

Summary of Denver Citywide Minimum Wage Ordinance Updates

Based on feedback gleaned through extensive outreach with surrounding local governments and community stakeholders – including chambers of commerce, large and small businesses, businesses that employ tipped workers, workers, labor unions, business improvement districts, trade associations and industry groups, non-profits, and cultural and community organizations – the following adjustments have been made to the updated minimum wage ordinance draft to address requests and concerns:

- The wage rates have been adjusted to **slow the rate of increase and spread the increase over more years**. The updated proposal for wages is:
 - \$12.85 per hour on Jan. 1, 2020
 - \$14.77 per hour on Jan. 1, 2021
 - \$15.87 per hour on Jan. 1, 2022
 - Annual adjustments based on the Consumer Price Index each year thereafter.

The adjusted wage schedule utilizes the *current* state minimum wage of \$11.10 per hour as the baseline for the first increase instead of the wage rate of \$12.00 per hour as permitted by state law and originally proposed. The first two steps apply the maximum increases starting from the new \$11.10 base (\$1.75 in 2020 and 15% in 2021). The proposed wage rate now reaches the originally-proposed final step of \$15.87 per hour in an added third year of prescribed increase. Under the revised proposal, annual CPI adjustments then begin on January 1, 2023. (Page 3)

- A requirement for the Auditor to investigate every complaint has been removed and replaced by a requirement to prioritize complaints pursuant to rules and discretion to investigate credible complaints accordingly. The Auditor is specifically authorized to collaborate and refer complaints to other agencies, like the state, if appropriate. (Pages 3-4)
- Complaint based enforcement will now also include allowing for complaints to be filed not only by the worker, but by a third party or anonymously. (Pages 4-5)
- City agencies specifically authorized to receive complaints may also make referrals to the Auditor's Office. (Page 4)
- An added component of enforcement will include allowing investigations in the absence of a complaint. This power would take effect in 2022 and would allow the Auditor's Office to utilize data related to non-compliance to investigate and enforce the citywide minimum wage. Valid bases for non-complaint investigation would include: violations by an employer at a different business they own, a pattern and practice of credible complaints against a particular industry, or credible information from the city or another government entity that indicates an employer or industry is likely to be violating this ordinance. (Page 5)
- Explicit references to Auditor rulemaking authority added throughout.

- A 3 year statute of limitations for filing a private right of action to match the time limitation for city investigation has been added. (Page 8)
- Explicit authority for the Auditor's Office to enforce findings and collect penalties has been added. (Page 9)
- Ability for the city to recover costs and attorney's fees from an employer found to be in violation of this ordinance has been added. (Page 12)
- Work performed by independent contractors will not be covered by this ordinance. While permitted by state law, challenges associated with documentation, tracking and enforcement has led to the City electing not to apply its proposed jurisdiction-wide minimum wage to independent contractor services at this time. While Denver may consider applying its minimum wage to independent contractor services in the future, the scope of its initial ordinance will be tailored to employees and others performing qualifying work in a manner other than as independent contractors. (Pages 13 and 14)
- Recitals ("Whereas" clauses) have been adjusted to reflect breadth of outreach. Additional commitments to review of the effectiveness of the ordinance and to monitoring economic conditions to evaluate any need for adjustments have also been added to this section. (Pages 1 and 2)
- Minor language clean-up and clarifications throughout.

For copies of the ordinance and other supporting materials, go to

www.denvergov.org/livablewage.

With questions or comments, contact:

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