BY AUTHORITY

ORDINANCE NO. ______
COUNCIL BILL NO. CB19-
SERIES OF 2019
COMMITTEE OF REFERENCE:
Finance & Governance

A BILL

For an ordinance adding a new Division ______ of Article IV, Denver Minimum Wage.

WHEREAS, despite a state-wide minimum wage rate, many Denver residents struggle to afford the basic necessities of life;

WHEREAS, the health and welfare of all Denver residents is benefited and advanced when workers are paid a wage which enables them to live above the federal poverty line;

WHEREAS, the City seeks to confront the issue of wage equity and cost of living affordability in the community;

WHEREAS, the City has historically demonstrated leadership on pay-equity issues;

WHEREAS, during the 2019 legislative session the Colorado legislature empowered local governments to establish a jurisdiction-wide minimum wage in accordance with certain requirements and restrictions mandated by state law;

WHEREAS, the Denver Revised Municipal Code requires payment of certain wages with respect to city contracts, however no jurisdiction-wide minimum wage was previously permitted pursuant to state law;

WHEREAS, ensuring that workers in Denver can support themselves and their families benefits the Denver economy and the well-being of the city; and

WHEREAS, addressing the minimum wage needs of workers is a matter of significant local concern;

WHEREAS, studies of local minimum wage laws have demonstrated that jurisdiction-wide minimum wage laws can increase earnings for workers without negatively affecting employment;

WHEREAS, Outreach.

WHEREAS, City Council finds that a new division should be added to city code to require employers throughout Denver to compensate workers no less than the Denver minimum wage established herein; and

WHEREAS, the City seeks to regulate wage rates in its legislative capacity.
NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF 
DENVER:

Section 1. A new Section 20-__, Division _____ of Article IV of the Denver Revised Municipal 
Code shall be added and read as follows:

Sec. 20-__. –Denver minimum wage.

(a) Required. Subject to the terms of this division, every employer shall ensure its workers are 
paid not less than the “Denver Minimum Wage” as calculated pursuant to subsection (b) for work 
performed in accordance with this division.

(b) Calculation of Denver minimum wage.

(1) City council hereby declares that it is in the best interest of the city to protect workers’ 
bargaining power and establish the Denver minimum wage that shall be paid to workers in 
the manner described in this division.

(2) The Denver minimum wage, exclusive of fringe benefits and any other deductions or credits 
excepts as described in this division, shall be calculated as follows:

i. Beginning January 1, 2020: $13.80 (thirteen dollars and eighty cents) per hour; and

ii. Beginning January 1, 2021: $15.87 (fifteen dollars and eighty seven cents) per hour.

(3) Tips regularly and actually received by a food and beverage worker may be applied to an 
employer’s obligation to pay such food and beverage worker the Denver minimum wage. 
However, no more than $3.02 per hour in tip income (“Tip Credit”) may be used to partially 
offset payment of the Denver minimum wage.

(4) In order to prevent inflation from eroding the value of the city’s minimum wage rate, on 
January 1, 2022, the Denver minimum wage rate shall increase by an amount corresponding 
to the prior year’s increase, if any, in the Consumer Price Index (Urban Wage Earners and 
Clerical Workers, Denver-Aurora-Lakewood) or its successor index as published by the U.S. 
Department of Labor or its successor agency (“CPI”). Annually thereafter, on the first of 
January, the Denver minimum wage rate shall increase by an amount corresponding to the 
prior year’s increase, if any, in CPI.

(c) Exclusions. In accordance with Colorado law, this division shall not apply to work that: (1) is 
not performed physically within the geographic boundaries of the city; (2) is performed by a worker 
totaling less than four hours in any given week for a particular employer within the geographic 
boundaries of the city; or (3) occurs in the city solely for the purpose of traveling through Denver 
from a point of origin outside of the city to a destination outside of Denver, with no employment-
related or commercial stops in the city except for refueling or the worker’s personal meals or errands.

(d) Violations. Subject to any rules and regulations that may be issued by the auditor, any 
worker may submit a complaint of a violation of this division to the auditor. The burden of
demonstrating to the auditor’s satisfaction that a violation has occurred rests with the person making the complaint and shall be demonstrated by a preponderance of the evidence. Any such complaint shall be made in writing to the auditor and shall include all information relied upon by such person. If a worker filing a complaint pursuant to this subsection is unable to reasonably file her or his complaint in writing, a complainant may request the auditor to assist him or her with documenting any allegations to satisfy the written complaint requirement. A worker may also consult with an attorney or other third-party for assistance when filing a complaint. The auditor shall investigate credible complaints, shall notify any employer alleged to have violated this division of any credible complaint, and shall provide a summary of findings regarding any such complaint to both the complainant and the employer. Any determination by the auditor pursuant to this division is reviewable by the complained-of party, pursuant to subsection (f). Any complaint must be submitted to auditor within one year of the date the employer was alleged to have violated the requirements of this division, and shall include: the worker’s name and/or the name of their duly authorized representative, if applicable; the worker’s contact information; and a detailed statement of the employer’s alleged violation of the requirements of this division, including readily available supporting documentation demonstrating a violation. Employers shall be subject to penalties and other consequences pursuant to this division for any actual violation(s) that occurred within one year of the date a credible complaint was first and timely submitted to the auditor pursuant to this division and within three years of the date an investigation of an employer by the auditor (not limited to a specific complaint) is initiated following receipt of a credible complaint, referral of a complaint from the State of Colorado or any agency thereof, or filing of a private right of action by a worker against an employer pursuant to this division.

(e) Retaliation strictly prohibited. No employer shall interfere with, restrain, deny, assist another person or entity, or attempt to deny the exercise of any right protected under this division. Any attempted or actual retaliation shall be regulated as follows:

1. No employer or any other person shall take any adverse action against any person because the person has exercised in good faith rights described in this division. Such rights include, but are not limited to: the right to file and pursue a private cause of action alleging a violation of this division; the right to make inquiries about rights protected under this division; the right to inform employer, a union or similar organization, and/or the person’s legal counsel or any other person about an alleged violation of this division; the right to file a written complaint with the auditor; the right to cooperate with the auditor in any investigations pursuant to this division; the right to testify in a proceeding related to an investigation pursuant to this division; the right to refuse to participate in an activity that would result in a violation of city,
state, or federal law; and the right to oppose any policy, practice, or act that is unlawful pursuant to this division.

(2) No employer or any other person shall communicate to a person exercising rights protected under this division, directly or indirectly, the willingness to inform a government employee that the person is not lawfully in the United States, or to report, or to make an implied or express assertion of a willingness to report, suspected citizenship or immigration status of a worker or a family member of the worker to a federal, state, or local agency because the worker has exercised a right pursuant to this division.

(3) It shall be a rebuttable presumption of retaliation if an employer or any other entity or person takes an adverse action against a person within 90 days of the person’s exercise of rights protected in this division. However, in the case of seasonal work that ended before the close of a 90-day period, the presumption also applies if the employer or other person or entity fails to rehire a former worker at the next opportunity for work in the same position. The employer may rebut this presumption with clear and convincing evidence that the adverse action was taken for a lawful purpose.

(4) Proof of retaliation shall be sufficient upon a showing that an employer or any other person or entity has taken an adverse action against a person and the person’s exercise of rights protected in this division was a motivating factor in the adverse action, unless the employer can prove that the action would have been taken in the absence of such protected activity.

(f) City-initiated enforcement; appeals. Any determination of the auditor related to the payment of the Denver minimum wage and an employer’s strict adherence to the requirements of this division including, but not limited to, determinations of worker status, determinations of underpayment or misreporting, and the imposition of penalties pursuant to this division shall be reviewable as follows:

(1) Any employer who disputes any determination made by or on behalf of the city pursuant to the authority of the auditor, which determination adversely affects such employer, may petition the auditor for a hearing concerning such determination no later than thirty (30) days after having been notified of any such determination. Compliance by an employer with the provisions of this subsection shall be a jurisdictional prerequisite to appeal any determination made by the auditor pursuant to this division, and failure of compliance shall forever bar any such appeal. The foregoing in no way shall preclude or limit a worker from initiating a private cause of action pursuant to this division.

(2) The auditor shall designate as a hearing officer a person retained by the city for appeal purposes.
(3) The petition for a hearing shall be in writing, and the facts and figures submitted shall be submitted under oath or affirmation either in writing or orally at a hearing scheduled by the hearing officer. The hearing, if any, shall take place in the city, and notice thereof and the proceedings shall otherwise be in accordance with rules and regulations issued by the auditor. The petitioner shall bear the burden of proof, and the standard of proof shall conform with that in civil, nonjury cases in state district court.

(4) The designated hearing officer may hold hearings pursuant to this division, subpoena witnesses and compel their attendance, administer oaths and take the testimony of any person under oath and compel witnesses to produce for examination books and papers related to the subject matter of the appeal.

(5) Following a hearing, the hearing officer shall make a final determination. Such final determination shall be considered a final order and may be reviewed under Rule 106(a)(4) of the state rules of civil procedure by the employer or by the city. A request for reconsideration of the determination may be made if filed in writing with the hearing officer within fifteen (15) days of the date of a final determination, in which case the hearing officer shall review the record of the proceedings, and the determination shall be considered a final order upon the date the hearing officer rules on the request for reconsideration.

(6) The district court of the second judicial district of the State of Colorado shall have original jurisdiction in proceedings to review all questions of law and fact determined by the hearing officer by order or writ under Rule 106(a)(4) of the state rules of civil procedure.

(g) Recordkeeping requirements and inspection. All employers shall retain sufficient payroll records concerning work performed for a period of at least three years. After a worker complaint determined credible by the auditor has been received, referral of a complaint from the State of Colorado or any agency thereof, or a private right of action has been initiated by a worker against an employer pursuant to this division, the employer shall promptly allow the auditor access to such records at a reasonable time during normal business hours to review and assess employer’s compliance with the requirements of this division. The auditor’s review of an employer’s records following receipt of a credible complaint, referral of a complaint from the State of Colorado or any agency thereof, or initiation of a private right of action shall not be limited to workers who have filed complaints. Should an employer not maintain or retain adequate records documenting the manner and amount of wages paid for work performed pursuant to this division, or not allow the auditor reasonable access to such records, there shall be a presumption, rebuttable by clear and convincing evidence, that the employer violated this division for the periods and for each worker for whom adequate records were not retained or access to such records was not timely provided.

(h) Private right of action, authorization and scope. Any aggrieved party may bring a civil action
in a court of competent jurisdiction against an employer alleged to have violated this division, and, upon prevailing, shall be entitled to such legal or equitable relief as may be appropriate to fully remedy the violation including, without limitation: the payment of any back wages unlawfully withheld and any unpaid overtime based on those wages, interest on unpaid wages and overtime compensation at a rate of 12 percent per annum from the date such wages were first due, the payment of an additional sum as a penalty in the amount of $100 to each worker whose rights under this division were violated for each day that the violation occurred or continued, liquidated damages in an amount equal up to three times the amount of unpaid wages and overtime compensation in connection with such wages, reinstatement of employment (if applicable) and/or other injunctive relief, and shall be awarded reasonable attorney fees and costs. Nothing in this division shall be interpreted as restricting, precluding, or otherwise limiting a separate or concurrent investigation by the auditor of an alleged violation of this division pursuant to city code. Jeopardy shall not attach as a result of any administrative or civil enforcement action taken pursuant to this division.

**Section 2.** A new Section 20-__, Division ______ of Article IV of the Denver Revised Municipal Code shall be added and read as follows:

Sec. 20-___. – Enforcement and penalties.

(a) *Enforcement.*

(1) Following notification of a complaint determined credible by the auditor, an employer shall furnish to the auditor, upon the auditor’s request, a true and correct certified copy of the payroll records of all workers in accordance with the terms of this division. Such payroll records shall reflect the entire period of record keeping required by this division, and include information documenting the number of hours worked by each worker, the hourly wage paid such workers, any deductions made from worker wages including but not limited to any tax withholdings, and the net amount of wages received by any such worker.

(2) Payroll records produced pursuant to subsection (a)(1) shall be accompanied by a sworn statement of the employer that records provided are a true and correct copy of the requested payroll records pursuant to this division, that payments were made to workers as set forth in the payroll records, that no deductions were made other than those described in such records, and that any worker identified in a complaint and any other workers for whom the auditor has requested the production of records have been paid at least the Denver minimum wage for all work or a detailed description of all instances and ways in which the foregoing requirements were not fully satisfied and all explanations therefore.

(3) Employers shall post in a place which is prominent and easily accessible to workers an auditor-approved notice concerning the Denver minimum wage to be paid to workers, and that complaints related to any alleged violations may be submitted to the auditor. Employers
shall display the posting in English and Spanish. If display of a physical notice is not feasible, including situations when a worker does not have a regular workplace or job site, employers may provide the required information on an individual basis, in a worker’s primary language, in a physical or electronic form that is reasonably conspicuous and accessible.

(b) Penalties. Any employer subject to the requirements of this division shall as a penalty pay to the city an amount as set forth below for each worker for each day they are paid less than the Denver minimum wage for the performance of work.

(1) The amount of the penalty shall be determined by the auditor based on consideration of both of the following:
   a. Whether the failure of the employer to pay the correct wage rate was a good faith mistake and, if so, the error was corrected within thirty (30) days of the date it was brought to the attention of the employer.
   b. Whether the employer has a prior record of failing to meet the requirements of this division.

(2) The employer’s penalty shall be fifty dollars ($50.00) for each day, or portion thereof, for each worker paid less than the Denver minimum wage rate for work, unless the failure of the employer to ensure payment of the Denver minimum wage rate was a good faith mistake, the employer has not previously failed to timely pay a worker the Denver minimum wage (regardless of whether a penalty was assessed), and the underpayment was paid in full within thirty (30) days of the date it was brought to the attention of the employer in writing by the worker or the auditor.

(3) An employer’s penalty shall be two thousand five hundred dollars ($2,500.00) for a violation, plus seventy-five dollars ($75.00) for each day, or portion thereof, for each worker paid less than the Denver minimum wage rate for work, if the employer has been assessed a penalty, but not more than two (2) other penalties, within the previous three (3) years of the date of the complaint or notice of an investigation is provided to employer for failure to comply with the terms of this division, unless all such penalties were subsequently withdrawn or overturned during the same three (3) year period pursuant to this division.

(4) An employer’s penalty shall be five thousand dollars ($5,000.00) for a violation, plus one hundred dollars ($100.00) for each day, or portion thereof, for each worker paid less than the Denver minimum wage rate for work, if the employer has been assessed three (3) or more other penalties within the previous three (3) years of the date of the complaint or notice of an investigation is provided to employer for failure to comply with the terms of this division, unless any such penalties were subsequently withdrawn or overturned resulting in two (2) or fewer penalties during the same three (3) year period pursuant to this division.
(5) An employer’s penalty shall be one thousand dollars ($1,000.00) for each instance in which
any employer fails to furnish the auditor a complete and certified payroll for any worker filing
a complaint against employer pursuant to this division, unless the failure of the employer to
furnish the auditor a complete and certified payroll was a good faith mistake and, if so, the
error was corrected within ten (10) days of the date the auditor notifies employer of such
failure. This penalty shall be imposed in conjunction with penalties imposed under
subsections (b)(2)-(4), and shall apply whether or not the work was performed by worker
directly for an employer or for another person or entity on employer’s behalf.

(6) An employer’s penalty shall be one thousand dollars ($1,000.00) for each incident of false
reporting in connection with a certified payroll not corrected within ten (10) days of the date
the auditor notifies the employer of such report. A certified payroll shall be determined to be
a false report when information related to hours worked or wages paid reported on a certified
payroll is not identical to supportive documentation, including payments issued to workers,
timecards maintained by employer, invoices for work performed issued to other persons or
entities, and tax documents. This penalty shall be imposed in conjunction with penalties
imposed under subsections (b)(2)-(5).

(7) An Employer’s penalty shall be one thousand dollars ($1,000.00) for each violation should
an employer be found by the auditor to have violated any obligation of employer described
in this division and not otherwise described in subsections (b)(2)-(6).

(8) An employer who is found by the auditor pursuant to this division to have failed to ensure
payment of the Denver minimum wage to a worker for work shall, within thirty (30) days of
notice of a violation from the auditor, or if applicable, thirty (30) days from any final order
pursuant to Section 20-__ (f), attempt in good faith to locate and pay any such worker all
wages required pursuant to this division. Failure by any employer to attempt in good faith
to locate and ensure payment of any underpaid worker in compliance with the terms of this
subsection shall for any underpayment to a worker greater than fifty dollars ($50.00) result
in a penalty of five thousand dollars ($5,000.00) for each such violation. If an employer is
able to adequately document to auditor its good faith efforts to locate and timely pay a worker
all wages owed within forty five (45) days from any final order pursuant to Section 20-__ (f)
it shall not be subject to further penalty if it is unable to reasonably locate or pay a worker all
Denver minimum wages owed and strictly complies with subsections (b)(9)-(13). Any finding
or penalty for failure to timely pay a worker, or attempt in good faith to locate and timely pay
a worker amounts owed pursuant to this subsection shall be subject to review pursuant to
Section 20-__ (f).
(9) Any employer who is found by a final order to have failed to pay a worker or workers all amounts owed pursuant to this division and who is unable to timely locate and pay any amount owed to a worker may submit to the auditor, for each worker to whom wages are due, a check payable to that worker or to the city of Denver in a manner that is negotiable by either the worker or the city. Each such check shall be for the amount of the difference between wages owed a worker pursuant to this division and the amount actually paid to that worker.

(10) Any check submitted pursuant to subsection (b)(9) shall be negotiated by the city and the proceeds deposited in the auditor’s unclaimed minimum wage special trust fund. Nothing in subsections (b)(9)-(13) shall be construed to lessen an employer’s responsibility to attempt in good faith to locate and pay all workers all wages due pursuant to this division.

(11) Any valid, verified claim by a worker for payment from the auditor’s unclaimed minimum wage special trust fund must be made prior to two (2) years after the date of the most recent underpayment of wages by employer to the worker to whom such wages were due. After such date, the city shall no longer by liable for payment. The city, as trustee, shall pay such claimant only the amount of the check concerning such claimant that is actually negotiated pursuant to subsection (b)(10), regardless of any dispute as to any additional amount of wages owed by an employer to worker. No interest shall be paid by city on any funds received or dispersed pursuant to subsections (b)(9)-(13).

(12) On the last working day of each calendar month, the amount of any claim for which the city is no longer liable shall be credited to the general fund, except as otherwise required by law.

(13) The auditor shall maintain a list of all unclaimed, city-negotiated minimum wage checks for which the city is liable. Such list shall be updated monthly, and shall be available for inspection at the office of the auditor.

Section 3. A new Section 20-___, Division ______ of Article IV of the Denver Revised Municipal Code shall be added and read as follows:

Sec. 20-___. – Miscellaneous.

(a) **Workers; intent.** The intent of this division is to ensure the payment of at least the Denver minimum wage to as many workers as possible in accordance with limitations imposed by Colorado law. It is not the intent of this division to reduce any differing wage requirements established by federal or state law or that arise from or in connection with federal or state funding, and any greater wage requirements and restrictions shall be controlling in the event of a conflict between a federal or state wage requirement and the requirements of this division.

(b) **Application of division to prevailing wage, city minimum wage and living wage.** Nothing in this division shall be deemed to lessen any obligations of employers to comply with the Denver
Revised Municipal Code concerning payment of prevailing wage, the city minimum wage and/or living wage to workers. Should a prevailing wage, city minimum wage or living wage requirement be greater than the Denver minimum wage requirement, the greater wage rate shall be paid. If the Denver minimum wage requires payment of a higher wage rate than an applicable prevailing wage, city minimum wage or living wage requirement for work, the Denver minimum wage shall be paid to any worker for such work.

(c) Responsibility of employer. An employer may engage agents, independent contractors, subcontractors, individuals and other entities to perform work on employer’s behalf. Each employer shall be solely responsible for ensuring payment of the Denver minimum wage to any and all agents and/or persons performing work on an individual employer’s behalf for purposes of compliance with this division. Employers may seek indemnification or recovery from third parties for penalties an employer incurs for failure to comply with the requirements of this division. However, any such rights shall in no way excuse an employer from taking whatever steps are necessary to ensure compliance with this division by all persons engaging in work on behalf of or for the benefit of an employer, nor serve as a basis for employer to avoid payment of any monetary penalties or occurrence of other consequences for violation(s) of this division.

(d) Definitions. For purposes of this division the following definitions shall apply:

“Adverse Action” shall mean denying a job or promotion, demoting, terminating, failure to rehire after a seasonal interruption of work, threatening, penalizing, retaliating, engaging in unfair immigration-related practices, filing a false report with a government agency, changing an employee’s status to a nonemployee, and may involve any aspect of employment, including modification of pay, work hours, responsibilities, or other material change in the terms or conditions of a worker’s employment;

“Aggrieved party” means a worker or other person who suffers tangible or intangible harm due to an employer or other person’s violation of this division;

“City” shall mean the City and County of Denver;

“Complaint” shall mean a complaint submitted pursuant to Section 20-___(d);

“Employ, Employed, or Employed By” means to suffer or permit to work;

“Employer” shall mean any corporation, proprietorship, partnership, nonprofit, joint venture, association, individual, limited liability company, business trust, or any person or group of persons, and any of the foregoing acting directly or indirectly in the interest of an employer in relation to a worker, and any successor thereof;

“Food and Beverage Worker” shall mean a worker for any business or enterprise that prepares and offers for sale food or beverages for consumption either on or off an employer’s physical premises;
“Successor” shall mean any person to whom an employer quitting, selling out, exchanging, or disposing of a business sells or otherwise conveys in bulk and not in the ordinary course of the employer’s business, a major part of employer’s property, whether real or personal, tangible or intangible, of the employer’s business. For purposes of this definition, “person” means an individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, company, limited liability company, association, joint venture, or any other legal or commercial entity;

“Tips” shall mean a verifiable sum presented directly and customarily by customers as a gift or gratuity in recognition of some service performed for customers by the person receiving the tip;

“Work” shall mean any services performed on behalf of an employer whether on an hourly, piecework, commission, time, task, or other basis; and

“Worker” shall mean a person performing work, and includes, but is not limited to: fulltime employees, part-time employees, temporary workers, independent contractors, agents, and any other person or entity performing work on behalf of an employer. This definition shall not apply to work performed by persons limited to providing volunteer services that are uncompensated except for reimbursement of expenses such as meals, parking or transportation.

(e) The provisions of this division are declared to be separate and severable. If any clause, sentence, paragraph, subdivision, section, subsection or portion of this division, or the application thereof to any employer, person, entity or circumstance is preempted or otherwise prohibited by federal or state law or is held to be invalid, it shall not affect the validity of the remainder of this division, or the validity of its application to other persons or circumstances.

Section 4. This ordinance shall be effective January 1, 2020.
Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of the City Attorney. We find no irregularity as to form and have no legal objection to the proposed ordinance. The proposed ordinance is not submitted to the City Council for approval pursuant to §3.2.6 of the Charter.