

**STATEMENT OF BASIS AND PURPOSE
FOR
COLORADO MINIMUM WAGE ORDER NUMBER 26
7 CCR 1103-1**

BASIS: § 8-1-107(2)(p), § 8-6-106, § 8-6-108(2), and § 8-6-109 C.R.S. (2009), provide the Director of the Division of Labor with the authority to adopt rules and regulations pertaining to state minimum wage rates.

PURPOSE: The purpose of Colorado Minimum Wage Order Number 26 is to reflect the new state minimum wage of \$7.24 per hour. The new state minimum wage is required by Article XVIII, Section 15 of the Colorado Constitution, which provides:

Section 15. State minimum wage rate.

Effective January 1, 2007, Colorado's minimum wage shall be increased to \$6.85 per hour and shall be adjusted annually for inflation, as measured by the Consumer Price Index used for Colorado. This minimum wage shall be paid to employees who receive the state or federal minimum wage. No more than \$3.02 per hour in tip income may be used to offset the minimum wage of employees who regularly receive tips.

Pursuant to § 24-4-103(4)(b), C.R.S. (2009), the Director finds that: 1) there is a demonstrated need for the rules; 2) the proper statutory authority exists for the rules; 3) to the extent practicable, the rules are clearly stated so that their meaning will be understood by any party required to comply with the rules; 4) the rules do not conflict with other provisions of law; and 5) the duplicating or overlapping of the rules is explained by the agency proposing the rules.