

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-0797	Date: April 17, 2015
Prime Sponsor(s): Rep. Tyler	Bill Status: House SVMA
Sen. Merrifield	Fiscal Analyst: Louis Pino (303-866-3556)

BILL TOPIC: COLORADO OVERTIME FAIRNESS FOR EMPLOYEES ACT

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Appropriation Required: None.		

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

Summary of Legislation

Under HB15-1331, the Director of the Colorado Division of Labor can not exempt any salaried employees classified as administrative, executive, supervisor, or professional and who earn less than three times the weekly salary of a worker being paid the state minimum wage from Colorado's regulatory overtime requirements.

U.S. Department of Labor regulations require that all employees earning less than \$455 per week (\$11.38 per hour), or \$23,600 per year, be automatically entitled to receive overtime pay. Employees earning more than that amount and meeting certain job duty tests are exempt from overtime requirements. However, if a state's law is more inclusive or generous to the employee than federal law, the state law will apply.

The bill requires that a salaried employee who meets one of the job duty classifications and earns a weekly pay between \$455.60 (\$11.39 per hour) and \$987.60 (\$24.69 per hour) must be entitled to receive overtime pay. Because the Colorado state minimum wage automatically adjusts for inflation, the top end of the range will change with inflation each year.

State Revenue

The fiscal note does not estimate the impact on the economy, nor its impact on tax collections, because any estimate would rely on a broad number of assumptions related to how the wages would flow through the economy and the overall impact to employers.

State Expenditures

The number of state employees that would be impacted has not been estimated. To the extent that a state agency would allow these workers to incur overtime, the measure will increase costs for that agency.

Local Government Impact

The impact on local governments has not been estimated, although expenditures will increase if previously exempt workers are allowed to incur overtime

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Labor