes may also be impacted by changing the income of individuals or the expenses of business. No precise estimate of the change in local government expenses or revenue can be made at this time. As additional information and analysis become available, this fiscal note will be revised.

**Effective Date**

The bill was postponed indefinitely by the Senate State, Veterans, & Military Affairs Committee on April 15, 2015.

**State and Local Government Contacts**

Counties  
Law

Municipalities  
Local Affairs

Labor  
Revenue