



Colorado Automobile Dealers Association

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**\* \* \* DEALER ALERT \* \* \***

**Regulatory / Legal Updates**

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**TO:** CADA Members  
**FROM:** Tim Jackson  
**RE:** Various regulatory / legal changes effective January 1, 2007  
**DATE:** ~~December 22, 2006~~ **REVISED:** January 3<sup>rd</sup>, 2007

A number of regulatory and legal changes affecting dealers go into effect January 1, 2007:

**NEW MINIMUM WAGE**

As most dealers are aware, Colorado voters passed Amendment 42, the state's minimum wage initiative, in the November election. The referendum amended the Colorado Constitution to raise the minimum wage for hourly workers from \$5.15 per hour to \$6.85 per hour, effective January 1, 2007. Keep in mind for future year-end planning that this figure will increase annually based on the Consumer Price Index.

While details of how the amendment will be implemented and enforced have not been officially announced, it is expected that all key aspects of the application of the minimum wage will remain the same; it is simply the dollar minimum that will change. Colorado Wage Order #23 has been *proposed*, but not formally adopted to replace current order #22. Mountain States Employers Council (MSEC) has advised the following:

**"It is not yet time to purchase a new poster.** Do not succumb to pressure sales tactics from employment poster vendors.

The Colorado Department of Labor - Division of Employment has not yet published a revised model poster to reflect the minimum wage change. The Division is waiting for a formal legislative amendment to the Colorado Minimum Wage Order #22 before that revision will be published in a model compliant poster. The Division cannot currently commit to when the minimum wage change will be reflected in the Department's model poster. *The Division has indicated that it will not pursue any penalty against employers for failing to post the new minimum wage until some time after a revised model poster is published. ... As an interim solution, consider affixing a label or sticker to your current state poster to identify the new minimum wage in January.* Once the revised Colorado Minimum Wage Poster is published by the Division, MSEC will produce and sell revised state posters for public and private employers. The federal all-in-one poster has not been substantively revised since December 2005."

*-December 18, 2006, MSEC Email bulletin*

As a reminder, as a CADA member, you are eligible for first-level human resource support from MSEC attorneys. They have experts on state and federal minimum wage laws; if you have in-depth questions, you can contact the MSEC Employment Law Services Department directly at 303.839.5177. CADA will continue to follow the process along with MSEC and advise you as information develops.

**NOTE:** Salespeople are covered by the Fair Labor Standards Act (FLSA) as non-exempt employees who must be paid minimum wage and overtime for all hours worked over 40 in a workweek, regardless of how the employee is paid. Commissioned salespeople, as a general category of employees, are not exempt from these requirements. However, there are a number of alternative methods for meeting the minimum wage and overtime requirements for the unique circumstances of commissions salespeople. MSEC has published an FYI bulletin with a detailed description of these options and methods: "MSEC - Wage and Hour: Salespersons - Pay Practices, July, 2006".

### **EMISSIONS: Testing requirements ending for LARIMER, WELD, and EL PASO COUNTIES**

On January 1, 2007, gasoline-powered vehicles sold or registered to consumers in Larimer, Weld and El Paso Counties will no longer be required to have emissions inspections. This change is the result of a vote by the Air Quality Control Commission to discontinue inspections in these counties because each has been in compliance with the Federal Clean Air Act for several years. The requirement to display the “Emissions Exempt” stickers for new vehicles in these counties will also be discontinued. The Diesel Inspection Program remains the same in Larimer, Weld, and El Paso County. Diesel vehicles still require inspection at time of sale or registration.

However, if a dealer is selling a vehicle to someone living in the Enhanced Emissions Area (counties of Boulder, Jefferson, Broomfield, Denver, and Douglas, as well as parts of Adams and Arapahoe counties), an enhanced emissions inspection or voucher is required at time of sale. The voucher applies only to gasoline-powered vehicles; emission vouchers may be obtained by calling Envirotest at 303.456.7011.

For further questions regarding the information above, contact CADA or the Department of Revenue, Emissions Section directly at 303.205.5603.

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### **TITLE PROCESSING: January 1<sup>st</sup> Sales Tax Changes and Express Processing Announcement**

1. The Department of Revenue (DOR) posts various sales tax rate changes each year on January 1<sup>st</sup> and July 1<sup>st</sup>. Those rate changes are available at the following URL, and a copy is included as an attachment. See [www.TaxColorado.com](http://www.TaxColorado.com) and click on “**Tax Rate Changes Effective January 1, 2007**” in the middle of the page. The direct link is:  
[http://www.revenue.state.co.us/TPS\\_Dir/wrap.asp?incl=Jan07salestaxincreases](http://www.revenue.state.co.us/TPS_Dir/wrap.asp?incl=Jan07salestaxincreases)
  2. The DOR Titles and Registration Section just announced some procedural changes to express processing. *A copy of the memo distributed this week is enclosed.*
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### **HUMAN RESOURCES: Employment Verification—New Requirements**

Due to immigration reform legislation passed during the special session over this past summer, two key process changes are required by the relevant regulatory departments:

1. **All New Employees:** Effective January 1<sup>st</sup>, 2007, Colorado Labor Department requires an additional “affirmation” at the time of hiring a new employee. This essentially amounts to another form that must be completed as a new *state* requirement in addition to the federal I-9 requirements:
    - The Labor Department is still finalizing implementation rules. ~~no official form has been created.~~
    - **Despite indications to the contrary, the Labor Department did create a new form for employers to use this affirmation. Please discard the CADA-sample form previously distributed, and download the state form at:** <http://www.coworkforce.com/ice/AffirmationOfLegalWorkStatus.pdf>.
    - **See Q&A document prepared by CO Labor Dept on HB06S-1017 (last updated, Dec. 26, 2006):** <http://www.coworkforce.com/ice/FAQsHB061343HB06S1017.pdf>
  2. **Salesperson and Dealership Licensing:** Auto Industry Division now requires a photocopy of Secure and Verifiable ID, along with an affidavit affirming legal work eligibility for all salesperson licenses and dealer license renewals.
    - *See the enclosed overview of the requirements: primarily a signed affidavit and photocopies of proper identification document(s).*
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If you have questions or need further information, please contact:

Tammi L. McCoy  
Direct#: 303.282.1449  
[tammi.mccoy@cadaonline.org](mailto:tammi.mccoy@cadaonline.org)

Tim Jackson  
Direct#: 303.282.1448  
[tim.jackson@cadaonline.org](mailto:tim.jackson@cadaonline.org)