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12
13 **ARIZONA SUPERIOR COURT**
14 **MARICOPA COUNTY**

15 CITY OF FLAGSTAFF, a political subdivision) No. **CV2021-011210**
16 of the State of Arizona,)
17)
18 Plaintiff,) **VERIFIED COMPLAINT**
19)
20 v.) **(Tier 2)**
21)
22 THE ARIZONA DEPARTMENT OF)
23 ADMINISTRATION, an agency of the State of)
24 Arizona; ANDY TOBIN, in his official)
25 capacity as the Director of the Arizona)
26 Department of Administration; KIMBERLY)
YEE, in her official capacity as the State)
Treasurer of Arizona; and STATE OF)
ARIZONA, a body politic.)
Defendants.)

Plaintiff, for its Verified Complaint against Defendants, alleges as follows:

Parties, Jurisdiction and Venue

1. Plaintiff City of Flagstaff (“City”) is a political subdivision of the State of Arizona.
2. In 2006, Arizona’s voters approved the passage of Proposition 202, codified as A.R.S. § 23-364(I), which granted a “county, city, or town” the power to “regulate minimum wages and benefits within its geographic boundaries,” only if they do “not provide for a

1 minimum wage lower than” the State’s minimum wage.

2 3. Consistent with Prop 202, the City’s voters approved the passage of Proposition
3 414 in 2016 (now codified as Flagstaff City Code 15-01-001-0003, a true and correct copy of
4 which is attached as Exhibit 1), which adopted a local minimum wage that is higher than the
5 State’s minimum wage.

6 4. Defendant Arizona Department of Administration (“ADOA”) is an agency of the
7 State of Arizona responsible for providing support to the operation of state government. ADOA
8 is required under A.R.S. § 35-121.01 to “assess and collect from a county, city or town an amount
9 to reimburse this state for the cost to this state in the next fiscal year attributable to the county’s,
10 city’s or town’s establishment of a minimum wage if that minimum wage exceeds the minimum
11 wage established by this state pursuant to section 23-363.”

12 5. Defendant Andy Tobin is the Director of ADOA (“Director”), and is named in his
13 official capacity.

14 6. Defendant Kimberly Yee is the State Treasurer of Arizona (“Treasurer”) and is
15 named in her official capacity. If a county, city, or town, does not pay an assessment described
16 in Paragraph 4, the Treasurer is required under A.R.S. § 35-121.01 to “subtract the amount owed
17 by the county, city or town from any payments required to be made by the state treasurer to that
18 county, city or town pursuant to section 42-5029, subsection D, plus interest on that amount
19 pursuant to section 44-1201,” and “withhold from any other monies payable to that county, city
20 or town from whatever state funding source is available an amount necessary to fulfill the
21 requirement.”

22 7. Defendant State of Arizona is a body politic.

23 8. Jurisdiction over this action is proper pursuant to A.R.S. §§ 12-123, 12-1831, and
24 the Arizona Constitution, as well as Rule 4(a) of the Arizona Rules of Procedure for Special
25 Actions.

26 9. Venue is proper in Maricopa County pursuant to A.R.S. § 12-401 and Rule 4(b) of

1 the Arizona Rules of Procedure for Special Actions.

2 **Factual Allegations**

3 **The People’s Initiative Power and the Voter Protection Act**

4 10. The framers of the Arizona Constitution were “advocates of th[e] method of
5 popular government” known as the initiative and referendum, “and the records of the
6 constitutional convention, together with the language of the [] constitution, show clearly that it
7 was the opinion of the delegates who adopted and signed it that its provisions setting forth these
8 principles were among the most important to be found therein.” *Whitman v. Moore*, 59 Ariz.
9 211, 218 (1942), *overruled on other grounds by Renck v. Superior Court*, 66 Ariz. 320, 327
10 (1947).

11 11. “When the [constitution] was submitted to the voters for ratification, that issue was
12 again the principal one before them and the constitution was ratified by a very large percentage
13 of the votes cast.” *Id.*

14 12. As a result, and since statehood, the people of Arizona have reserved to themselves
15 the power to “propose laws and amendments to the constitution and to enact or reject such laws
16 and amendments at the polls, independently of the legislature,” and “for use at their own option,
17 the power to approve or reject at the polls any act, or item, section, or part of any act, of the
18 legislature.” Ariz. Const. art. IV, § 1(1).

19 13. As a function of this constitutional reservation, “the power of the people to
20 legislate is as great as the power of the legislature to legislate.” *Iman v. Bolin*, 98 Ariz. 358, 364
21 (1965).

22 14. In 1998, and after decades of the Arizona Legislature meddling with and
23 undermining measures approved at the ballot box, Arizona voters adopted the Voter Protection
24 Act (“VPA”) as a constitutional amendment, limiting the legislature’s power to amend, repeal,
25 or supersede laws adopted by the People. Ariz. Const. art. 4, pt. 1, § 1(6)(B)-(C), (14).

26 15. Under the VPA, the Legislature cannot repeal voter-approved initiative measures,

1 and it can amend or supersede an initiative only when the amendment “furthers the purposes” of
2 the initiative and is passed by “at least three-fourths of the members of each house of the
3 [L]egislature.” *Id.*

4 16. The purpose of the VPA is “to limit changes to voter-approved laws,” *Meyer v.*
5 *State*, 246 Ariz. 188, 192 ¶ 10 (App. 2019), and to prevent the legislature from “abusing its power
6 to amend and repeal voter-endorsed measures.” *Arizona Early Childhood Dev. & Health Bd. v.*
7 *Brewer*, 221 Ariz. 467, 469 ¶ 7 (2009).

8 17. The passage of the VPA thus “altered the balance of power between the electorate
9 and the legislature[.]” *Id.*

10 **State Prop 202 and Flagstaff Prop 414**

11 18. In 2006, Arizona voters passed Prop 202, known as the “Raise the Minimum
12 Wage for Working Arizonans Act.”

13 19. As its name suggests, Prop 202’s purpose was to “increase[e]” the minimum wage
14 to ensure that “[a]ll working Arizonans [are] paid a minimum wage that is sufficient to give them
15 a fighting chance to provide for their families,” Prop 202 § 1, “to assure ‘the maintenance of the
16 minimum standard of living necessary for health, efficiency, and general well-being of
17 workers,’” and to make appropriate “cost of living adjustment[s].” Prop 202 Publicity Pamphlet,
18 *Arguments of the Arizona Minimum Wage Coalition*¹.

19 20. In the brief Legislative Council Analysis for Prop 202, the Legislative Council
20 noted that “[t]he Legislature, a county, a city or a town may enact a law providing for a higher
21 minimum wage than established by this proposition.” (Emphasis added).

22 21. In line with this purpose, Prop 202 also authorized a “county, city, or town” to
23

24 ¹ See 2006 General Election Information, Prop 202,
25 <https://apps.azsos.gov/election/2006/Info/PubPamphlet/english/Prop202.htm> (last visited July
26 14, 2021). A true and correct copy of the 2006 publicity pamphlet materials relevant to Prop
202 is attached as Exhibit 2.

1 “regulate minimum wages and benefits within its geographic boundaries,” subject to only one
2 condition: the county, city, or town may not adopt a local minimum wage that is lower than the
3 State’s minimum wage. A.R.S. § 23-364(I).

4 22. Prop 202 also must “be liberally construed in favor of its purposes” and does not
5 “limit the authority of the legislature or any other body to adopt any law or policy that requires
6 payment of higher or supplemental wages or benefits[.]” *Id.* (emphasis added).

7 23. As authorized by Prop 202, in 2006 the City – through a local voter initiative
8 known as Prop 414 – adopted a local minimum wage that is higher than the State’s minimum
9 wage. [See Exhibit 1 (Flagstaff City Code 15-01-001-0003)].

10 **The Legislature’s Attempts to Undermine the Will of the Voters**

11 24. In 2013, the Legislature first attempted to amend or supersede Prop 202.

12 25. That year, the Legislature passed – and the Governor signed – HB 2280, which
13 provided that “[t]he regulation of employee benefits, including compensation, paid and unpaid
14 leave and other absences, meal breaks and rest periods . . . is not subject to further regulation by
15 a city, town or other political subdivision of this state.”

16 26. The Flagstaff Living Wage Coalition and several individuals filed a lawsuit
17 challenging the constitutionality of HB 2280 under the VPA. *See Flagstaff Living Wage*
18 *Coalition, et al. v. Arizona*, Maricopa County Superior Court, Case No. CV2015-004240.

19 27. The Attorney General did not defend HB 2280’s constitutionality, and instead
20 agreed to a stipulated judgment that invalidated the law.

21 28. Undeterred, the Legislature tried again in 2016.

22 29. That year, the Legislature passed – and the Governor signed – a HB 2579, which
23 stated that “[t]he regulation of employee benefits, including nonwage compensation, paid and
24 unpaid leave and other absences, meal breaks and rest periods . . . is not subject to further
25 regulation by a city, town or other political subdivision of this state.” A.R.S. § 23-204(A).

26 30. State legislators, city council members, and a workers’ union challenged the

1 constitutionality of the law because it amended A.R.S. § 23-364(I) in violation of the VPA. *See*
2 *UFCW Local 99, et al. v. Arizona*, Maricopa County Superior Court, Case No. CV2016-092409.

3 31. The Superior Court invalidated the law under the VPA.

4 32. The Arizona Court of Appeals affirmed, holding that HB 2579 violated the VPA
5 because it amended or repealed Prop 202’s provision “grant[ing] counties, cities, and towns” the
6 right to “further increase wages *and benefits*[.]” *Meyer*, 246 Ariz. at 194 ¶ 17 (emphasis in
7 original).

8 33. In 2019, the Legislature tried for the third time to amend Prop 202 when it passed
9 – and the Governor signed – HB 2756, now codified as A.R.S. § 35-121.01 and, as amended,
10 A.R.S. § 35-113. These provisions of this legislation are referred to collectively herein as “HB
11 2756”.

12 34. A.R.S. § 35-121.01(A) provides that “the legislature may allocate and, if allocated,
13 the department of administration shall assess and collect from a county, city or town an amount
14 to reimburse this state for the cost to this state in the next fiscal year attributable to the county’s,
15 city’s or town’s establishment of a minimum wage if that minimum wage exceeds the minimum
16 wage established by this state pursuant to section 23-363.”

17 35. Until this legislative session (as detailed below), the Legislature had never
18 allocated any amounts under A.R.S. § 35-121.01(A).

19 36. A.R.S. § 35-121.01(B) provides that ADOA

20 shall assess the amounts under this section not later than July 31 of each year. The
21 amounts are payable immediately on assessment. If the county, city or town does
22 not pay to the department the amount allocated pursuant to this section on or before
23 December 31 of the year the allocation is made, the department shall notify the
24 state treasurer, who shall subtract the amount owed by the county, city or town
25 from any payments required to be made by the state treasurer to that county, city
26 or town pursuant to section 42-5029, subsection D, plus interest on that amount
pursuant to section 44-1201, retroactive to the first day the amount was due. If the
amount the state treasurer withholds is insufficient to meet the requirements of this
section, the state treasurer shall withhold from any other monies payable to that

1 county, city or town from whatever state funding source is available an amount
2 necessary to fulfill the requirement.

3 37. HB 2756 also amended A.R.S. § 35-113 to add a requirement that state “budget
4 units” include in their annual budget estimates that are provided to the Governor’s office of
5 strategic planning and budgeting “a detailed estimate of the cost to the budget unit in the next
6 fiscal year attributable to a county’s, city’s or town’s establishment of a minimum wage if that
7 minimum wage exceeds the minimum wage established by this state pursuant to section 23-363.”

8 38. When HB 2756 was introduced in the House Appropriations Committee,
9 Representative Randall Friese recognized that the law implicated the VPA. May 22, 2019 H.
10 Approp. Comm. Mtg., <https://www.azleg.gov/videoplayer/?eventID=2019051332> (“Is this a
11 [VPA] issue? I mean [Prop 202] was voter-initiated.”).

12 **The State’s Alleged Costs from the City’s Minimum Wage**

13 39. In October 2019, the Joint Legislative Budget Committee (“JLBC”) sent a
14 memorandum to various state agencies requesting that they include in their FY2021 budget
15 estimates any costs to the State attributable to the City’s minimum wage. *See* Oct. 8, 2019 JLBC
16 Memorandum, a true and correct copy of which is attached as Exhibit 3.

17 40. As of February 21, 2020, at least seven State agencies and other entities included
18 in their FY2021 budget estimates an amount of alleged costs attributable to the City’s minimum
19 wage.

20 41. On information and belief, State agencies included in their budget estimates the
21 costs of paying the City’s minimum wage to employees of the State.

22 42. Under Flagstaff City Code 15-01-001-0002, however, “the state of Arizona” is
23 exempt from paying its employees the City’s minimum wage.

24 43. On information and belief, political subdivisions of the state, including Coconino
25 Community College (“CCC”), submitted budget estimates regarding their alleged costs
26 attributable to the City’s minimum wage.

1 44. CCC is not a State agency, and it has its own tax base and other sources of revenue.

2 45. On information and belief, CCC’s estimated costs attributable to paying its
3 employees the City’s minimum wage are not “cost[s] to this state.”

4 46. On information and belief, certain State agencies also included budget estimates
5 under HB 2756 for amounts the State will not actually incur.

6 47. For example, the Arizona Historical Society (“AHS”) included in its budget
7 estimates the costs to AHS if it were to raise salaries for three positions, but on information and
8 belief, AHS has not in fact raised the salaries for those positions. *See* Oct. 10, 2019 Letter from
9 AHS to JLBC, a true and correct copy of which is attached as Exhibit 4.

10 48. On information and belief, even if AHS were to raise salaries for those positions,
11 those positions are for employees of the State and thus exempt from the City’s minimum wage.

12 49. Based on these budget estimates, the Legislature introduced a budget bill directing
13 ADOA to “assess and collect the amount of \$1,110,992 from the City of Flagstaff in fiscal year
14 2021-2022 to reimburse this state for costs to this state attributable to the establishment of a
15 minimum wage that exceeds the minimum wage established by this state[.]” SB 1827, 55th Leg.,
16 1st Reg. Sess. § 12 (Ariz. 2021) (“SB 1827”).

17 50. On June 24, 2021, the Legislature passed SB 1827. The Governor signed it on June
18 30, 2021. A true and correct copy of the chaptered version of SB 1827 is attached as Exhibit 5.

19 51. At a Senate Appropriations Committee meeting on May 26, 2021, legislators
20 correctly questioned the constitutionality of this assessment under the VPA.

21 52. Senator Martin Quezada noted that the assessment is a “financial penalty against
22 City of Flagstaff for exercising express authority to raise its minimum wage” as granted to it by
23 the people. *See* May 26, 2021 Sen. Approp. Comm. Mtg.,
24 <https://www.azleg.gov/videoplayer/?eventID=2021051062> (last visited July 14, 2021).

1 **Count I**

2 **(Declaratory Judgment – Violation of the Voter Protection Act)**

3 **(Against All Defendants)**

4 53. The City re-alleges Paragraphs 1-52 as if fully set forth herein.

5 54. Prop 202 was passed by Arizona voters through an initiative measure.

6 55. Prop 202 expressly granted the City authority to adopt a different local minimum
7 wage, as long as it is higher than the State’s minimum wage. A.R.S. § 23-364(I).

8 56. Under the VPA, the Legislature cannot repeal Prop 202, and it can amend or
9 supersede Prop 202 only if the amendment “furthers the purposes” of the Prop 202 and is passed
10 by “at least three-fourths of the members of each house of the [L]egislature.” Ariz. Const. art. 4,
11 pt. 1, § 1(6)(B)-(C), (14).

12 57. HB 2756 amended or superseded Prop 202 by adding a condition to A.R.S. § 23-
13 364(I) that penalizes cities for adopting a higher minimum wage.

14 58. HB 2756 does not further the purpose of Prop 202.

15 59. HB 2756 did not pass with a three-fourths majority vote in the Legislature.

16 60. An actual and justiciable controversy exists regarding the constitutionality of HB
17 2756 because the Legislature has allocated and directed ADOA to assess \$1,110,992 against the
18 City under Section 12 of SB 1827.

19 61. The City requests a declaration that HB 2756 and Section 12 of SB 1827 violate
20 the VPA.

21 **Count II**

22 **(Injunctive Relief – Violation of the Voter Protection Act)**

23 **(Against All Defendants)**

24 62. The City re-alleges Paragraphs 1-61 as if fully set forth herein.

25 63. Defendants ADOA and the Director will assess \$1,110,992 against the City by
26 July 31, 2021 absent the entry of an injunction.

1 64. The City should not be compelled to pay the assessment because the assessment is
2 unlawful for the reasons set forth in this Complaint.

3 65. Absent the entry of an injunction, the Treasurer can and will subtract and withhold
4 State revenue owed to the City when the City does not pay the \$1,110,992 assessment by
5 December 31, 2021.

6 66. The State of Arizona and its agents will continue to allocate and assess future
7 amounts against the City absent an injunction.

8 67. The City will suffer irreparable harm absent the entry of an injunction because it
9 is subject to an unconstitutional assessment and is at imminent risk of losing State revenue,
10 which will cause the City significant harm.

11 68. The assessment set forth in SB 1827 amounts to approximately 13% of the City's
12 state shared sales taxes. These revenues fund many operations through the City's General Fund,
13 including, police, fire, parks and recreation, facilities, fleet maintenance, administration, legal
14 services, information technology, finance, and human resources.

15 69. The assessment and resulting loss of revenues will likely disrupt the City's
16 operations, cause the City to reduce its services, and create delays in the City's infrastructure
17 and capital replacement.

18 70. Indeed, the City's fiscal year 2021-2022 budget already accounts for the
19 assessment in SB 1827 and, as a result, the City is unable to fund critical infrastructure and
20 equipment under this budget.

21 71. For example, under the City's budget that accounts for the assessment, the City (1)
22 does not have resources to upgrade its aging information technology systems and advanced
23 measures for cyber security, (2) does not have sufficient funding to replace its aging body
24 cameras for public safety, (3) lacks funding for overtime pay for its public safety employees, and
25 (4) has to defer maintenance of its facilities.

26 72. Among other things, the City lacks funding under the budget to replace its fire

1 trucks, including a \$1.4 million ladder truck that is the only one available in the City’s region.
2 The City also must extend the replacement term for fire trucks to 25 years, instead of the industry
3 standard of 20 years.

4 73. The City anticipates that many other organizational needs will not be met under
5 the current budget because it accounts for the assessment in SB 1827.

6 74. The balance of hardships and public interest both favor the City, which seeks to
7 uphold the Arizona Constitution and the will of Arizona’s voters.

8 **Count III**

9 **(Special Action – Prohibition – Violation of the Voter Protection Act)**

10 **(Against Defendants ADOA, the Director, and the Treasurer)**

11 75. The City re-alleges Paragraphs 1-74 as if fully set forth herein.

12 76. For the reasons set forth above in Paragraphs 53-61, HB 2756 violates the VPA.

13 77. If ADOA and the Director impose the assessment under Section 12 of SB 1827
14 against the City, they will be proceeding without or in excess of their legal authority.

15 78. ADOA’s and the Director’s assessment against the City would be a determination
16 that is arbitrary and capricious or an abuse of discretion.

17 79. If the Treasurer subtracts and withholds State revenue from the City based on the
18 City’s failure to pay the assessment, she will be proceeding without or in excess of her legal
19 authority.

20 80. The Treasurer’s withholding of State revenue from the City based on the City’s
21 failure to pay the assessment would be a determination that is arbitrary and capricious or an
22 abuse of discretion.

23 81. The City has no other equally plain, speedy, and adequate remedy at law.

24 82. The City is entitled to special action relief prohibiting ADOA and the Director
25 from assessing any amount against the City “an amount to reimburse this state for the cost to this
26 state in the next fiscal year attributable to” the City’s minimum wage.

1 assessment of \$1,110,992 against the City because the assessment is based on budget estimates
2 that do not include “cost[s] to this state” or costs “attributable to” the City’s minimum wage.

3 93. The City requests a declaration that the assessment in Section 12 of SB 1827 is
4 unlawful because it is not “an amount to reimburse this state for the cost to this state in the next
5 fiscal year attributable to the [City’s] establishment of a minimum wage . . . that . . . exceeds the
6 [State’s] minimum wage.”

7 **Count V**

8 **(Injunctive Relief – Invalid Assessment)**

9 **(Against ADOA, the Director, and the Treasurer)**

10 94. The City re-alleges Paragraphs 1-93 as if fully set forth herein.

11 95. Defendants ADOA and the Director will assess \$1,110,992 against the City by July
12 31, 2021 absent the entry of an injunction.

13 96. The City will not pay the assessment under Section 12 of SB 1827 because the
14 assessment is unlawful for the reasons set forth in this Complaint.

15 97. Absent the entry of an injunction, the Treasurer will subtract and withhold State
16 revenue owed to the City when the City does not pay the \$1,110,992 assessment by December
17 31, 2021.

18 98. The City will suffer irreparable harm absent the entry of an injunction because it
19 is subject to an unlawful assessment and is at imminent risk of losing State revenue, which will
20 cause the City significant harm, as detailed in Paragraphs 67-73.

21 99. The balance of hardships and public interest both favor the City.

22 **Count VI**

23 **(Special Action – Prohibition – Invalid Assessment)**

24 **(Against Defendants ADOA, the Director, and the Treasurer)**

25 100. The City re-alleges Paragraphs 1-99 as if fully set forth herein.

1 D. A preliminary and permanent injunction enjoining the Treasurer from withholding
2 any State revenue from the City under A.R.S. § 35-121.01;

3 E. Special action relief prohibiting ADOA and the Director from imposing an
4 assessment against the City under A.R.S. § 35-121.01;

5 F. Special action relief prohibiting the Treasurer from withholding any State revenue
6 from the City under A.R.S. § 35-121.01;

7 G. A preliminary and permanent injunction enjoining the State or its agents from
8 enforcing HB 2756 or Section 12 of SB 1827;

9 H. An order awarding the City its taxable costs under A.R.S. §§ 12-341 and 12-1840;

10 I. An order awarding the City its attorneys' fees under A.R.S. § 12-348.01 and any
11 other applicable statute or equitable doctrine; and

12 J. Any other relief as may be appropriate.

13 RESPECTFULLY SUBMITTED this 15th day of July, 2021.

14 **COPPERSMITH BROCKELMAN PLC**

15 By /s/ Roopali H. Desai

16 Roopali H. Desai

17 D. Andrew Gaona

18 Kristen Yost

19 *Attorneys for Plaintiff City of Flagstaff*

EXHIBIT 1

**Title 15
LABOR**

CHAPTERS:

[15-01](#) **Minimum Wage**

**CHAPTER 15-01
MINIMUM WAGE***

Sections:

15-01-001-0001	Short Title
15-01-001-0002	Definitions
15-01-001-0003	Minimum Wage
15-01-001-0004	Notice and Recordkeeping Requirements
15-01-001-0005	Retaliation Prohibited
15-01-001-0006	Implementation, Investigation and Enforcement
15-01-001-0007	Civil Penalties and Remedies
15-01-001-0008	Other Legal Requirements
15-01-001-0009	No Effect on More Generous Policies
15-01-001-0010	Savings Clause
15-01-001-0011	Severability

* Code reviser's note: This chapter was adopted through the initiative process, approved as Proposition 414 at the November 8, 2016 election and proclaimed law by the Mayor on November 28, 2016. The provisions of this chapter may only be amended through the initiative process or as otherwise permitted by law.

15-01-001-0001 Short Title

This act may be cited as the "The Minimum Wage Act." (Initiative Ord. 2016-01 (Proposition 414), Enacted 11/28/2016)

15-01-001-0002 Definitions

- A. "City" is the City of Flagstaff.
- B. "Office" is the department, division or office that the City shall establish, create or designate to enforce this chapter.
- C. "Employ" includes to suffer or permit to work.
- D. "Employee" is any individual who (1) works or is expected to work twenty-five (25) hours or more in any given calendar year within the geographic boundaries of the City for an employer and (2) is or was employed by an employer.
- E. "Employer" includes any corporation, proprietorship, partnership, joint venture, limited liability company, trust, association, political subdivision of the state, individual or other entity acting directly or indirectly in the interest of an employer in relation to an employee, and shall include the City, but does not include the state of Arizona or the United States.
- F. "Minimum Wage" is the minimum wage rate as set under Section 15-01-001-0003 of this chapter.

G. "Tip" means a verifiable sum presented by a customer as a gift or voluntary gratuity in recognition of some service performed for the customer by the employee receiving the tip.

H. "Tipped Employee" means an employee who customarily and regularly receives more than \$30 a month in tips, has been informed by the employer in writing about the tip notice provisions required by this chapter, and retains all tips that he or she receives. (Initiative Ord. 2016-01 (Proposition 414), Enacted 11/28/2016)

15-01-001-0003 Minimum Wage

A. Employers shall pay employees no less than the minimum wage, which shall be not less than:

1. Ten dollars and fifty cents (\$10.50) an hour on and after July 1, 2017;
2. Eleven dollars (\$11.00) an hour on and after January 1, 2018;
3. Twelve dollars (\$12.00) an hour on and after January 1, 2019;
4. Thirteen dollars (\$13.00) an hour on and after January 1, 2020;
5. Fifteen dollars (\$15.00) an hour or two dollars (\$2.00) above the state minimum wage as provided for under Section 23-363, Arizona Revised Statutes, whichever is greater, on and after January 1, 2021;
6. Fifteen dollars and fifty cents (\$15.50) an hour or two dollars (\$2.00) above the state minimum wage as provided for under Section 23-363, Arizona Revised Statutes, whichever is greater, on and after January 1, 2022.

B. The minimum wage shall be increased on January 1, 2023 and on January 1 of successive years, by the increase in the cost of living. The increase in the cost of living shall be measured by the percentage increase as of August of the immediately preceding year over the level as of August of the previous year of the consumer price index (all urban consumers, U.S. city average for all items) or its successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase rounded to the nearest multiple of five cents (\$0.05).

C. In the event that the federal minimum wage is increased above the level of the minimum wage that is in force under this section, the minimum wage under this section shall be increased to match the higher federal wage, effective on the same date as the increase in the federal minimum wage, and shall become the new minimum wage in effect under this section.

D. Employees entitled to overtime pay under the federal Fair Labor Standards Act, 29 U.S.C. §§ 206, 207, 213 are entitled to overtime pay under this chapter in accordance with federal law and regulations concerning overtime compensation under 29 U.S.C. §§ 206, 207, 213. Such overtime pay shall be calculated based on the employee's regular rate of pay or the minimum wage rate set forth in this section, whichever is higher.

- E. For any tipped employee, the employer may pay a cash wage up to:
1. Three dollars (\$3.00) per hour less than the minimum wage rate set forth in this section on or after July 1, 2017;
 2. Two dollars and fifty cents (\$2.50) per hour less than the minimum wage rate set forth in this section on or after January 1, 2022;
 3. Two dollars (\$2.00) per hour less than the minimum wage set forth in this section on or after January 1, 2023;
 4. One dollar and fifty cents (\$1.50) per hour less than the minimum wage set forth in this section on or after January 1, 2024;
 5. One dollar (\$1.00) per hour less than the minimum wage set forth in this section on or after January 1, 2025.

Provided, however, that the employer may only pay this lower cash wage if the employer can establish that for each week, when adding tips received and retained to wages paid, the employee received not less than the minimum wage for all hours worked and the employee has been informed in writing by the employer of the provisions of this section. All tips received by tipped employees are the sole property of the tipped employee and shall be retained by the tipped employee, except that nothing in this section shall prohibit a valid tip pool under which tips are pooled and distributed among tipped employees; provided, that only the amount actually retained by each employee shall be considered part of that employee's wages for purposes of this section. On and after January 1, 2026, an employer shall pay a tipped employee not less than the minimum wage set forth in this section for all hours worked. (Initiative Ord. 2016-01 (Proposition 414), Enacted 11/28/2016; Ord. 2017-08, Amended, 03/21/2017; Ord. 2017-23, Amended, 07/05/2017)

15-01-001-0004 Notice and Recordkeeping Requirements

- A. The Office shall publish and make available to employers all of the following, in English, Spanish and any language spoken by more than 5% of the workforce in the City: (1) a bulletin announcing the adjusted minimum wage rate for the upcoming year and its effective date no less than two months before its effective date; (2) a template bulletin for employers to post in the workplace informing employees of the current minimum wage rate and their rights to the minimum wage, including information about the right to be free from retaliation and the right to file a complaint and the contact information for the Office; and (3) a template notice suitable for use by employers in complying with subsections B and C of this section.
- B. Every employer shall post the bulletin referred to in subsection A in a conspicuous place at any workplace or job site in English, Spanish and any language spoken by at least 5% of the employees at the workplace or job site.
- C. Every employer shall also provide each employee, at the time of hire or by July 1, 2017 whichever is later,

written notice of: the employer's business name, address, and telephone number; the employee's right to earn the minimum wage and the current minimum wage rate; the employee's right to be free from retaliation; the employee's right to file a complaint; and the contact information for the Office where questions about rights and responsibilities under this chapter can be answered. If the employee's primary language is one spoken by at least 5% of the employees at the workplace or jobsite, the notice required by this subsection shall be provided in English and in the employee's primary language.

D. Every employer shall maintain payroll records showing the hours worked for each day worked, and the wages paid to all employees for a period of four years and shall allow the Office access to such records to monitor compliance. Failure to maintain such records and/or allow the Office reasonable access to such records shall raise a rebuttable presumption that the employer did not pay the required minimum wage and the employee's reasonable estimate regarding hours worked and wages paid shall be relied on, absent clear and convincing evidence otherwise. (Initiative Ord. 2016-01 (Proposition 414), Enacted 11/28/2016)

15-01-001-0005 Retaliation Prohibited

A. No employer or other person shall discharge or take any other adverse action against any person in retaliation for asserting any claim or right under this chapter, for assisting any other person in doing so, or for informing any person about their rights. Taking adverse action against a person within ninety days of a person's engaging in the foregoing activities shall raise a presumption that such action was retaliation, which may be rebutted by clear and convincing evidence that such action was taken for other permissible reasons. (Initiative Ord. 2016-01 (Proposition 414), Enacted 11/28/2016)

15-01-001-0006 Implementation, Investigation and Enforcement

A. Administrative Hearing Process. To the extent allowable under state law, the City shall have the authority to coordinate implementation and enforcement of this chapter, including but not limited to establishing a civil administrative hearing process, including procedural rules, whereby the city shall receive employee complaints in writing and by telephone, investigate and prosecute complaints it deems meritorious and keep complainants notified regarding the status of the investigation. An administrative hearing judge shall hear and adjudicate the case and enter appropriate rulings pursuant to this chapter.

B. The Office may investigate any possible violations of this chapter by an employer or other person. Any person or organization may file an administrative complaint with the Office charging that an employer has violated this chapter as to any employee or other person. When the Office receives a complaint, it may review records regarding all employees at the employer's worksite in order to protect the identity of any employee identified in the complaint and to determine whether a pattern of violations has occurred. The name of any employee identified in the complaint shall be kept confidential as long as possible. Where the Office determines that an employee's name must be disclosed in order to investigate a complaint further, it may do so only with the employee's consent.

C. To the extent allowable by law, a civil action to enforce this chapter may be maintained in the Flagstaff

Municipal Court or in any court of competent jurisdiction by the City or by any private party injured by a violation of this chapter. (Initiative Ord. 2016-01 (Proposition 414), Enacted 11/28/2016)

15-01-001-0007 Civil Penalties and Remedies

- A. Any employer who fails to pay the wages required under this chapter shall be required to pay the employee the balance of wages owed, including interest thereon at a rate of ten percent (10%) per annum, and an additional amount equal to twice the underpaid wages as liquidated damages.
- B. Any employer who retaliates against an employee or other person in violation of this chapter shall be required to pay the employee a penalty set by the Office or a court sufficient to compensate the employee and deter future violations, but not less than \$250 for each day that the violation continued or until legal judgment is final. In any case where an Employee has been discharged in retaliation for exercising rights under this ordinance, the period of violation extends from the day of discharge until the day the Employee is reinstated, the day the Employee agrees to waive reinstatement or, in the case of an Employee who may not be rehired, from the day of discharge until the day legal judgment is final.
- C. Any employer who violates the recordkeeping, posting or other requirements that the Office may establish under this chapter shall be subject to a civil penalty payable to the City of at least \$250 for a first violation, and least \$1,000 for each subsequent or willful violation and may, if the Office or Court determines appropriate, be subject to special monitoring and inspections. In order to compensate the City for the costs of investigating and remedying violations under this chapter, the Office may also order a violating employer or person to pay to the City a civil penalty of not more than fifty dollars (\$50.00) for each day and for each employee or person as to whom a violation of this chapter occurred or continued. To the extent allowable by law, such funds shall be allocated to the Office and shall be used to offset the costs of implementing and enforcing this chapter. Not less than fifty percent (50%) of such funds, and of any other civil penalties assessed and retained by the City pursuant to this chapter, shall be earmarked for the funding of the community-based outreach program provided for in this Section.
- D. The Office and the courts shall have the authority to order payment of such unpaid wages, liquidated damages, and civil penalties and to order any other appropriate legal or equitable relief for violations of this chapter. To the extent allowable by law, civil penalties paid to the City shall be retained by the Office and used to finance activities to enforce this chapter. A prevailing plaintiff shall be entitled to reasonable attorneys' fees and costs of suit from a violating employer.
- E. A civil action to enforce this chapter may be commenced no later than two years after a violation last occurs, or three years in the case of a willful violation, and may encompass all violations that occurred as part of a continuing course of employer conduct regardless of their date. The statute of limitations for bringing a civil action shall be tolled during any investigation of an employer by the Office or other law enforcement officer, but such investigation shall not bar a person from bringing a civil action under this chapter. The requirements of this chapter may also be enforced by the City Attorney. In such case, unpaid wages and damages recovered shall

be payable to the individual Employee as to whom the violation occurred. No verbal or written agreement or employment contract may waive any rights under this chapter.

F. The Office shall establish an education and outreach program in partnership with community-based organizations to conduct education and outreach to employees and employers of their rights and obligations under this chapter. (Initiative Ord. 2016-01 (Proposition 414), Enacted 11/28/2016; Ord. 2017-23, Amended, 07/05/2017)

15-01-001-0008 Other Legal Requirements

A. Nothing in this chapter shall be interpreted or applied so as to create a conflict with Federal or State law.

B. This chapter provides minimum requirements and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, rule, requirement, policy, or standard that provides for greater protections to employees. (Initiative Ord. 2016-01 (Proposition 414), Enacted 11/28/2016; Ord. 2017-23, Amended, 07/05/2017)

15-01-001-0009 No Effect on More Generous Policies

A. Nothing in this chapter shall be construed to discourage or prohibit the adoption or retention of a wage policy more generous than that which is required herein.

B. Nothing in this chapter shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous wages to an employee than required herein. (Initiative Ord. 2016-01 (Proposition 414), Enacted 11/28/2016)

15-01-001-0010 Savings Clause

This act does not affect rights and duties that matured, penalties that were incurred and proceedings that were begun before the effective date of this act. (Initiative Ord. 2016-01 (Proposition 414), Enacted 11/28/2016)

15-01-001-0011 Severability

If a provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable. (Initiative Ord. 2016-01 (Proposition 414), Enacted 11/28/2016)

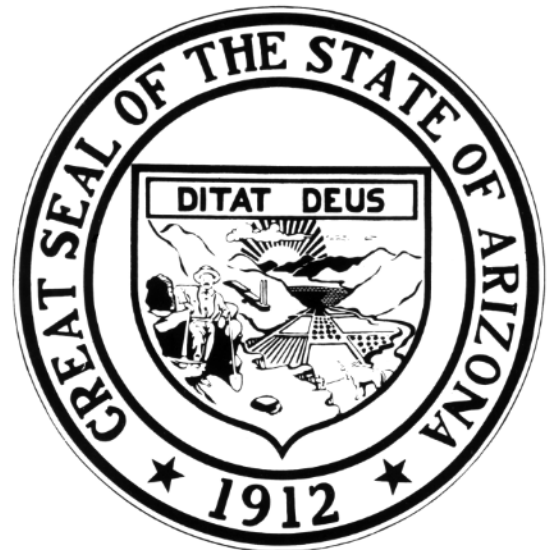
EXHIBIT 2

PUBLICITY PAMPHLET

Issued by
Janice K. Brewer
Arizona Secretary of State



Ballot Propositions
&
Judicial
Performance
Review



www.azsos.gov
1-877-THE VOTE

General Election
NOVEMBER 7, 2006

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PROPOSITION 202

OFFICIAL TITLE

AN INITIATIVE MEASURE

REPEALING SECTION 23-362, AMENDING BY ADDING NEW SECTION 23-362 RELATING TO THE ARIZONA MINIMUM WAGE ACT

TEXT OF PROPOSED AMENDMENT

Section 1. This act may be cited as the "Raise the Minimum Wage for Working Arizonans Act"

Section 2. Purpose and intent

The People of the State of Arizona hereby make the following findings and declare their purpose in enacting this Act is as follows:

Article 8. Minimum Wage

The People of the State of Arizona hereby make the following findings and declare their purpose in enacting this Act is as follows:

1. All working Arizonans deserve to be paid a minimum wage that is sufficient to give them a fighting chance to provide for their families.
2. 70% of Arizona workers earning the minimum wage are adults.
3. More than 145,000 working Arizonans will benefit by increasing the minimum wage, half of whom are working women struggling to live on less than \$11,000 per year.
4. Increasing the minimum wage reduces dependency on taxpayer-funded public services

23-362. DEFINITIONS

AS USED IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

A. "EMPLOYEE" MEANS ANY PERSON WHO IS OR WAS EMPLOYED BY AN EMPLOYER BUT DOES NOT INCLUDE ANY PERSON WHO IS EMPLOYED BY A PARENT OR A SIBLING, OR WHO IS EMPLOYED PERFORMING BABYSITTING SERVICES IN THE EMPLOYER'S HOME ON A CASUAL BASIS.

B. "EMPLOYER" INCLUDES ANY CORPORATION, PROPRIETORSHIP, PARTNERSHIP, JOINT VENTURE, LIMITED LIABILITY COMPANY, TRUST, ASSOCIATION, POLITICAL SUBDIVISION OF THE STATE, INDIVIDUAL OR OTHER ENTITY ACTING DIRECTLY OR INDIRECTLY IN THE INTEREST OF AN EMPLOYER IN RELATION TO AN EMPLOYEE, BUT DOES NOT INCLUDE THE STATE OF ARIZONA, THE UNITED STATES, OR A SMALL BUSINESS.

C. "SMALL BUSINESS" MEANS ANY CORPORATION, PROPRIETORSHIP, PARTNERSHIP, JOINT VENTURE, LIMITED LIABILITY COMPANY, TRUST, OR ASSOCIATION THAT HAS LESS THAN FIVE HUNDRED THOUSAND DOLLARS IN GROSS ANNUAL REVENUE AND THAT IS EXEMPT FROM HAVING TO PAY A MINIMUM WAGE UNDER SECTION 206(A) OF TITLE 29 OF THE UNITED STATES CODE.

D. "EMPLOY" INCLUDES TO SUFFER OR PERMIT TO WORK; WHETHER A PERSON IS AN INDEPENDENT CONTRACTOR OR AN EMPLOYEE SHALL BE DETERMINED ACCORDING TO THE STANDARDS OF THE FEDERAL FAIR LABOR STANDARDS ACT, BUT THE BURDEN OF PROOF SHALL BE UPON THE PARTY FOR WHOM THE WORK IS PER-

FORMED TO SHOW INDEPENDENT CONTRACTOR STATUS BY CLEAR AND CONVINCING EVIDENCE.

E. "WAGE" MEANS MONETARY COMPENSATION DUE TO AN EMPLOYEE BY REASON OF EMPLOYMENT, INCLUDING AN EMPLOYEE'S COMMISSIONS, BUT NOT TIPS OR GRATUITIES.

F. "LAW ENFORCEMENT OFFICER" MEANS THE ATTORNEY GENERAL, A CITY ATTORNEY, A COUNTY ATTORNEY OR A TOWN ATTORNEY.

G. "COMMISSION" MEANS THE INDUSTRIAL COMMISSION OF ARIZONA, ANY SUCCESSOR AGENCY, OR SUCH OTHER AGENCY AS THE GOVERNOR SHALL DESIGNATE TO IMPLEMENT THIS ARTICLE.

23-363. MINIMUM WAGE

A. EMPLOYERS SHALL PAY EMPLOYEES NO LESS THAN THE MINIMUM WAGE, WHICH SHALL BE SIX DOLLARS AND SEVENTY-FIVE CENTS (\$6.75) AN HOUR BEGINNING ON JANUARY 1, 2007.

B. THE MINIMUM WAGE SHALL BE INCREASED ON JANUARY 1, 2008 AND ON JANUARY 1 OF SUCCESSIVE YEARS BY THE INCREASE IN THE COST OF LIVING. THE INCREASE IN THE COST OF LIVING SHALL BE MEASURED BY THE PERCENTAGE INCREASE AS OF AUGUST OF THE IMMEDIATELY PRECEDING YEAR OVER THE LEVEL AS OF AUGUST OF THE PREVIOUS YEAR OF THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, U.S. CITY AVERAGE FOR ALL ITEMS) OR ITS SUCCESSOR INDEX AS PUBLISHED BY THE U.S. DEPARTMENT OF LABOR OR ITS SUCCESSOR AGENCY, WITH THE AMOUNT OF THE MINIMUM WAGE INCREASE ROUNDED TO THE NEAREST MULTIPLE OF FIVE CENTS.

C. FOR ANY EMPLOYEE WHO CUSTOMARILY AND REGULARLY RECEIVES TIPS OR GRATUITIES FROM PATRONS OR OTHERS, THE EMPLOYER MAY PAY A WAGE UP TO \$3.00 PER HOUR LESS THAN THE MINIMUM WAGE IF THE EMPLOYER CAN ESTABLISH BY ITS RECORDS OF CHARGED TIPS OR BY THE EMPLOYEE'S DECLARATION FOR FEDERAL INSURANCE CONTRIBUTIONS ACT (FICA) PURPOSES THAT FOR EACH WEEK, WHEN ADDING TIPS RECEIVED TO WAGES PAID, THE EMPLOYEE RECEIVED NOT LESS THAN THE MINIMUM WAGE FOR ALL HOURS WORKED. COMPLIANCE WITH THIS PROVISION WILL BE DETERMINED BY AVERAGING TIPS RECEIVED BY THE EMPLOYEE OVER THE COURSE OF THE EMPLOYER'S PAYROLL PERIOD OR ANY OTHER PERIOD SELECTED BY THE EMPLOYER THAT COMPLIES WITH REGULATIONS ADOPTED BY THE COMMISSION.

23-364. ENFORCEMENT

A. THE COMMISSION IS AUTHORIZED TO ENFORCE AND IMPLEMENT THIS ARTICLE AND

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

MAY PROMULGATE REGULATIONS CONSISTENT WITH THIS ARTICLE TO DO SO.

B. NO EMPLOYER OR OTHER PERSON SHALL DISCHARGE OR TAKE ANY OTHER ADVERSE ACTION AGAINST ANY PERSON IN RETALIATION FOR ASSERTING ANY CLAIM OR RIGHT UNDER THIS ARTICLE, FOR ASSISTING ANY OTHER PERSON IN DOING SO, OR FOR INFORMING ANY PERSON ABOUT THEIR RIGHTS. TAKING ADVERSE ACTION AGAINST A PERSON WITHIN NINETY DAYS OF A PERSON'S ENGAGING IN THE FOREGOING ACTIVITIES SHALL RAISE A PRESUMPTION THAT SUCH ACTION WAS RETALIATION, WHICH MAY BE REBUTTED BY CLEAR AND CONVINCING EVIDENCE THAT SUCH ACTION WAS TAKEN FOR OTHER PERMISSIBLE REASONS.

C. ANY PERSON OR ORGANIZATION MAY FILE AN ADMINISTRATIVE COMPLAINT WITH THE COMMISSION CHARGING THAT AN EMPLOYER HAS VIOLATED THIS ARTICLE AS TO ANY EMPLOYEE OR OTHER PERSON. WHEN THE COMMISSION RECEIVES A COMPLAINT, THE COMMISSION MAY REVIEW RECORDS REGARDING ALL EMPLOYEES AT THE EMPLOYER'S WORKSITE IN ORDER TO PROTECT THE IDENTITY OF ANY EMPLOYEE IDENTIFIED IN THE COMPLAINT AND TO DETERMINE WHETHER A PATTERN OF VIOLATIONS HAS OCCURRED. THE NAME OF ANY EMPLOYEE IDENTIFIED IN A COMPLAINT TO THE COMMISSION SHALL BE KEPT CONFIDENTIAL AS LONG AS POSSIBLE. WHERE THE COMMISSION DETERMINES THAT AN EMPLOYEE'S NAME MUST BE DISCLOSED IN ORDER TO INVESTIGATE A COMPLAINT FURTHER, IT MAY SO DO ONLY WITH THE EMPLOYEE'S CONSENT.

D. EMPLOYERS SHALL POST NOTICES IN THE WORKPLACE, IN SUCH FORMAT SPECIFIED BY THE COMMISSION, NOTIFYING EMPLOYEES OF THEIR RIGHTS UNDER THIS ARTICLE. EMPLOYERS SHALL PROVIDE THEIR BUSINESS NAME, ADDRESS, AND TELEPHONE NUMBER IN WRITING TO EMPLOYEES UPON HIRE. EMPLOYERS SHALL MAINTAIN PAYROLL RECORDS SHOWING THE HOURS WORKED FOR EACH DAY WORKED, AND THE WAGES PAID TO ALL EMPLOYEES FOR A PERIOD OF FOUR YEARS. FAILURE TO DO SO SHALL RAISE A REBUTTABLE PRESUMPTION THAT THE EMPLOYER DID NOT PAY THE REQUIRED MINIMUM WAGE RATE. THE COMMISSION MAY BY REGULATION REDUCE OR WAIVE THE RECORDKEEPING AND POSTING REQUIREMENTS HEREIN FOR ANY CATEGORIES OF SMALL EMPLOYERS WHOM IT FINDS WOULD BE UNREASONABLY BURDENED BY SUCH REQUIREMENTS. EMPLOYERS SHALL PERMIT THE COMMISSION OR A LAW ENFORCEMENT OFFICER TO INSPECT AND COPY PAYROLL OR OTHER BUSINESS RECORDS, SHALL PERMIT THEM TO INTERVIEW EMPLOYEES AWAY FROM THE WORKSITE, AND SHALL NOT HINDER ANY INVESTIGATION. SUCH INFORMATION PROVIDED SHALL KEEP CONFIDENTIAL EXCEPT AS IS REQUIRED TO PROSECUTE VIOLATIONS OF THIS ARTICLE. EMPLOYERS SHALL PERMIT AN EMPLOYEE OR HIS OR HER DESIGNATED REPRESENTATIVE TO

INSPECT AND COPY PAYROLL RECORDS PERTAINING TO THAT EMPLOYEE.

E. A CIVIL ACTION TO ENFORCE THIS ARTICLE MAY BE MAINTAINED IN A COURT OF COMPETENT JURISDICTION BY A LAW ENFORCEMENT OFFICER OR BY ANY PRIVATE PARTY INJURED BY A VIOLATION OF THIS ARTICLE.

F. ANY EMPLOYER WHO VIOLATES RECORDKEEPING, POSTING, OR OTHER REQUIREMENTS THAT THE COMMISSION MAY ESTABLISH UNDER THIS ARTICLE SHALL BE SUBJECT TO A CIVIL PENALTY OF AT LEAST \$250 DOLLARS FOR A FIRST VIOLATION, AND AT LEAST \$1000 DOLLARS FOR EACH SUBSEQUENT OR WILLFUL VIOLATION AND MAY, IF THE COMMISSION OR COURT DETERMINES APPROPRIATE, BE SUBJECT TO SPECIAL MONITORING AND INSPECTIONS.

G. ANY EMPLOYER WHO FAILS TO PAY THE WAGES REQUIRED UNDER THIS ARTICLE SHALL BE REQUIRED TO PAY THE EMPLOYEE THE BALANCE OF THE WAGES OWED, INCLUDING INTEREST THEREON, AND AN ADDITIONAL AMOUNT EQUAL TO TWICE THE UNDERPAID WAGES. ANY EMPLOYER WHO RETALIATES AGAINST AN EMPLOYEE OR OTHER PERSON IN VIOLATION OF THIS ARTICLE SHALL BE REQUIRED TO PAY THE EMPLOYEE AN AMOUNT SET BY THE COMMISSION OR A COURT SUFFICIENT TO COMPENSATE THE EMPLOYEE AND DETER FUTURE VIOLATIONS, BUT NOT LESS THAN ONE HUNDRED FIFTY DOLLARS FOR EACH DAY THAT THE VIOLATION CONTINUED OR UNTIL LEGAL JUDGMENT IS FINAL. THE COMMISSION AND THE COURTS SHALL HAVE THE AUTHORITY TO ORDER PAYMENT OF SUCH UNPAID WAGES, OTHER AMOUNTS, AND CIVIL PENALTIES AND TO ORDER ANY OTHER APPROPRIATE LEGAL OR EQUITABLE RELIEF FOR VIOLATIONS OF THIS ARTICLE. CIVIL PENALTIES SHALL BE RETAINED BY THE AGENCY THAT RECOVERED THEM AND USED TO FINANCE ACTIVITIES TO ENFORCE THIS ARTICLE. A PREVAILING PLAINTIFF SHALL BE ENTITLED TO REASONABLE ATTORNEY'S FEES AND COSTS OF SUIT.

H. A CIVIL ACTION TO ENFORCE THIS ARTICLE MAY BE COMMENCED NO LATER THAN TWO YEARS AFTER A VIOLATION LAST OCCURS, OR THREE YEARS IN THE CASE OF A WILLFUL VIOLATION, AND MAY ENCOMPASS ALL VIOLATIONS THAT OCCURRED AS PART OF A CONTINUING COURSE OF EMPLOYER CONDUCT REGARDLESS OF THEIR DATE. THE STATUTE OF LIMITATIONS SHALL BE TOLLED DURING ANY INVESTIGATION OF AN EMPLOYER BY THE COMMISSION OR OTHER LAW ENFORCEMENT OFFICER, BUT SUCH INVESTIGATION SHALL NOT BAR A PERSON FROM BRINGING A CIVIL ACTION UNDER THIS ARTICLE. NO VERBAL OR WRITTEN AGREEMENT OR EMPLOYMENT CONTRACT MAY WAIVE ANY RIGHTS UNDER THIS ARTICLE.

I. THE LEGISLATURE MAY BY STATUTE RAISE THE MINIMUM WAGE ESTABLISHED UNDER THIS ARTICLE, EXTEND COVERAGE, OR INCREASE PENALTIES. A COUNTY, CITY, OR TOWN MAY BY ORDINANCE REGULATE MINIMUM WAGES AND

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

BENEFITS WITHIN ITS GEOGRAPHIC BOUNDARIES BUT MAY NOT PROVIDE FOR A MINIMUM WAGE LOWER THAN THAT PRESCRIBED IN THIS ARTICLE. STATE AGENCIES, COUNTIES, CITIES, TOWNS AND OTHER POLITICAL SUBDIVISIONS OF THE STATE MAY CONSIDER VIOLATIONS OF THIS ARTICLE IN DETERMINING WHETHER EMPLOYERS MAY RECEIVE OR RENEW PUBLIC CONTRACTS, FINANCIAL ASSISTANCE OR LICENSES. THIS ARTICLE SHALL BE LIBERALLY CONSTRUED IN FAVOR OF ITS PURPOSES AND SHALL NOT LIMIT THE AUTHORITY OF THE LEGISLATURE OR ANY OTHER BODY TO ADOPT ANY LAW OR POLICY THAT REQUIRES PAYMENT OF HIGHER OR

SUPPLEMENTAL WAGES OR BENEFITS, OR THAT EXTENDS SUCH PROTECTIONS TO EMPLOYERS OR EMPLOYEES NOT COVERED BY THIS ARTICLE.

Section 4. Severability

If any part of this law, or the application of the law to any person or circumstance, is held invalid, the remainder of this law, including the application of such part to other persons or circumstances, shall not be affected by such a holding and shall continue in full force and effect. To this end, the parts of this law are severable.

Section 5. Effective Date

This article shall take effect January 1, 2007.

ANALYSIS BY LEGISLATIVE COUNCIL

Based on the federal law, the current minimum wage in Arizona is \$5.15 per hour.

Proposition 202 would establish a state minimum wage law and raise the minimum wage to \$6.75 per hour beginning January 1, 2007. The state minimum wage would be increased each January 1 for changes in the cost of living.

The new state minimum wage law would apply to all employers except:

1. Any person who is employed by a parent or a sibling.
2. A person who is employed performing babysitting services in the employer's home on a casual basis.
3. Employees who regularly receive tips and who are otherwise exempt under federal minimum wage law.
4. The State of Arizona government. But political subdivisions of this state would have to comply with the state minimum wage law.
5. The United States government.
6. A business that has less than \$500,000 in gross annual revenue and that is exempt from having to pay a minimum wage under federal law.

Proposition 202 also contains employer notice and record keeping requirements and enforcement and civil penalty provisions. The Legislature, a county, a city or a town may enact a law providing for a higher minimum wage than established by this proposition.

FISCAL IMPACT STATEMENT

State law requires the Joint Legislative Budget Committee (JLBC) Staff to prepare a summary of the fiscal impact of certain ballot measures. The State may receive additional revenues in the form of civil penalties from violators of the provisions of Proposition 202. The state Industrial Commission will have responsibility to enforce these provisions. The civil penalties may be retained by the agency that recovered them and used to finance enforcement of the proposition. The total amount of civil penalties will depend on the level of compliance, which is difficult to predict in advance.

An increase in wages may also have an economic impact on state and local revenue collections and state spending. By increasing wages and business costs, the proposition may affect individual income tax, corporate income tax and sale tax collections. In addition, a minimum wage increase may affect participation in, and the cost of, public assistance programs. It is difficult to predict the impacts of the proposition on either state revenues or spending in advance.

ARGUMENTS "FOR" PROPOSITION 202

Raise the Minimum Wage and Reward Hard Work

The Raise the Minimum Wage Act for Working Arizonans increases the Minimum Wage to \$6.75 and will be adjusted one time each year to keep pace with the cost of living. Arizonans value hard work. It's simple....If you work 40 hours a week, 52 weeks a year you should not live in poverty. The minimum wage is supposed to assure "the maintenance of the minimum standard of living necessary for health, efficiency, and general well being of workers." No one can say our current minimum wage of \$5.15 an hour does this. A full time worker, who makes \$5.15 an hour, earns \$10,712 annually, which is significantly below the poverty line. We want low wage workers in our state to have a fighting chance to take care of themselves and their families. Raising the minimum wage to \$6.75 per hour with a yearly modest cost of living adjustment will increase a full time workers' salary to \$14,040.

74.4% of minimum wage workers are 20 and older. Women represent 57.8% of minimum wage workers. 33% are the primary wage earners for their families. These workers are often doing some of the most important work in our society, working in nursing homes, teachers' assistants and child care workers. Congress has refused to raise the Minimum Wage since 1996 and the Arizona Legislature has refused to have hearings on the issue. In response, the Arizona Minimum Wage Coalition and over 200,000 citizens have brought the issue to you. The 145,000 families who would currently receive the increased Minimum Wage on January 1, 2007, are asking you to do the right thing and show that Arizonans value hard work by voting yes on Proposition 202.

Rebekah Friend, Chair, Arizona Minimum Wage Coalition, Mesa

Sarah Markey, Treasurer, Arizona Minimum Wage Coalition, Phoenix

Paid for by "Arizona Minimum Wage Coalition"

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

Issued by: Secretary of State Jan Brewer

PROPOSITION 202

Church Women United urges a YES vote on the "Raise the Minimum Wage for Working Arizonans" act. Although this measure does not provide a living wage, which would be higher, it does, at least, provide an improved minimum wage.

Church Women United was founded in 1941, and within four years, we were calling for a raise of the minimum wage-- to 65c and hour! In 1945 we said "The achievement of a minimum decent standard of living for all citizens is an objective consistent with the principals of Christianity and democracy." As family incomes fell behind, again and again, CWU consistently fought for fair increases, explaining in a 1965 policy statement that "minimum wage legislation, federal and state, should be supported as a practical and proven means to assure at least a minimum standard of living necessary for the maintenance of health and decency for family living." Practical and proven.

Will we be back, addressing this issue again? In the past, the battle for minimum protection of workers and families had to be fought every time the balance was tipped against them. But this ballot measure includes a mechanism to keep pace! Not as good as the pay raise mechanism that Congress has for itself, perhaps, but a real improvement over what exists now. Please vote YES.

Church Women United in Arizona

Pennie Doss, Treasurer, Glendale

Martha B. Hollcroft, Finance Chair, Phoenix

Paid for by "Church Women United in Arizona"

Imagine yourself working full time for an annual salary of about \$10,000. With that \$10,000 you have to pay for rent, transportation, food, medicine, clothing, and everything else necessary to live. Then imagine that your employer, like many nowadays only allows its employees to work 28-30 hours a week. That \$10,000 is now down to \$7,500. Could you make it on that salary? Could you make ends meet working two jobs? Three jobs? Lastly, imagine that you also have to care for one or more children on that income. Most of the people stuck in minimum wage jobs are women, and many of them have children to support.

It's time for a raise. Arizona's minimum wage workers haven't had one in almost 9 years. Anyone who works full time, and who works as hard as most minimum wage earners are required to do, should take home enough money to actually be able to live without being homeless, hungry, and without health care.

Don't listen to the scare stories. Other states have raised their minimum wage without losing jobs or putting small businesses into bankruptcy. The Arizona National Organization for Women (NOW) urges you to bring thousands of our children out of poverty by **voting Yes on I-13-2006**.

Karen Van Hooff, State Coordinator, Policy/
Spokesperson, Arizona NOW, Scottsdale

Eric Ehst, State Coordinator, Political Action,
Arizona NOW, Phoenix

Paid for by "Arizona NOW"

Vote "YES" on Proposition 202 to increase the minimum wage for hard-working Arizonans and establish a State minimum wage. Federal law sets the floor on the minimum wage at \$5.15 per hour, but individual states can enact legislation to pay a higher minimum wage. The U. S. Department of Labor reports that 17 states pay a minimum wage higher than the \$5.15 under the federal law. We urge Arizonans to make our state the 18th to do so. Since September 1, 1997, the federal minimum wage has not increased and Arizona's families cannot afford to wait for Congress to approve an increase. Proposition 202 sets the minimum wage at \$6.75 an hour, certainly not a liveable wage but much better than what exists today.

We have an opportunity to improve the lives of fellow Arizonans, to help people out of poverty, to decrease the welfare rolls, and improve Arizona's economy by increasing our state's minimum wage. The wages of hard working Arizonans have not increased, but their living expenses, housing expenses, and medical costs have continued to rise at an astronomical rate. Due to low wages, many Arizonans cannot adequately provide for their families, have experienced the loss of their family home, and cannot buy the necessary medication for an illness. Also, with gas prices at \$3 per gallon, who can afford to work for \$5.15!

We urge all of you to prove the validity of the NAU poll conducted March 15, 2006, that indicated that 81% of Arizona registered voters would vote "YES" to increase the minimum wage. By increasing our state's minimum wage, we have an opportunity to better the lives of many families throughout Arizona.

Proposition 202 represents sound and responsible public policy for Arizona and we ask that you **VOTE 'YES'**.

Jorge Luis Garcia, State Senator, Chairman,
Legislative Latino Caucus, Tucson

Ben Miranda, State Representative, Chairman,
Legislative Latino Caucus, Phoenix

Paid for by "Jorge Luis Garcia"

The Unitarian Universalist Church of Southeastern Arizona is in full support of the ballot measure to raise the minimum wage in Arizona.

The plight of minimum-wage earners in Arizona has become an emergency. As the Federal minimum wage has not been raised for over nine years, the value of \$5.15 an hour has dropped precipitously, leaving many individuals and families, though employed, with incomes below the poverty line. Raising the wage to \$6.75 would be a good first step in addressing this problem and would better reflect the moral and just society which we seek to create and sustain.

Furthermore, the built-in cost of living adjustments each year, far from being guaranteed "raises" that should

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be based on merit as some have suggested, are simply a way of ensuring that the minimum wage remains at an amount that approaches its true value in the marketplace. We are committed to building a society where it is expected that full-time workers earn enough to meet the necessities of food, clothing, and shelter. For an eye-opening comparison, in the last nine years in which the minimum wage has remained at \$5.15 (\$10,700 a year at full-time), annual Congressional pay has *increased* by \$31,000. And though we support this issue on the basis of our commitment to justice and equity within our communities, we approach it also with clear-eyed realism. Will raising the minimum wage create unforeseen challenges? Are there problems inherent in any such change in the economic landscape of our society? Of course! But it's time that we stop seeking solutions by demanding sacrifices exclusively from the poorest and most vulnerable members of our society. The challenges we face belong to all of us...together.

Ellen Taylor, President, Board of Trustees,
Sierra Vista

Patricia Gerrodette, Treasurer, Sierra Vista

Paid for by "Unitarian Universalist Church of Southeastern Arizona"

As a candidate for the State Legislature in Legislative District 17, I fully support raising the minimum wage immediately. Currently, a full-time worker earning minimum wage is living under the poverty level. We should not expect our citizens to support their families on less than \$11,000 a year. Parents are forced to work two jobs to keep a roof over their heads and food on the table. Who is there to raise their children, help with homework, and be an involved parent? Raising the minimum wage is a moral issue, one that has been ignored for long enough.

The minimum wage has not been raised since 1996. Imagine not getting a raise for 10 years – this is a reality for many of our hard-working citizens. I have worked at several minimum-wage jobs, and was a waitress as a second job until I was 30. Food servers make \$2.13/hour. Imagine having to raise your family and feed your children on that, hoping that your patrons are generous enough that evening so you can average a decent salary. Please think about that the next time you go out for dinner.

Raising the minimum wage will not cause our state to suffer a significant negative economic impact. Evidence from past minimum wage hikes at the federal level indicates that there were no conclusive negative effects of raising the minimum wage. Fourteen states and the District of Columbia have minimum wages higher than the federal standard. Many of these increases were passed overwhelmingly by citizen initiatives. That is what I am asking of you – please vote "yes" on this initiative. We must continue to move Arizona forward, and fair wages for hard work is a huge step in the right direction. For more information about my campaign, please go to www.angiecrouse.com, or call 480-897-9444.

Angie Crouse, Chairman, Crouse for the House, Tempe

Vote "YES" on Proposition 202 to raise the minimum wage and reduce poverty.

No one who works full-time should get a wage so low that they still live in poverty. This is something I believe strongly in and as a Representative in the Arizona State House I fought hard to raise the Arizona minimum wage. Unfortunately, some of the leadership in the state house did not agree with me and consequently my legislation was never allowed to be voted on.

Fortunately, the voters of Arizona have an opportunity to stand up for the workers of this great state by voting to raise the minimum wage to \$6.75 and showing that we value hard-work and applaud self-sufficiency.

At the present minimum wage of \$5.15, a worker in our state that is supporting a family and working 40 hours a week, every week of the year, will earn less than \$11,000 a year. \$11,000 a year is hardly enough to support an individual, let alone a family. This financial strain almost always forces workers to get two or more jobs and work long shifts, often late into the evenings. These working poor rarely get the chance to see their family, yet day in and day out they work hard and strive to provide more for themselves and their loved-ones.

Currently, 15% of Arizona families live in poverty compared to 10% nationally, and 23% of Arizona children are living in poverty. The minimum wage must be raised to help these Arizona families work their way out of poverty. Raising the minimum wage to \$6.75 is a necessary step not only to help minimum wage workers get out of poverty but also ensure Arizona's children have an opportunity to get ahead too.

Vote "YES" on Proposition 202.

Submitted by the Arizona Minimum Wage Coalition.

State Representative Steve Gallardo, Honorary Co-Chair, Arizona Minimum Wage Coalition,
Phoenix

Paid for by "Arizona Minimum Wage Coalition"

ARIZONA'S FIREFIGHTERS ARE VOTING "YES" ON PROPOSITION 202.

The Professional Fire Fighters of Arizona urge a "YES" vote on Proposition 202 to raise Arizona's minimum wage to \$6.75. Arizona's minimum wage has been frozen at \$5.15 for over a decade, while the costs of food, gas, and utilities continue to rise.

Someone working full-time shouldn't have to struggle just to keep the lights or air conditioning on in their home, but it happens. Hard-working Arizonans earning the current minimum wage often have to choose between food and electricity. Arizona's Fire Fighters are forced to respond to fires caused by candles being used in place of lights and to help heatstroke victims who couldn't afford to have air conditioning during the summer's heat.

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

Issued by: Secretary of State Jan Brewer

Voting "YES" on Proposition 202 will help hard-working citizens earn a fair wage to cover the most basic of needs. A "YES" vote will show that Arizonans value hard-work and believe that someone who works hard and plays by the rules deserves to earn a fair wage.

Vote "YES" on Proposition 202

Tim Hill, President, Professional Fire Fighters of
Arizona, Phoenix

Bill Whitaker, Director of Political Affairs,
Professional Fire Fighters of Arizona, Phoenix

Paid for by "William G. Whitaker"

It's time...it's time to raise the Minimum Wage.

This November voters have an opportunity, to strengthen Arizona families and reward the value of hard work. By raising the minimum wage we go well beyond helping just those individuals who benefit directly. We benefit all of Arizona's working families.

In Arizona, we can agree on two things; People who work hard and play by the rules should not be forced to live in poverty, and; We should not be have to shoulder unreasonable burden of paying for public services that should be the responsibility of the corporations that fight this initiative. Yet, these same corporations think nothing of the outrageous compensation of their CEO's. **For instance, it would take a minimum wage worker at Taco Bell more than 826 years of full time work to equal the 2004 compensation of its parent company CEO! At Home Depot, a minimum wage worker would have to work 3357 years to equal its CEO!** (source: Corporate Library)

According to CNN ("Mind the Gap"-01-27-2006), Arizona currently leads the nation in income gap between the rich and poor. This widening gap creates an increasing burden to the working people of Arizona who pay a disproportionate amount for public services, such as health care and food inspection. CNN continues to cite "a stagnant minimum wage as...disproportionately hurting the earnings of low and middle income households...which leads to increased rates of personal bankruptcy and higher divorce rates."

The unions of the Arizona AFL-CIO are proud to be leading the fight to accomplish what the Arizona Legislature has refused to do. We ask that all Arizonans join us in assuring that hard working Arizonans are given a hand up in the fight for economic justice.

Vote yes on Proposition 202!

Michael E. McGrath, Secretary/Treasurer,
Arizona AFL-CIO, Tucson

Rebekah Friend, President, Arizona Arizona
AFL-CIO, Mesa

Paid for by "Arizona AFL-CIO"

VOTE YES ON PROPOSITION 202

The Arizona United Food and Commercial Workers strongly urge a "yes" vote on Proposition 202 to increase the minimum wage to \$6.75 an hour.

Under Arizona's current minimum wage, a full-time employee, working 40 hours a week, earns less than \$11,000 a year in Arizona -- just \$11,000 a year to provide shelter, food, and clothes for themselves and their family. At Arizona's current minimum wage, most minimum wage workers struggle to make ends meet, often having to work 80 hours or more a week, leaving little time for family.

Arizona's minimum wage workers are single-parents struggling to put food on the table, senior citizens scraping by to cover the cost of their medicine, and first-generation university scholars working to pay for their tuition. These are hard working citizens who deserve a fair wage.

This is not a hand-out; it is simply paying a fair wage to those who work hard.

Raising Arizona's minimum wage to \$6.75 will show that we as Arizona's value hard work and believe that an honest day's work deserves an honest day's pay.

Arizona's United Food and Commercial Workers agree with the business owners, community leaders, religious leaders, elected officials, workers, and concerned Arizonans who believe that people who work hard deserve a fair wage.

VOTE YES ON PROPOSITION 202

Jim McLaughlin, President, UFCW Local 99,
Gilbert

Mike Vespoli, Recorder, UFCW Local 99,
Glendale

Paid for by "UFCW"

The minimum wage has been a key part of our nation's economy for over six decades. As a critical safeguard for America's low-wage workers, it has served as a basic statement of how we value work in this country. Stuck at \$5.15 an hour -- just \$10,712 a year - for almost a decade, the value of the minimum wage is now at its lowest point in 50 years. The decline of the minimum wage has been a major factor in the growth of income inequality in recent decades. As a recent letter signed by over 550 economists supporting an increase in the minimum wage stated, it "is causing hardship for low-wage workers and their families." The erosion of the wage floor has also helped fuel the proliferation of the low-wage, no benefits, high-turnover business model creating an irresistible incentive for employers to cut corners on labor costs rather than investing in a well-trained, stable workforce. In response, 20 states have already raised minimum wages above that of the federal standard, and over a dozen are currently considering such proposals.

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This proposal simply aims to restore a portion of the value that the minimum wage has lost over time because it has not kept up with the rising cost of living. The minimum wage has lost value every year since it was last increased and is now only 37 percent of the median hourly wage in Arizona. When the minimum wage was last increased in 1997, it was 52 percent of the state median wage. Setting a new minimum wage of \$6.75 an hour would help restore some of the buying power to this important wage floor. Indexing the minimum wage to inflation will protect our low wage workforce from losing ground each year as inflation eats away at their pay-checks.

Alicia Russel, Phoenix ACORN, Phoenix
Paid for by "AZ ACORN Statewide"

Minimum Wage Ballot Initiative Faith Response

There are many sound economic reasons to raise the minimum wage, but for persons of faith, it is a moral issue. Every religion tells its followers to pay workers fairly. Every religion warns against the exploitation of others for economic gain. Back in 1938, faithful citizens established the Fair Labor Standards Act, which included an hourly minimum wage for working people. The amount was based on how much it would cost to sustain the basic needs of a full time worker and his or her family. It wasn't about luxury but decency. It still is today. A nineteenth century visitor to the United States described us as "a nation with the soul of a church." The faith of the people he met here was publicly expressed in concern for the common good, including "the least among us." Helping others lift themselves out of poverty through an increase in the minimum wage is current proof that the faith our forebears is still with us today.

Rev. Trina Zelle, Interfaith Worker Justice of Arizona, Tempe
Paid for by "Arizona Minimum Wage Coalition"

I am a small business owner and I am voting "YES" on Proposition 202 to raise Arizona's minimum wage.

As a small business owner, I recognize the difficulties many small businesses face to stay afloat and profitable, but I know that raising the minimum wage will not adversely affect the success of a business. In fact, recent studies have shown that raising the minimum wage improves the standard of living of families without hurting businesses. (State Minimum Wages and Employment in Small Business, Fiscal Policy Institute, 4/21/04, www.fiscalpolicy.org)

Raising the minimum wage to \$6.75 would directly benefit 145,000 Arizonans and indirectly benefit hundreds of thousands more Arizonans as additional wages are increased.

The majority of workers who will benefit from this minimum wage increase are adults, mostly women, who are trying to support themselves and their families. In fact, nearly 25% of all minimum wage workers are single mothers, 74% of minimum wage workers are over the age of 20, and nearly two-thirds are women.

This initiative will not just benefit teenage workers who are getting their first job, this initiative will help everyday working men and women just trying to get by and often working paycheck to paycheck. Raising the minimum wage helps all Arizonans.

Vote "YES" on Proposition 202. Raise Arizona's Minimum Wage.

Richard Shapiro, Shapiro and Associates, Scottsdale
Paid for by "Arizona Minimum Wage Coalition"

Raising the Minimum Wage Benefits Retirees

The Arizona Alliance for Retired Americans supports the Minimum Wage Coalition in urging the voters of Arizona to raise the minimum wage from \$5.15 an hour to \$6.75 an hour, adjusted annually for inflation. Like all Arizonans, the Alliance values hard work and the pursuit of economic viability for all workers so that they and their families may enjoy lives of dignity, fulfillment, and security. Many minimum-wage workers care for the elderly, the very young, the sick and disabled in our state, and it is crucial that employees receive fair compensation to restore the sense of pride in their work for these indispensable workers.

Additionally, a growing trend is that many senior citizens are now among the minimum-wage workers. Senior citizens are returning to the workforce at a record pace to combat the rising cost of health care, to pay for basics like groceries and housing, or because their retirement benefits are not keeping up with the cost of living. In fact, working seniors, women (especially single mothers), rural workers, African Americans and Latinos are all groups with much higher proportions of minimum-wage workers than the general populace.

By voting yes on Proposition 202, we show that we truly value the hard work performed by Arizonans by increasing the minimum wage so that workers in our state will have the economic resources to take care of their families.

Doug Hart, President, Arizona Alliance for
Retired Americans, Tempe
Paid for by "Michelle Davidson"

John Campbell, Vice President, Arizona
Alliance for Retired Americans, Glendale

A majority of peer-reviewed studies - as well as evidence from the 20 states that have already raised their minimum wage - prove that modest increases in the minimum wage substantially benefit low-income workers and families without causing job loss or business flight. For example, recent studies have found that states that

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have higher than federal minimum wages continue to experience strong growth in employment, even in low-wage service sector industries. A study released this spring by the Fiscal Policy Institute found that states with minimum wages higher than the federal minimum wage had faster small business and retail job growth than states with minimum wages set the same as the federal.

When low wage workers get a raise, they spend that money in the local economy, providing an economic stimulus. Research and evidence from cities and states that have enacted wage increases indicates that increasing pay can also lead to reduced absenteeism and employee turnover as well as increased worker productivity. In the end, both workers and businesses stand to gain from modest minimum wage increases.

Nancy Cantor, Phoenix ACORN, Scottsdale
Paid for by "AZ ACORN Statewide"

Members of the Monsignor Edward J. Ryle Fund Committee urge Arizonans to support the ballot measure to establish a minimum wage in Arizona of \$6.75 per hour in 2007 with subsequent annual inflation adjustments. The federal standard of \$5.15 per hour that Arizona follows has not changed in nine years.

If you work, then you shouldn't be poor. When a worker earns the minimum wage, he or she is still below the federal poverty level with an annual income under \$11,000. A majority of minimum-wage earners are women. At this level, a family must struggle to meet even basic needs of food, shelter, transportation or clothing. Often, the family will be forced to seek state or federal subsidized services for health care, food, child care or rent assistance, to be certain there is food on the table or immunizations for the children. Establishing the minimum wage of a modest \$6.75 per hour in Arizona is necessary and the fair thing to do.

A local study conducted in 2002 by researchers from the University of Washington, found that two adult wage earners in a family of four each had to earn at least \$9 an hour in rural Arizona or at least \$12 an hour in the Phoenix metro area to be free of publicly funded services. Hopes that a vibrant economy would allow families to achieve this goal have not borne out. Many Arizona families remain in poverty, and household incomes have fallen since 2000. After nine years of a fixed minimum wage, it is time to raise it.

If you value those who work, play by the rules, and seek to be self-sufficient, we urge you to vote YES on the Arizona minimum wage ballot initiative.

Joe Anderson Chairman and CEO, Schaller
Anderson, Inc., Monsignor Edward J. Ryle Fund
Committee Member and Fund Advisor, Phoenix

Guy Mikkelsen, President and CEO,
Foundation for Senior Living, Monsignor
Edward J. Ryle Fund Committee Member and
Fund Advisor, Phoenix

Eddie Sissons, Research Advisory Services,
Monsignor Edward J. Ryle Fund Committee
Member, Phoenix
Paid for by "Arizona Minimum Wage Coalition"

Argument FOR Ballot Measure I-13-2006

A full time worker making the current minimum wage of \$5.15 only earns \$10, 712 per year – more than \$3,000 below the poverty line for a family of three. Today's minimum wage of \$5.15 is lower than the minimum wage of 1950, which would be \$6.30 in 2006 dollars. It would take \$9.31 today to match the buying power of the minimum wage of 1968. Every day without a minimum wage raise means another day choosing between rent and health care, putting food in the refrigerator or gas in the car. For every hour worked, a person making \$5.15 per hour can only afford 1 ¾ gallons of gas...that means that a minimum wage worker today has to work at least 1 hour each day to pay for their transportation.

Faith-based organizations and charities are straining to serve escalating requests for emergency food from their pantries and soup kitchens, especially from working people...Increasing the minimum wage by one dollar and sixty cents to \$6.75 per hour would mean an additional \$3,328.00 per year for full-time workers—money that could buy groceries, pay, rent, or otherwise help low-income workers in need.

The minimum wage is a bedrock moral value. It is immoral that workers who care for children, the ill and the elderly struggle to care for their own families. It's immoral that the minimum wage keeps people in poverty instead of out of poverty. A job should keep you out of poverty, not keep you in it.

We strongly encourage you to vote FOR an increase in the Arizona Minimum Wage – IT IS JUST THE RIGHT THING TO DO. Working should NEVER equal poverty!!

Tamera Zivic, PhD, WHEAT Executive Director,
Phoenix
Paid for by "WHEAT"

Cheryl Thompson, Chair, WHEAT Board of
Directors, Phoenix

Too many working families in Arizona struggle to provide the basic necessities for themselves and their families. Over 14 percent of Arizonans live in poverty, and almost 13 percent are hungry or at risk of hunger. A low minimum wage is a key part of this problem. Congress and our state elected officials have failed to raise the minimum wage in almost a decade; in the same time period, Congress has received a raise 9 times. The result is that even full time low wage workers are working harder for less and struggling to get by. We can do better.

Most of the workers who would benefit from the proposed minimum wage increase are adults earning the

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majority of their family's income. 74 percent of Arizona's workers earning less than \$7.00 an hour are 20 years and older. These workers do some of the hardest and most essential jobs that help keep our state's economy going. They care for our children and our elderly, serve our food, secure our buildings and clean our streets and offices. With a small adjustment to the minimum wage, Arizona can send a message that its citizens value work - and begin to ensure that those who work hard everyday and play by the rules are able to provide an adequate standard of living for themselves and their families. An estimated 303,000 Arizona workers would be affected by increasing the minimum wage to \$6.75 with an annual cost of living increase.

Lana Cudmore, Mesa ACORN, Mesa
Paid for by "AZ ACORN Statewide"

Arizona Green Party urges a YES vote on the minimum wage initiative.

There is nothing sacred about the relationship between an American worker and her boss. It is pure contract. And the state does have a role to play in contract law. That role is to assure fair play. And to look out for the future. Arizona Green Party has Future Focus as a key value, and we are very concerned about the direction that future has been heading. (Read more about Arizona Green Party values at www.azgp.org.)

Because of decisions, made by politicians bought off by PACs, wealth has become too concentrated in the hands of the few, the rich, the crony. Which means less money in the pockets of the working poor, and the shrinking middle class. This has not happened by chance, but by deliberate political choices.

Among these decisions was allowing the minimum wage to dwindle, well below a living wage. And then, to insult the workers who are left with less, to imply that they live off of others. Teens at home, old folks on pensions, housewives looking for pin money, say the disparagers. Think about it. Folks struggling on inadequate, and shamefully low, wages, are forced to figure out how to get by. And then blamed and shamed for the decisions they make in getting by.

Next we're told that a decent minimum wage will "ruin the economy." Well "the economy" was in pretty good shape when the minimum wage was gauged to actually support working folks. Remember? For the Arizona Green Party position on other ballot issues please go to: www.azgp.org.

Ignore the nonsense. Stand up for decency. Vote YES.

Robert Neal, Treasurer, Arizona Green Party, Tempe
Paid for by "Arizona Green Party State Committee"

ARGUMENTS "AGAINST" PROPOSITION 202

Argument AGAINST Proposition 202

Fellow Arizonans join me in voting no on Proposition 202. Setting a state minimum wage at a rate that is almost 28% higher than the federal minimum wage and increasing it every year by indexing it to the cost of living is bad public policy. It will have severe damaging unintended consequences that our state cannot afford.

Most importantly it will make our already intolerable illegal alien crisis even worse. We will be providing the worst of both worlds in creating economic incentives that will only serve to further attract more illegal aliens.

On one hand many employers will find themselves forced to cut back on employment in order to accommodate the minimum wage. Unscrupulous employers will opt for employing illegals off the books at below minimum wage to maintain their business operations. This will be taking jobs away from our own citizens, promoting an expanded underground economy and depriving our state of tax revenue.

Just as important on the other hand is the enhancement to illegal employers to risk the consequences hiring of illegal aliens. By setting an artificially high minimum wage illegal aliens will now have a greater incentive to enter our country and enjoy even higher rewards for being here.

Making our state even more attractive to illegal immigration is something that makes no sense. Rather than creating more incentives for illegal aliens through the creation of an artificially high state minimum wage we should be pursuing policies to reduce the economic incentives for illegal aliens. What should be done is reduce government burden on small businesses and allow free-market concepts to work. That is what made America so great.

I urge fellow Arizonans to vote no on Proposition 202.

Representative Russell Pearce, Arizona House of Representative, Mesa
Paid for by "Russell Pearce 2004"

The Arizona Farm Bureau opposes proposition 202.

Minimum wage jobs are for part-time, very basic entry-level and transition positions.

From our review of the economic literature and research, minimum wage increases may create more pay for given parties, but it certainly reduces the creation of new jobs. Arbitrarily driving up wages also results in higher consumer prices that affect the poor and those on fixed incomes disproportionately.

Arizona voters should consider this perspective before automatically approving a measure that might seem intuitively appropriate on the surface.

Kevin G. Rogers, President, Arizona Farm
Bureau, Mesa
Paid for by "Arizona Farm Bureau Federation"

James W. Klinker, Chief Administrative Officer,
Arizona Farm Bureau, Mesa

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Issued by: Secretary of State Jan Brewer

The Arizona Tourism Alliance is opposed to the establishment of a state minimum wage law. Arizona's tourism and visitor industry is particularly vulnerable to the negative affects should this proposition pass and the resulting impact on Arizona's economy.

Setting a state minimum wage that is almost 28% higher than the federal level and indexing it to increase each year based on the cost of living is just not good public policy. It will raise labor costs in our industry and subject us to a competitive disadvantage with other states whose tourism and visitor industries are not subject to a state minimum wage.

Many Arizonans seek employment in the tourism and visitor industry as entry level and supplemental opportunities. Frequently our workforce represents individuals who are enrolled in school are single parents or other part time workers. By raising our costs of labor there would be pressure to eliminate these minimum compensation jobs thus depriving these people of much needed employment.

In addition the smallest of businesses that exceed the \$500,000 threshold could be placed in the position of adjusting their overall labor costs by cutting employee related expenses such as health care or pension benefits or rolling back the services they provide.

This combination of reduced jobs and potential lowering of benefits will have a negative affect on our industries and the people who work for us. That combination does not bode well for an industry that provides one of the top two economic engines in Arizona.

We urge its defeat.

Jody Harwood, President, Arizona Tourism Alliance, Phoenix
Paid for by "Arizona Tourism Alliance"

Karen Churchard, Executive Director, Arizona Tourism Alliance, Phoenix

Proposition 202 creating a minimum wage in Arizona at a level significantly above the federal minimum wage and indexing it to the cost of living is not in the best interest of jobs, the price of goods and services or the Arizona economy and should be defeated in November.

There is one thing we have learned throughout the history of our economic experience it is that wage and price regulation does not work to achieve the desired ends and invariably creates unintended consequences that damage the very people that the regulations were designed to protect.

By creating an artificially high minimum wage the state will be forcing businesses into making basic economic decisions that are not good for workers and not good for consumers. When the cost of producing goods and services is increased employers must compensate to maintain their businesses viability.

Those who believe that establishing a high state minimum wage will benefit workers in the lowest rung of jobs in Arizona are wrong. Creating a state minimum wage will put pressure on employers that will result in a reduction in the job pool, elimination of employee benefits and a softening of the economy in key employment areas like tourism, agriculture and construction.

Further the creation of a state minimum wage is bad for consumers. Artificially raising employer payroll expenses will result in higher prices of the impacted goods and services.

For these reasons I urge my fellow Arizonans to vote against Proposition 202.

Barry M. Aarons, Senior Fellow, Americans for Tax Reform, Phoenix

"Help wanted." The signs are plentiful, which is a great indication that Arizona's economy is doing well and that job seekers and employees are in an enviable position. Employers need to attract new employees and retain the current workforce. Employers are competing for employees and a very valuable tool in that competition is wage. Retailers, with very few exceptions, pay higher than minimum wage. But what will happen if the economy doesn't continue to keep the current pace? Under the current scenario employers have options, but certain operating expenses can only be marginally controlled. Retailers have adapted to the federal minimum wage, but other expenses have been increasing beyond any forecasting - gasoline costs, which increase the wholesale and transportation cost of goods, healthcare costs, energy costs to heat, cool and light facilities, and increasing competition from Internet sales. All these factors continue to chip away at the profitability of retailers and therefore reduce the options when the economy takes a turn for the worse. The minimum wage initiative will automatically increase wages on an annual basis and therefore add to the factors that retailers can only marginally control. The options left to businesses are to reduce payroll hours and/or reduce benefits. The Proponents of the minimum wage increase would not embrace either of these options. Regardless of the unintended consequences, the proponents want to encourage government intervention and increase demands on businesses.

Vote no on the minimum wage initiative and allow businesses to respond to the needs of employees.

Richard B. Mazzoni, President, Arizona Retailers Association, Scottsdale
Paid for by "Arizona Retailers Association"

Michelle A. Ahlmer, Secretary, Arizona Retailers Association, Mesa

The only relevant question when considering a wage hike is: will it work? In other words, will its benefits outweigh the costs? A brief examination proves the answer to be a resounding "no."

To begin with, the majority of the benefits would go to employees who are not poor. According to U.S. Census data, only 15% of minimum wage recipients are raising a family on the minimum wage. The remaining 85% are teenagers living with their working parents, adults living alone, or dual-earner married couples. U.S. Census

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data show that the average family income of a minimum wage recipient is almost \$46,000 a year.

Consequently, attempting to target poor families by manipulating wages is an inefficient means of addressing the problem.

Advocates supporting a minimum wage increase insist that millions of minimum wage employees have not received a raise since 1997. But research from Miami University of Ohio and Florida State University shows that every year nearly two-thirds of minimum wage employees receive an increase in pay.

Not only will a wage hike be inefficient, it will be downright harmful. Decades of economic research prove that employers will cut employment in response to a minimum wage increase. Researchers at Cornell University found that vulnerable groups of young adults without a high school degree and young black adults and teenagers suffered significantly more employment loss as a result of a minimum wage increase.

To maintain profits, employers cut entry-level positions, where employees are able to gain the skills necessary to improve their future earnings. Without this vital gateway into the labor force, these individuals will be deprived of future economic success. In this way, the employees the minimum wage is designed to help—the least skilled—are the ones it hurts the most.

Donald H. Ellis, Chairman of the Board, Mesa Michael Head, Secretary, Scottsdale
Paid for by "Arizona Restaurant & Hospitality Association"

Decades of economic research prove that employers will cut employment in response to a minimum wage increase. In addition, employers will take the following steps, none of which is beneficial to low-skill employees:

Hire skilled applicants with more experience, rather than taking a chance on individuals with little education or experience. The displacement of these less-skilled employees is seen in the higher employment loss for vulnerable groups such as teens, minority teens, and adults without a high school diploma.

Automate services once performed by entry-level employees. Self-service gas stations, automated phone systems, automatic teller machines, self-service soda fountains, and self-checkout lanes at grocery stores are all examples of the automation of jobs that were once held by low-skilled, entry-level individuals. In these positions, employees were able to gain the skills necessary to improve their future earnings. Without this vital gateway into the labor force, these individuals will be deprived of future economic success.

Cut back on customer service.

It has become quite common for customers at fast-food restaurants to bus their own tables. Baggers at many grocery stores have been eliminated. Forced to pay high mandated wages, employers are choosing to cut back on services rather than raise prices.

This results in fewer opportunities for low-skilled Americans.

This clearly demonstrates why a mandated minimum wage increase with automatic annual increases isn't the answer to an employee's compensation.

Steve Chucuri, Chairman, Jobs First Against I-13-2006, Mesa
Paid for by "Jobs First Against I-13-2006"

The Arizona Chamber of Commerce and Industry urges Arizona voters to reject the creation of a reckless and job-killing state minimum wage and vote NO on Proposition 202.

Proposition 202 is reckless not only because it establishes an uncompetitive minimum wage rate but because it threatens to undermine worker benefits, especially health care coverage. With its passage, small businesses will be forced to cut costs by scaling back or, more likely, eliminating expensive employer benefits. With Arizona's large number of uninsured, coupled with double-digit annual increases in the cost of health care coverage, Proposition 202 recklessly threatens the health and welfare of our workers and their families.

Moreover, Proposition 202 is a job-killer, targeting our least-skilled and most vulnerable workers. Now Arizona employers can recruit workers at the beginning of their careers, before they have acquired the skills and experience to command higher wages and salaries. Most often these workers are young people just entering the workforce. Proposition 202 will make it harder for small businesses to hire these workers especially during any future downturn in our economy. Government should not be in the business of setting wages.

Proposition 202's creation of a much higher minimum wage seems like an attractive idea, but there will be a cost that regrettably will be borne by the very workers it's promised to benefit. That is why the Arizona Chamber of Commerce and Industry recommends a NO vote on Proposition 202.

Steve Twist, Chairman of Board of Directors, James J. Apperson, President & CEO, Arizona
Arizona Chamber of Commerce and Industry, Chamber of Commerce and Industry,
Scottsdale Scottsdale
Paid for by "Arizona Chamber of Commerce"

Minimum wage laws are a primary reason for the demise of rural and inner city communities. These are low rent areas where the cost of living can be ten to twenty times less than expensive city areas.

The low cost areas began to fail with the advent of minimum wage. The slow paced stores, cafes, gas stations closed. These communities unraveled as businesses and job mentors left. Learning a work ethic was lost as the young were unable to find entry level jobs. Vandalism and crime followed. Tens of thousands of businesses and homes were boarded up or bulldozed. Government spent billions trying to revitalize inner cities.

Rural dwellers that once drove five miles to shop, must now drive fifty or more. The poor and the young lack

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

Issued by: Secretary of State Jan Brewer

transportation to jobs and shopping.

Imagine having a home that rents for \$300 in a country town with a nearby easy-going job. It's possible without minimum wage. Walmart aggressively supports minimum wage increases, which suppress community stores with lower revenue.

The stores, motels, and hotels that survive have become havens for hard-working Asian families. The children and the elderly pitch in with stocking and cleaning without pay. Cultural groups without these values get edged out, creating tensions. Stereotyping and classification result.

Having thousands of mom and pop businesses over a diverse area provided shopping and services to bus travelers. Bus stations closed.

Inner city areas and small towns had character and personality. Big box stores and corporate chains are the same everywhere. They're impersonal, abusive to employees, and move us to foreign products over U.S. manufacturing.

Minimum wage laws disproportionately hurt the poor, create waste and reliance on automobiles and foreign goods, divide cultural groups, and interfere with natural entry level job training. No to minimum wage!

David Weary, Tempe

There is no quicker way to increase poverty, cut health benefits for workers, and chop employment opportunities than to increase the minimum wage. But this ballot initiative goes a big step farther in making the pain permanent, by linking all future increases to rises in the Consumer Price Index. When voters in Washington state did this in 1998, Ohio University Professors Richard Vedder and Lowell Galloway found four years later that it had increased poverty, not alleviated it. In their report, *The Economic Impact of Washington's Minimum Wage Law*, the professors found that the CPI linkage increased poverty by "largely creating unemployment and reduced hours for workers ... Some occupations relying heavily on relatively less-skilled labor were particularly impacted." Despite its media portrayal, the minimum-wage rate is an entry-level wage, not a living- or family-sustaining wage. As the U.S. Bureau of Labor Statistics puts it in its *Characteristics of Minimum Wage Workers 2003* study, "Minimum-wage workers tend to be young. Slightly over half of workers earning \$5.15 or less were under age 25, and about one-fourth were age 16-19 ... Never-married workers, who also tend to be quite young, were more likely to earn the minimum wage than persons who are married." As Lawrence McQuillan of the Pacific Research Institute wrote, "Businesses offer the mix of wages and benefits necessary to attract an optimal workforce. After a minimum-wage hike, many businesses cut training, health care benefits, and other perks for low-income workers to offset the mandated pay increase. Although many of these workers might prefer health insurance to more pay, they have no say in the matter since businesses must pay the legal minimum." This is a bad initiative for every Arizonan. Vote no.

Michelle Bolton, State Director of the National Federation of Independent Business, Phoenix

I ask you to join me in voting AGAINST this initiative that would create a harmful effect on the small business owners, entry level workers and the economy of our state. We are now experiencing an economic boom due in large part to the actions of our Republican Legislature who battled with the current government to force a reduction in taxes. Their refusal to implement another series of new programs proposed by Napolitano has limited future tax increases and allowed employers to plan expansion with comfort.

Now the friends of the governor – the lobbyists and labor bosses who are her main supporters – have decided to take another swipe at the entrepreneurial spirit of our state with this ill conceived measure. It is established without doubt that the success of our nation and state is the economic model that is founded on the free enterprise system. Whenever government injects itself into that model with intrusive regulations and rules, the economic life blood is harmed.

I call on you to defeat this attack on the small business owners that provide eighty percent of all new jobs. The governor and her friends would do better to reform our education system so that we are graduating students to meet the modern work force needs. Passage of this measure would drastically harm the ability of our state to attract new businesses to relocate or start up in our state.

I ask you to join me in voting AGAINST this measure and vote FOR a more vibrant economy. **Paid for by Goldwater for Governor Committee.**

Don Goldwater, Goldwater for Governor, Laveen

This proposition should be called the "Illegal Immigration Incentive and Rewards Act."

Arizona is on the frontlines of illegal immigration. We have hundreds of miles of lightly guarded border; thousands of illegals cross daily, most of whom continue on to other parts of the country.

However, if Prop 202 passes, that will change. Rather than following federal minimum wage law, Arizona will rocket to one of the highest in the nation. Illegals will have a strong financial reason to stay here.

After 2007, no other border state will pay as much as Arizona. Illegals will have to travel 1,000 miles to Washington State or 2,000 miles to Vermont to find a job that pays more than Arizona. Why would they?

Arizona will become an even greater magnet for illegal immigration.

Unscrupulous people will pay illegals "cash under the table" to avoid the minimum wage. But illegals will still be paid more than surrounding states. This law will provide an even greater incentive to hire illegals, especially with little enforcement.

But wait, there's more...

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

Amazingly, this proposition says every PERSON shall receive a minimum wage, not just citizens. If an illegal is ever fired (i.e. if Arizona finally cracks down on illegal immigration) this proposition allows the illegal to sue or force the state to sue on their behalf (at taxpayers' expense), and the court is REQUIRED to award them 2-3 times their total pay at Arizona's higher minimum wage. This is the new Global Communism.

Why would an illegal ever go anywhere else for a job? In Arizona they'll get a bonus if they get caught!

Let's get our priorities straight: enforce our border, and don't give benefits to lawbreakers. Vote NO on Prop 202.

Sen. Dean Martin, Chairman, Senate Finance Committee, Phoenix

BALLOT FORMAT

PROPOSITION 202

PROPOSED AMENDMENT BY INITIATIVE PETITION

OFFICIAL TITLE

AN INITIATIVE MEASURE
REPEALING SECTION 23-362, AMENDING BY ADDING NEW
SECTION 23-362 RELATING TO THE ARIZONA MINIMUM
WAGE ACT

DESCRIPTIVE TITLE

RAISES MINIMUM WAGE TO \$6.75 PER HOUR BEGINNING
JANUARY 1, 2007, WITH CERTAIN EXCEPTIONS; PROVIDES
YEARLY ANNUAL COST OF LIVING INCREASES; REQUIRES
THAT EMPLOYERS POST NOTICE ABOUT EMPLOYEE
RIGHTS; ESTABLISHES PENALTIES AND PERMITS PRIVATE
LAWSUITS AND ENFORCEMENT BY THE INDUSTRIAL COM-
MISSION.

PROPOSITION 202

A "yes" vote shall have the effect of raising the
minimum wage to \$6.75 per hour with certain
exceptions beginning January 1, 2007, providing
for yearly minimum wage cost of living increases,
requiring employers to post notice about
employee minimum wage rights, establishing pen-
alties for violations of the law and permitting pri-
vate lawsuits to enforce the law.

YES

A "no" vote shall have the effect of continuing to
follow existing federal minimum wage laws, which
currently provide a minimum wage of \$5.15 per
hour.

NO

PROPOSITION 202

EXHIBIT 3

**Joint Legislative Budget Committee
Staff Memorandum**

1716 West Adams
Phoenix, Arizona 85007

Telephone: (602) 926-5491
azleg.gov

DATE: October 8, 2019
TO: Selected Agency Directors
FROM: Richard Stavneak, Director
SUBJECT: FLAGSTAFF MINIMUM WAGE COSTS

As you may be aware, the City of Flagstaff's minimum wage will be \$13.00 per hour on January 1, 2020, or \$1.00 higher than the Arizona minimum wage. On January 1, 2021, Flagstaff's minimum wage will be \$15.00 per hour compared to a statewide Arizona minimum wage of approximately \$12.25. The City of Flagstaff is the only local jurisdiction currently with a minimum wage higher than the state's minimum wage.

Laws 2019, Chapter 272 adds the following requirement to A.R.S. § 35-113, which requires agencies to include their estimated cost associated with any extra local minimum wage levels in their annual budget request:

“The estimates shall include a detailed estimate of the cost to the budget unit in the next fiscal year attributable to a county's, city's or town's establishment of a minimum wage if that minimum wage exceeds the minimum wage established by this state pursuant to A.R.S. § 23-363.”

Chapter 272 also added A.R.S. § 35-121.01, which permits the Legislature to consider that budget estimate information in billing any county, city or town for the upcoming fiscal year's costs associated with the establishment of a minimum wage higher than the state minimum wage.

[OSP's FY 2021 budget instructions](#) require agencies to include the information required by A.R.S. § 35-113 in an attachment to the cover letter of the budget request.

Most agencies did not address in their budget submission whether they would have such costs. As a result, House Appropriations Chairman Regina Cobb and Senate Appropriations Chairman David Gowan have requested that we confirm whether the absence of such information was an oversight or was intended to suggest that your agency would not have any extra Flagstaff local minimum wage costs.

(Continued)

JLBC

We did not see this information attached to your budget request. If we missed this information, please indicate to us where we can find it. If there was no information, please respond either to this email with your detailed estimate or a statement indicating you believe there is no impact.

We would also emphasize that these reports should only address costs associated with the higher Flagstaff minimum wage above the statewide minimum wage. We are not seeking information on your costs to meet the statewide minimum wage.

Please respond to this request by Tuesday, October 22 to jlbcwebmaster@azleg.gov. If you have further questions, please contact your JLBC Staff analyst.

RS:lm

Attachment

xc: Representative Regina Cobb

Senator David Gowan

Distribution List:

Arizona Department of Administration
Arizona Department of Agriculture
AHCCCS
Attorney General
Department of Child Safety
Coconino Community College
Registrar of Contractors
Arizona Department of Corrections
Arizona State Schools for the Deaf and the Blind
Arizona Department of Education
Department of Emergency and Military Affairs
Department of Forestry & Fire Management
Arizona Game & Fish Department
Arizona Department of Gaming
Arizona Department of Health Services
Arizona Historical Society
Judiciary
Department of Juvenile Corrections
Arizona State Parks & Trails
Department of Public Safety
School Facilities Board
Secretary of State
Arizona Department of Transportation
Arizona Board of Regents
Arizona State University
Northern Arizona University
University of Arizona
Department of Veterans' Services
Department of Water Resources

EXHIBIT 4



ARIZONA
HISTORICAL
SOCIETY

FLAGSTAFF | TEMPE | TUCSON | YUMA

October 10, 2019

Mr. Richard Stavneak, Director
Joint Legislative Budget Committee
1716 West Adams
Phoenix, AZ 85007

Re: Flagstaff Minimum Wage Costs

Mr. Stavneak,

The Historical Society inadvertently did not include the Flagstaff minimum wage costs with the budget submission for FY 2021.

The agency runs the Pioneer Museum and operates the Riordan Mansion State Park, both located in Flagstaff. We have had several conversations about the increase in minimum wage and the ability to retain staff. Currently there are three positions that are paid between 13.00 and 13.26 per hour. This is the same as the minimum wage starting on January 1, 2020 or slightly above. Due to the lack of funds to pay the increasing minimum wage in Flagstaff, two of the three positions are currently vacant and are posted in the state job search web-site.

The estimated increased cost for the three positions is \$12,461 annually if we were to pay them all \$15.00 per hour. This includes an estimate for ERE for the vacant positions. Two of the three positions are not eligible for insurance but are ASRS members. One of the positions is full-time with full benefits.

Please contact Kim Bittrich, 520-617-1164, if you have any questions or need any additional information. Thank you.

Sincerely,

W. James Burns
Executive Director

C. Matt Gress, Director, OSPB

EXHIBIT 5

Senate Engrossed

revenue; budget reconciliation; 2021-2022

FILED

KATIE HOBBS

SECRETARY OF STATE

State of Arizona
Senate
Fifty-fifth Legislature
First Regular Session
2021

CHAPTER 411

SENATE BILL 1827

AN ACT

AMENDING TITLE 23, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 11; AMENDING SECTION 42-5029, ARIZONA REVISED STATUTES; REPEALING SECTION 42-5041, ARIZONA REVISED STATUTES; AMENDING SECTION 43-1011, ARIZONA REVISED STATUTES; AMENDING LAWS 2016, CHAPTER 125, SECTION 21, AS AMENDED BY LAWS 2017, CHAPTER 215, SECTION 1; AMENDING LAWS 2016, CHAPTER 125, SECTION 22, AS AMENDED BY LAWS 2017, CHAPTER 215, SECTION 2; AMENDING LAWS 2016, CHAPTER 125, SECTION 26, AS AMENDED BY LAWS 2017, CHAPTER 215, SECTION 3; AMENDING LAWS 2016, CHAPTER 125, SECTION 28, AS AMENDED BY LAWS 2017, CHAPTER 215, SECTION 4; APPROPRIATING MONIES; RELATING TO REVENUE BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Title 23, Arizona Revised Statutes, is amended by adding
3 chapter 11, to read:

4 CHAPTER 11

5 MUNICIPAL FIREFIGHTER CANCER REIMBURSEMENT

6 ARTICLE 1. GENERAL PROVISIONS

7 23-1701. Definitions

8 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

- 9 1. "COMMISSION" MEANS THE INDUSTRIAL COMMISSION OF ARIZONA.
10 2. "FIREFIGHTER" HAS THE SAME MEANING PRESCRIBED IN SECTION
11 23-901.09.
12 3. "FIRE INVESTIGATOR" HAS THE SAME MEANING PRESCRIBED IN SECTION
13 23-901.09.
14 4. "FUND" MEANS THE MUNICIPAL FIREFIGHTER CANCER REIMBURSEMENT
15 FUND.
16 5. "MUNICIPAL PAYOR" MEANS ANY OF THE FOLLOWING:
17 (a) A WORKERS' COMPENSATION INSURER USED BY A CITY OR TOWN.
18 (b) A SELF-INSURANCE PROGRAM APPROVED PURSUANT TO SECTION 23-961
19 USED BY A CITY OR TOWN.
20 (c) A PUBLIC AGENCY POOL THAT IS ESTABLISHED PURSUANT TO SECTION
21 11-952.01 AND THAT IS USED BY A CITY OR TOWN.

22 23-1702. Municipal firefighter cancer reimbursement fund;
23 exemption; rulemaking; annual report

24 A. THE MUNICIPAL FIREFIGHTER CANCER REIMBURSEMENT FUND IS
25 ESTABLISHED CONSISTING OF MONIES DEPOSITED IN THE FUND PURSUANT TO SECTION
26 23-1703. THE COMMISSION SHALL ADMINISTER THE FUND. MONIES IN THE FUND
27 SHALL BE USED TO REIMBURSE MUNICIPAL PAYORS FOR THE COMPENSATION AND
28 BENEFITS PAID BY MUNICIPAL PAYORS TO MUNICIPAL FIREFIGHTERS AND MUNICIPAL
29 FIRE INVESTIGATORS UNDER SECTION 23-901.09 FOR:

- 30 1. COMPENSATION FOR TEMPORARY PARTIAL DISABILITY, PERMANENT PARTIAL
31 DISABILITY AND LOST EARNING CAPACITY AS PRESCRIBED IN SECTION 23-1044.
32 2. COMPENSATION FOR TEMPORARY TOTAL DISABILITY AND PERMANENT TOTAL
33 DISABILITY AS PRESCRIBED IN SECTION 23-1045.
34 3. MEDICAL, SURGICAL AND HOSPITAL BENEFITS AS PRESCRIBED IN SECTION
35 23-1062.
36 4. DEATH BENEFITS AS PRESCRIBED IN SECTION 23-1046.

37 B. THE FUND CONSISTS OF THE FOLLOWING:

- 38 1. FEES FROM CITIES AND TOWNS DEPOSITED PURSUANT TO SECTION
39 23-1703.
40 2. MONIES RECEIVED FROM ANY OTHER SOURCE, INCLUDING FEDERAL MONIES,
41 INVESTMENT INCOME AND PRIVATE GRANTS, GIFTS, CONTRIBUTIONS AND DEVICES.

42 C. THE COMMISSION SHALL ANNUALLY DISTRIBUTE THE MONIES IN THE FUND
43 ON A PRORATED BASIS BASED ON THE AMOUNT OF THE INDIVIDUAL COMPENSATION AND
44 BENEFITS PAID BY A MUNICIPAL PAYOR FOR COMPENSATION AND BENEFITS TO A
45 MUNICIPAL FIREFIGHTER OR MUNICIPAL FIRE INVESTIGATOR FOR A DISEASE.

1 INFIRMITY OR IMPAIRMENT AS PRESCRIBED IN SECTION 23-901.09 IN PROPORTION
2 TO THE STATEWIDE AGGREGATE OF ALL COMPENSATION AND BENEFITS PAID TO
3 MUNICIPAL FIREFIGHTERS AND MUNICIPAL FIRE INVESTIGATORS PURSUANT TO
4 SECTION 23-901.09 FOR THE FISCAL YEAR. THE COMMISSION MAY NOT REIMBURSE
5 MONIES FOR EXPENSES RELATING TO CASE MANAGEMENT, VOCATIONAL REHABILITATION
6 OR SIMILAR NONMEDICAL COSTS. THE PRORATED SHARE SHALL BE DISTRIBUTED TO
7 THE MUNICIPAL PAYORS ENTITLED TO A SHARE WITHOUT REGARD TO THE ORDER IN
8 WHICH THE RESPECTIVE COMPENSATION AND BENEFITS WERE PAID IN THE FISCAL
9 YEAR.

10 D. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT
11 FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF
12 APPROPRIATIONS.

13 E. ON OR BEFORE JANUARY 1, 2022, THE COMMISSION SHALL ADOPT RULES
14 PURSUANT TO TITLE 41, CHAPTER 6 TO CARRY OUT THIS CHAPTER.

15 F. ON OR BEFORE APRIL 1 OF EACH YEAR, THE COMMISSION SHALL SUBMIT A
16 REPORT TO THE LEGISLATURE AND THE MUNICIPAL PAYORS REIMBURSED FROM THE
17 FUND ON THE FINANCIAL STATUS OF THE FUND. THE REPORT SHALL INCLUDE ALL OF
18 THE FOLLOWING:

19 1. THE TOTAL NUMBER OF FUND REIMBURSEMENT CLAIMS THE COMMISSION
20 RECEIVED IN THE IMMEDIATELY PRECEDING FISCAL YEAR.

21 2. FOR THE IMMEDIATELY PRECEDING FISCAL YEAR, THE NUMBER OF FUND
22 REIMBURSEMENT CLAIMS APPROVED, THE TOTAL DOLLAR AMOUNT OF FUND
23 REIMBURSEMENT CLAIMS PAID BY THE FUND AND THE AMOUNT PAID TO EACH
24 MUNICIPAL PAYOR REIMBURSED BY THE FUND.

25 3. THE AMOUNT OF ANY ANTICIPATED SURPLUS IN THE FUND.

26 23-1703. Assessment

27 A. FROM AND AFTER JUNE 30, 2021, THE COMMISSION SHALL ASSESS AND
28 COLLECT FEES FROM CITIES AND TOWNS FOR DEPOSIT IN THE FUND. THE FEE SHALL
29 BE ASSESSED TO EACH CITY AND TOWN THAT RECEIVES STATE SHARED REVENUES
30 PURSUANT TO SECTIONS 42-5029 AND 43-206. THE TOTAL AMOUNT OF FEES FOR ALL
31 CITIES AND TOWNS MAY NOT EXCEED \$15,000,000 IN EACH FISCAL YEAR. THE
32 SHARE OF FEES ASSESSED IN EACH FISCAL YEAR TO EACH CITY AND TOWN SHALL BE
33 BASED ON THE POPULATION OF THE CITY OR TOWN AS DETERMINED BY THE MOST
34 RECENT POPULATION ESTIMATES OF THE UNITED STATES CENSUS BUREAU AS OF
35 JULY 1 IN PROPORTION TO THE TOTAL POPULATION OF ALL INCORPORATED CITIES
36 AND TOWNS.

37 B. THE COMMISSION SHALL ASSESS THE FEES UNDER THIS SECTION NOT
38 LATER THAN JULY 31 OF EACH YEAR, AND THE FEES ARE PAYABLE IMMEDIATELY ON
39 ASSESSMENT. IF A CITY OR TOWN FAILS TO PAY THE ASSESSMENT IN FULL ON OR
40 BEFORE SEPTEMBER 30, THE COMMISSION SHALL NOTIFY THE STATE TREASURER WHO
41 SHALL WITHHOLD THE DELINQUENT AMOUNT FROM THE DISTRIBUTION OF MONIES TO
42 THE APPROPRIATE CITY OR TOWN PURSUANT TO SECTIONS 42-5029 AND 43-206 AND
43 SHALL CONTINUE TO WITHHOLD MONIES UNTIL THE CITY OR TOWN HAS PAID THE
44 ENTIRE AMOUNT OF THE ASSESSMENT.

1 C. ALL MONIES PAID TO THE COMMISSION OR WITHHELD BY THE STATE
2 TREASURER FOR THE FEES ASSESSED PURSUANT TO THIS SECTION SHALL BE
3 DEPOSITED IN THE FUND.

4 D. CITIES AND TOWNS MAY MEET THEIR OBLIGATION FOR THE ASSESSMENT
5 FROM ANY SOURCE OF CITY OR TOWN REVENUE DESIGNATED BY THE APPROPRIATE CITY
6 OR TOWN. CITY AND TOWN PAYMENTS MADE PURSUANT TO THIS SECTION ARE
7 EXCLUDED FROM THE APPLICABLE EXPENDITURE LIMITATIONS.

8 Sec. 2. Section 42-5029, Arizona Revised Statutes, is amended to
9 read:

10 42-5029. Remission and distribution of monies; withholding;
11 definition

12 A. The department shall deposit, pursuant to sections 35-146 and
13 35-147, all revenues collected under this article and articles 4, 5 and 8
14 of this chapter pursuant to section 42-1116, separately accounting for:

15 1. Payments of estimated tax under section 42-5014, subsection D.

16 2. Revenues collected pursuant to section 42-5070.

17 3. Revenues collected under this article and article 5 of this
18 chapter from and after June 30, 2000 from sources located on Indian
19 reservations in this state.

20 4. Revenues collected pursuant to section 42-5010, subsection G and
21 section 42-5155, subsection D.

22 5. Revenues collected pursuant to section 42-5010.01 and section
23 42-5155, subsection E.

24 B. The department shall credit payments of estimated tax to an
25 estimated tax clearing account and each month shall transfer all monies in
26 the estimated tax clearing account to a fund designated as the transaction
27 privilege and severance tax clearing account. The department shall credit
28 all other payments to the transaction privilege and severance tax clearing
29 account, separately accounting for the monies designated as distribution
30 base under sections 42-5010, 42-5164 and 42-5205. Each month the
31 department shall report to the state treasurer the amount of monies
32 collected pursuant to this article and articles 4, 5 and 8 of this
33 chapter.

34 C. On notification by the department, the state treasurer shall
35 distribute the monies deposited in the transaction privilege and severance
36 tax clearing account in the manner prescribed by this section and by
37 sections 42-5164 and 42-5205, after deducting warrants drawn against the
38 account pursuant to sections 42-1118 and 42-1254.

39 D. Of the monies designated as distribution base, ~~and subject to~~
40 ~~the requirements of section 42-5041~~, the department shall:

41 1. Pay twenty-five percent to the various incorporated
42 municipalities in this state in proportion to their population to be used
43 by the municipalities for any municipal purpose.

1 2. Pay 38.08 percent to the counties in this state by averaging the
2 following proportions:

3 (a) The proportion that the population of each county bears to the
4 total state population.

5 (b) The proportion that the distribution base monies collected
6 during the calendar month in each county under this article, section
7 42-5164, subsection B and section 42-5205, subsection B bear to the total
8 distribution base monies collected under this article, section 42-5164,
9 subsection B and section 42-5205, subsection B throughout the state for
10 the calendar month.

11 3. Pay an additional 2.43 percent to the counties in this state as
12 follows:

13 (a) Average the following proportions:

14 (i) The proportion that the assessed valuation used to determine
15 secondary property taxes of each county, after deducting that part of the
16 assessed valuation that is exempt from taxation at the beginning of the
17 month for which the amount is to be paid, bears to the total assessed
18 valuations used to determine secondary property taxes of all the counties
19 after deducting that portion of the assessed valuations that is exempt
20 from taxation at the beginning of the month for which the amount is to be
21 paid. Property of a city or town that is not within or contiguous to the
22 municipal corporate boundaries and from which water is or may be withdrawn
23 or diverted and transported for use on other property is considered to be
24 taxable property in the county for purposes of determining assessed
25 valuation in the county under this item.

26 (ii) The proportion that the distribution base monies collected
27 during the calendar month in each county under this article, section
28 42-5164, subsection B and section 42-5205, subsection B bear to the total
29 distribution base monies collected under this article, section 42-5164,
30 subsection B and section 42-5205, subsection B throughout the state for
31 the calendar month.

32 (b) If the proportion computed under subdivision (a) of this
33 paragraph for any county is greater than the proportion computed under
34 paragraph 2 of this subsection, the department shall compute the
35 difference between the amount distributed to that county under paragraph 2
36 of this subsection and the amount that would have been distributed under
37 paragraph 2 of this subsection using the proportion computed under
38 subdivision (a) of this paragraph and shall pay that difference to the
39 county from the amount available for distribution under this paragraph.
40 Any monies remaining after all payments under this subdivision shall be
41 distributed among the counties according to the proportions computed under
42 paragraph 2 of this subsection.

43 4. After any distributions required by sections 42-5030,
44 42-5030.01, 42-5031, 42-5032, 42-5032.01 and 42-5032.02, and after making
45 any transfer to the water quality assurance revolving fund as required by

1 section 49-282, subsection B, credit the remainder of the monies
2 designated as distribution base to the state general fund. From this
3 amount the legislature shall annually appropriate to:

4 (a) The department of revenue sufficient monies to administer and
5 enforce this article and articles 5 and 8 of this chapter.

6 (b) The department of economic security monies to be used for the
7 purposes stated in title 46, chapter 1.

8 (c) The firearms safety and ranges fund established by section
9 17-273, fifty thousand dollars derived from the taxes collected from the
10 retail classification pursuant to section 42-5061 for the current fiscal
11 year.

12 E. If approved by the qualified electors voting at a statewide
13 general election, all monies collected pursuant to section 42-5010,
14 subsection G and section 42-5155, subsection D shall be distributed each
15 fiscal year pursuant to this subsection. The monies distributed pursuant
16 to this subsection are in addition to any other appropriation, transfer or
17 other allocation of public or private monies from any other source and
18 shall not supplant, replace or cause a reduction in other school district,
19 charter school, university or community college funding sources. The
20 monies shall be distributed as follows:

21 1. If there are outstanding state school facilities revenue bonds
22 pursuant to title 15, chapter 16, article 7, each month one-twelfth of the
23 amount that is necessary to pay the fiscal year's debt service on
24 outstanding state school improvement revenue bonds for the current fiscal
25 year shall be transferred each month to the school improvement revenue
26 bond debt service fund established by section 15-2084. The total amount
27 of bonds for which these monies may be allocated for the payment of debt
28 service shall not exceed a principal amount of eight hundred million
29 dollars exclusive of refunding bonds and other refinancing obligations.

30 2. After any transfer of monies pursuant to paragraph 1 of this
31 subsection, twelve per cent of the remaining monies collected during the
32 preceding month shall be transferred to the technology and research
33 initiative fund established by section 15-1648 to be distributed among the
34 universities for the purpose of investment in technology and
35 research-based initiatives.

36 3. After the transfer of monies pursuant to paragraph 1 of this
37 subsection, three per cent of the remaining monies collected during the
38 preceding month shall be transferred to the workforce development account
39 established in each community college district pursuant to section 15-1472
40 for the purpose of investment in workforce development programs.

41 4. After transferring monies pursuant to paragraphs 1, 2 and 3 of
42 this subsection, one-twelfth of the amount a community college that is
43 owned, operated or chartered by a qualifying Indian tribe on its own
44 Indian reservation would receive pursuant to section 15-1472, subsection
45 D, paragraph 2 if it were a community college district shall be

1 distributed each month to the treasurer or other designated depository of
2 a qualifying Indian tribe. Monies distributed pursuant to this paragraph
3 are for the exclusive purpose of providing support to one or more
4 community colleges owned, operated or chartered by a qualifying Indian
5 tribe and shall be used in a manner consistent with section 15-1472,
6 subsection B. For the purposes of this paragraph, "qualifying Indian
7 tribe" has the same meaning as defined in section 42-5031.01,
8 subsection D.

9 5. After transferring monies pursuant to paragraphs 1, 2 and 3 of
10 this subsection, one-twelfth of the following amounts shall be transferred
11 each month to the department of education for the increased cost of basic
12 state aid under section 15-971 due to added school days and associated
13 teacher salary increases enacted in 2000:

14 (a) In fiscal year 2001-2002, \$15,305,900.

15 (b) In fiscal year 2002-2003, \$31,530,100.

16 (c) In fiscal year 2003-2004, \$48,727,700.

17 (d) In fiscal year 2004-2005, \$66,957,200.

18 (e) In fiscal year 2005-2006 and each fiscal year thereafter,
19 \$86,280,500.

20 6. After transferring monies pursuant to paragraphs 1, 2 and 3 of
21 this subsection, seven million eight hundred thousand dollars is
22 appropriated each fiscal year, to be paid in monthly installments, to the
23 department of education to be used for school safety as provided in
24 section 15-154 and two hundred thousand dollars is appropriated each
25 fiscal year, to be paid in monthly installments to the department of
26 education to be used for the character education matching grant program as
27 provided in section 15-154.01.

28 7. After transferring monies pursuant to paragraphs 1, 2 and 3 of
29 this subsection, no more than seven million dollars may be appropriated by
30 the legislature each fiscal year to the department of education to be used
31 for accountability purposes as described in section 15-241 and title 15,
32 chapter 9, article 8.

33 8. After transferring monies pursuant to paragraphs 1, 2 and 3 of
34 this subsection, one million five hundred thousand dollars is appropriated
35 each fiscal year, to be paid in monthly installments, to the failing
36 schools tutoring fund established by section 15-241.

37 9. After transferring monies pursuant to paragraphs 1, 2 and 3 of
38 this subsection, twenty-five million dollars shall be transferred each
39 fiscal year to the state general fund to reimburse the general fund for
40 the cost of the income tax credit allowed by section 43-1072.01.

41 10. After the payment of monies pursuant to paragraphs 1 through 9
42 of this subsection, the remaining monies collected during the preceding
43 month shall be transferred to the classroom site fund established by
44 section 15-977. The monies shall be allocated as follows in the manner
45 prescribed by section 15-977:

1 (a) Forty per cent shall be allocated for teacher compensation
2 based on performance.

3 (b) Twenty per cent shall be allocated for increases in teacher
4 base compensation and employee related expenses.

5 (c) Forty per cent shall be allocated for maintenance and operation
6 purposes.

7 F. The department shall credit the remainder of the monies in the
8 transaction privilege and severance tax clearing account to the state
9 general fund, subject to any distribution required by section 42-5030.01.

10 G. Notwithstanding subsection D of this section, if a court of
11 competent jurisdiction finally determines that tax monies distributed
12 under this section were illegally collected under this article or articles
13 5 and 8 of this chapter and orders the monies to be refunded to the
14 taxpayer, the department shall compute the amount of such monies that was
15 distributed to each city, town and county under this section. Each
16 city's, town's and county's proportionate share of the costs shall be
17 based on the amount of the original tax payment each municipality and
18 county received. Each month the state treasurer shall reduce the amount
19 otherwise distributable to the city, town and county under this section by
20 one thirty-sixth of the total amount to be recovered from the city, town
21 or county until the total amount has been recovered, but the monthly
22 reduction for any city, town or county shall not exceed ten percent of the
23 full monthly distribution to that entity. The reduction shall begin for
24 the first calendar month after the final disposition of the case and shall
25 continue until the total amount, including interest and costs, has been
26 recovered.

27 H. On receiving a certificate of default from the greater Arizona
28 development authority pursuant to section 41-2257 or 41-2258 and to the
29 extent not otherwise expressly prohibited by law, the state treasurer
30 shall withhold from the next succeeding distribution of monies pursuant to
31 this section due to the defaulting political subdivision the amount
32 specified in the certificate of default and immediately deposit the amount
33 withheld in the greater Arizona development authority revolving fund. The
34 state treasurer shall continue to withhold and deposit the monies until
35 the greater Arizona development authority certifies to the state treasurer
36 that the default has been cured. In no event may the state treasurer
37 withhold any amount that the defaulting political subdivision certifies to
38 the state treasurer and the authority as being necessary to make any
39 required deposits then due for the payment of principal and interest on
40 bonds of the political subdivision that were issued before the date of the
41 loan repayment agreement or bonds and that have been secured by a pledge
42 of distributions made pursuant to this section.

43 I. Except as provided by sections 42-5033 and 42-5033.01, the
44 population of a county, city or town as determined by the most recent
45 United States decennial census plus any revisions to the decennial census

1 certified by the United States bureau of the census shall be used as the
2 basis for apportioning monies pursuant to subsection D of this section.

3 J. Except as otherwise provided by this subsection, on notice from
4 the department of revenue pursuant to section 42-6010, subsection B, the
5 state treasurer shall withhold from the distribution of monies pursuant to
6 this section to the affected city or town the amount of the penalty for
7 business location municipal tax incentives provided by the city or town to
8 a business entity that locates a retail business facility in the city or
9 town. The state treasurer shall continue to withhold monies pursuant to
10 this subsection until the entire amount of the penalty has been withheld.
11 The state treasurer shall credit any monies withheld pursuant to this
12 subsection to the state general fund as provided by subsection D,
13 paragraph 4 of this section. The state treasurer shall not withhold any
14 amount that the city or town certifies to the department of revenue and
15 the state treasurer as being necessary to make any required deposits or
16 payments for debt service on bonds or other long-term obligations of the
17 city or town that were issued or incurred before the location incentives
18 provided by the city or town.

19 K. On notice from the auditor general pursuant to section 9-626,
20 subsection D, the state treasurer shall withhold from the distribution of
21 monies pursuant to this section to the affected city the amount computed
22 pursuant to section 9-626, subsection D. The state treasurer shall
23 continue to withhold monies pursuant to this subsection until the entire
24 amount specified in the notice has been withheld. The state treasurer
25 shall credit any monies withheld pursuant to this subsection to the state
26 general fund as provided by subsection D, paragraph 4 of this section.

27 L. Except as otherwise provided by this subsection, on notice from
28 the attorney general pursuant to section 41-194.01, subsection B,
29 paragraph 1 that an ordinance, regulation, order or other official action
30 adopted or taken by the governing body of a county, city or town violates
31 state law or the Constitution of Arizona, the state treasurer shall
32 withhold the distribution of monies pursuant to this section to the
33 affected county, city or town and shall continue to withhold monies
34 pursuant to this subsection until the attorney general certifies to the
35 state treasurer that the violation has been resolved. The state treasurer
36 shall redistribute the monies withheld pursuant to this subsection among
37 all other counties, cities and towns in proportion to their population as
38 provided by subsection D of this section. The state treasurer shall not
39 withhold any amount that the county, city or town certifies to the
40 attorney general and the state treasurer as being necessary to make any
41 required deposits or payments for debt service on bonds or other long-term
42 obligations of the county, city or town that were issued or incurred
43 before committing the violation.

1 M. For the purposes of this section, "community college district"
2 means a community college district that is established pursuant to
3 sections 15-1402 and 15-1403 and that is a political subdivision of this
4 state and, unless otherwise specified, includes a community college
5 tuition financing district established pursuant to section 15-1409.

6 Sec. 3. Repeal

7 Section 42-5041, Arizona Revised Statutes, is repealed.

8 Sec. 4. Section 43-1011, Arizona Revised Statutes, is amended to
9 read:

10 43-1011. Taxes and tax rates

11 A. There shall be levied, collected and paid for each taxable year
12 on the entire taxable income of every resident of this state and on the
13 entire taxable income of every nonresident that is derived from sources
14 within this state taxes determined in the following manner:

15 1. For taxable years beginning from and after December 31, 1996
16 through December 31, 1997:

17 (a) In the case of a single person or a married person filing
18 separately:

<u>If taxable income is:</u>	<u>The tax is:</u>
19 \$0 - \$10,000	2.90% of taxable income
20 \$10,001 - \$25,000	\$290, plus 3.30% of the excess 21 over \$10,000
22 \$25,001 - \$50,000	\$785, plus 3.90% of the excess 23 over \$25,000
24 \$50,001 - \$150,000	\$1,760, plus 4.80% of the excess 25 over \$50,000
26 \$150,001 and over	\$6,560, plus 5.17% of the excess 27 over \$150,000

28 (b) In the case of a married couple filing a joint return or a
29 single person who is a head of a household:

<u>If taxable income is:</u>	<u>The tax is:</u>
30 \$0 - \$20,000	2.90% of taxable income
31 \$20,001 - \$50,000	\$580, plus 3.30% of the excess 32 over \$20,000
33 \$50,001 - \$100,000	\$1,570, plus 3.90% of the excess 34 over \$50,000
35 \$100,001 - \$300,000	\$3,520, plus 4.80% of the excess 36 over \$100,000
37 \$300,001 and over	\$13,120, plus 5.17% of the 38 excess over \$300,000

39 2. For taxable years beginning from and after December 31, 1997
40 through December 31, 1998:
41
42

1 (a) In the case of a single person or a married person filing
 2 separately:

<u>If taxable income is:</u>	<u>The tax is:</u>
3 \$0 - \$10,000	2.88% of taxable income
4 \$10,001 - \$25,000	\$288, plus 3.24% of the excess 5 over \$10,000
6 \$25,001 - \$50,000	\$774, plus 3.82% of the excess 7 over \$25,000
8 \$50,001 - \$150,000	\$1,729, plus 4.74% of the excess 9 over \$50,000
10 \$150,001 and over	\$6,469, plus 5.10% of the excess 11 over \$150,000

12
 13 (b) In the case of a married couple filing a joint return or a
 14 single person who is a head of a household:

<u>If taxable income is:</u>	<u>The tax is:</u>
15 \$0 - \$20,000	2.88% of taxable income
16 \$20,001 - \$50,000	\$576, plus 3.24% of the excess 17 over \$20,000
18 \$50,001 - \$100,000	\$1,548, plus 3.82% of the excess 19 over \$50,000
20 \$100,001 - \$300,000	\$3,458, plus 4.74% of the excess 21 over \$100,000
22 \$300,001 and over	\$12,938, plus 5.10% of the 23 excess over \$300,000

24
 25 3. For taxable years beginning from and after December 31, 1998
 26 through December 31, 2005:

27 (a) In the case of a single person or a married person filing
 28 separately:

<u>If taxable income is:</u>	<u>The tax is:</u>
29 \$0 - \$10,000	2.87% of taxable income
30 \$10,001 - \$25,000	\$287, plus 3.20% of the excess 31 over \$10,000
32 \$25,001 - \$50,000	\$767, plus 3.74% of the excess 33 over \$25,000
34 \$50,001 - \$150,000	\$1,702, plus 4.72% of the excess 35 over \$50,000
36 \$150,001 and over	\$6,422, plus 5.04% of the excess 37 over \$150,000

38
 39 (b) In the case of a married couple filing a joint return or a
 40 single person who is a head of a household:

<u>If taxable income is:</u>	<u>The tax is:</u>
41 \$0 - \$20,000	2.87% of taxable income
42 \$20,001 - \$50,000	\$574, plus 3.20% of the excess 43 over \$20,000

1	\$50,001 – \$100,000	\$1,534, plus 3.74% of the excess
2		over \$50,000
3	\$100,001 – \$300,000	\$3,404, plus 4.72% of the excess
4		over \$100,000
5	\$300,001 and over	\$12,844, plus 5.04% of the
6		excess over \$300,000

7 4. For taxable years beginning from and after December 31, 2005
 8 through December 31, 2006:

9 (a) In the case of a single person or a married person filing
 10 separately:

11	<u>If taxable income is:</u>	<u>The tax is:</u>
12	\$0 – \$10,000	2.73% of taxable income
13	\$10,001 – \$25,000	\$273, plus 3.04% of the excess
14		over \$10,000
15	\$25,001 – \$50,000	\$729, plus 3.55% of the excess
16		over \$25,000
17	\$50,001 – \$150,000	\$1,617, plus 4.48% of the excess
18		over \$50,000
19	\$150,001 and over	\$6,097, plus 4.79% of the excess
20		over \$150,000

21 (b) In the case of a married couple filing a joint return or a
 22 single person who is a head of a household:

23	<u>If taxable income is:</u>	<u>The tax is:</u>
24	\$0 – \$20,000	2.73% of taxable income
25	\$20,001 – \$50,000	\$546, plus 3.04% of the excess
26		over \$20,000
27	\$50,001 – \$100,000	\$1,458, plus 3.55% of the excess
28		over \$50,000
29	\$100,001 – \$300,000	\$3,233, plus 4.48% of the excess
30		over \$100,000
31	\$300,001 and over	\$12,193, plus 4.79% of the
32		excess over \$300,000

33 5. Subject to subsections B and C of this section, for taxable
 34 years beginning from and after December 31, 2006 through December 31,
 35 2018:

36 (a) In the case of a single person or a married person filing
 37 separately:

38	<u>If taxable income is:</u>	<u>The tax is:</u>
39	\$0 – \$10,000	2.59% of taxable income
40	\$10,001 – \$25,000	\$259, plus 2.88% of the excess
41		over \$10,000
42	\$25,001 – \$50,000	\$691, plus 3.36% of the excess
43		over \$25,000
44	\$50,001 – \$150,000	\$1,531, plus 4.24% of the excess
45		over \$50,000

1 C. For each taxable year beginning from and after December 31, 2015
2 through December 31, 2018, the department shall adjust the income dollar
3 amounts for each rate bracket prescribed by subsection A, paragraph 5 of
4 this section according to the average annual change in the metropolitan
5 Phoenix consumer price index published by the United States department of
6 labor, bureau of labor statistics. The revised dollar amounts shall be
7 raised to the nearest whole dollar. The income dollar amounts for each
8 rate bracket may not be revised below the amounts prescribed in the prior
9 taxable year.

10 D. For each taxable year beginning from and after December 31,
11 2019, the department shall adjust the income dollar amount for each rate
12 bracket prescribed by subsection A, paragraph 6 of this section according
13 to the average annual change in the metropolitan Phoenix consumer price
14 index published by the United States department of labor, bureau of labor
15 statistics. The revised dollar amounts shall be raised to the nearest
16 whole dollar. The income dollar amounts for each rate bracket may not be
17 revised below the amounts prescribed in the prior taxable year.

18 E. FOR EACH TAXABLE YEAR BEGINNING FROM AND AFTER DECEMBER 31,
19 2020, FOR TAXABLE INCOME THAT IS SUBJECT TO THE INCOME TAX SURCHARGE
20 IMPOSED BY SECTION 43-1013, THE COMBINED TAX RATE OF THE INCOME TAX
21 SURCHARGE IMPOSED BY SECTION 43-1013 AND THE HIGHEST TAX RATE IMPOSED BY
22 SUBSECTION A, PARAGRAPH 6, 7, 8 OR 9 OF THIS SECTION MAY NOT EXCEED FOUR
23 AND ONE-HALF PERCENT. IF THE COMBINED TAX RATE EXCEEDS FOUR AND ONE-HALF
24 PERCENT, THE HIGHEST TAX RATE IMPOSED BY SUBSECTION A, PARAGRAPH 6, 7, 8
25 OR 9 OF THIS SECTION SHALL BE REDUCED SO THAT THE COMBINED TAX RATE IS
26 FOUR AND ONE-HALF PERCENT. THE DEPARTMENT MAY ADOPT RULES PURSUANT TO
27 TITLE 41, CHAPTER 6 TO CARRY OUT THIS SUBSECTION.

28 Sec. 5. Laws 2016, chapter 125, section 21, as amended by Laws
29 2017, chapter 215, section 1, is amended to read:

30 Sec. 21. Veterans' income tax settlement fund; exemption from
31 lapsing

32 A. The veterans' income tax settlement fund is established
33 consisting of monies appropriated by the legislature and other monies
34 donated or accruing to the fund. Monies in the fund are continuously
35 appropriated to the department of revenue for the purposes of Laws 2016,
36 chapter 125, sections 19 through 27.

37 B. The department of revenue shall administer the fund. On notice
38 from the department, the state treasurer shall invest and divest monies in
39 the fund as provided by section 35-313, Arizona Revised Statutes, and
40 monies earned from investment shall be credited to the fund. Monies in
41 the fund are exempt from the provisions of section 35-190, Arizona Revised
42 Statutes, relating to lapsing of appropriations, except that unexpended
43 and unencumbered monies remaining in the fund on June 30, ~~2021~~ 2023 revert
44 to the state general fund.

1 C. Five percent of the monies in the fund at the beginning of each
2 fiscal year are appropriated separately to both the department of revenue
3 and the department of veterans' services for administrative costs incurred
4 under Laws 2016, chapter 125, sections 19 through 27 ~~of this act~~ during
5 the fiscal year. Any unexpended and unencumbered balance of either
6 appropriation remaining at the end of the fiscal year reverts to the fund.

7 Sec. 6. Laws 2016, chapter 125, section 22, as amended by Laws
8 2017, chapter 215, section 2, is amended to read:

9 Sec. 22. Income tax settlement claims; requirements;
10 procedure; approval or denial of claim

11 A. A veteran or, if the veteran is deceased, the veteran's
12 surviving spouse, personal representative, executor or other official
13 representative of the estate, as designated pursuant to applicable state
14 or tribal law or tradition, may file a claim for a settlement payment for
15 any period of active duty in the armed forces of the United States during
16 which the veteran:

17 1. Was an enrolled member of a tribe.

18 2. Maintained a domicile within the boundaries of the veteran's
19 reservation or the reservation of the veteran's spouse or within the
20 boundaries of lands held in trust by the United States for the benefit of
21 the veteran, the veteran's spouse or the tribe of the veteran or spouse.

22 3. Had Arizona state income tax withheld from the veteran's active
23 duty military pay on or after July 1, 1977 and before January 1, 2006, and
24 the amount withheld:

25 (a) Has not already been refunded to the veteran or the deceased
26 veteran's estate.

27 (b) Cannot be claimed as a refund by filing a state income tax
28 return because the period for filing a claim for refund has lapsed under
29 the applicable statute of limitations.

30 B. The claim for a settlement payment must include evidence of the
31 veteran's eligibility for and the amount of the claim as follows:

32 1. The claimant must provide a copy of the veteran's certificate of
33 release or discharge from active duty (DD Form 214) or other proof of
34 service provided by the United States department of defense and approved
35 by the department of veterans' services. If a claimant does not have a
36 copy of the veteran's DD Form 214 or other proof of service, the claimant
37 may request that the department of veterans' services request the
38 veteran's DD Form 214 or other proof of service from the United States
39 department of defense.

40 2. The claimant must provide a statement, signed by the claimant,
41 that the veteran is or was duly registered on the tribal rolls of a tribe
42 during the period or periods of the veteran's active duty in the armed
43 forces.

1 3. The claimant must provide evidence of domicile within the
2 boundaries of the veteran's reservation or the reservation of the
3 veteran's spouse or within the boundaries of lands held in trust by the
4 United States for the benefit of the veteran, the veteran's spouse or the
5 tribe of the veteran or spouse during the taxable years the state income
6 tax was withheld from active duty military pay. If the veteran's address
7 shown on the veteran's DD Form 214 or other proof of service:

8 (a) Is on the veteran's tribal land, that evidence is sufficient
9 for the purposes of this paragraph.

10 (b) Is not on the veteran's tribal land or if the veteran has no
11 DD Form 214 and the claimant cannot otherwise establish that the veteran's
12 domicile was on the veteran's tribal land, the claimant must provide a
13 signed statement, under penalty of perjury, that the veteran was domiciled
14 on tribal land during the period or periods the state income tax was
15 withheld. The statement must include the veteran's address on the tribal
16 land for each period, and an official designated by the tribe must attest
17 that each address is on tribal land.

18 4. The claimant must provide evidence of the amount of state income
19 tax withheld from active duty military pay by providing copies of the
20 United States internal revenue service Form W-2 covering active duty
21 military pay for the year or years during which state personal income tax
22 was withheld. If the claimant does not have copies of the applicable Form
23 W-2 for one or more of those years, the claimant may request that the
24 department of revenue obtain the veteran's Form W-2, or other withholding
25 information in a form approved by the department of revenue, from the
26 United States department of defense.

27 5. The claimant must provide a signed statement attesting, under
28 penalty of perjury, that the veteran has not received a refund of the
29 state income tax withheld for the years for which the claimant is filing a
30 claim for a settlement payment.

31 C. A claim for settlement payment under this section must be filed
32 by the eligible veteran or, if the veteran is deceased, by the veteran's
33 surviving spouse, successor or other personal representative. The
34 following apply if the claim is made for a deceased veteran:

35 1. The claimant must include a copy of the veteran's death
36 certificate or other proof of death.

37 2. If the veteran's estate exceeds ~~thirty thousand dollars~~ \$30,000,
38 only the surviving spouse, personal representative, executor or other
39 official representative of the estate, as designated pursuant to
40 applicable state or tribal law or tradition, may file the claim.

41 3. If the claimant is a successor who is not the surviving spouse,
42 personal representative, executor or other official representative of the
43 estate, the claimant must include a dated and notarized statement, signed
44 under penalty of perjury, that:

1 (a) The value of the entire probate estate of the deceased veteran,
2 wherever located, minus liens and encumbrances, does not exceed ~~thirty~~
3 ~~thousand dollars~~ \$30,000.

4 (b) At least thirty days have elapsed since the veteran's death.

5 (c) The successor is entitled to receive the settlement payment.

6 4. If the claimant is a personal representative, executor or other
7 official representative of the estate, the claimant must include:

8 (a) A signed, dated and notarized statement that the claimant has
9 been duly appointed as the personal representative, executor or other
10 representative of the veteran's estate pursuant to applicable state or
11 tribal law or tradition.

12 (b) A copy of the claimant's appointment.

13 D. A claim for a settlement payment shall be denied for any amount
14 of withholding tax that can be claimed as a refund by filing a state
15 income tax return pursuant to title 43, Arizona Revised Statutes. A state
16 income tax return may be filed by a veteran to claim the refund by the
17 later of December 31 of the year three years after:

18 1. The veteran separated from military service.

19 2. The year in which Arizona withholding tax was withheld from the
20 veteran's active duty pay.

21 E. A claim for a settlement payment must be made on a claim form
22 prescribed by the department of revenue and filed with the department of
23 veterans' services.

24 F. The department of veterans' services shall not accept claims
25 submitted from and after December 31, ~~2019~~ 2022.

26 G. Within two hundred ten days after receiving a complete and
27 correct claim form, the department of veterans' services shall determine
28 whether the claim meets the requirements of subsection B, paragraphs 1, 2
29 and 3 of this section, transmit qualifying claim forms to the department
30 of revenue and notify the claimant of the department's approval or denial.
31 The failure of the department of veterans' services to respond within two
32 hundred ten days after receiving a complete and correct claim form is
33 considered to be a denial.

34 H. Within two hundred ten days after receiving the claim form from
35 the department of veterans' services, the department of revenue shall
36 determine whether the claim meets the requirements of subsection A,
37 paragraph 3 and subsection B, paragraphs 4 and 5 of this section and
38 notify the claimant and the department of veterans' services of its
39 approval or denial. The failure of the department of revenue to respond
40 within two hundred ten days after receiving the claim form is considered
41 to be a denial.

1 Sec. 7. Laws 2016, chapter 125, section 26, as amended by Laws
2 2017, chapter 215, section 3, is amended to read:

3 Sec. 26. Veterans' income tax settlement; annual reports

4 The director of the department of revenue shall report the following
5 information to the senate appropriations and finance committees and to the
6 house of representatives appropriations and ways and means committees on
7 or before October 1 in each of years 2017 through ~~2021~~ 2023:

8 1. Estimates of the amount of state income tax withholdings subject
9 to payments under Laws 2016, chapter 125, sections 22 and 23.

10 2. The number of veterans affected by withholdings subject to
11 payments under Laws 2016, chapter 125, sections 22 and 23.

12 3. Expenditures from the veterans' income tax settlement fund
13 during the previous fiscal year.

14 4. Anticipated expenditures from the veterans' income tax
15 settlement fund during the current fiscal year.

16 5. Anticipated appropriations to the fund necessary to meet
17 expected payments in the next fiscal year.

18 Sec. 8. Laws 2016, chapter 125, section 28, as amended by Laws
19 2017, chapter 215, section 4, is amended to read:

20 Sec. 28. Repeal

21 ~~Laws 2016, chapter 125, sections 19 through 26~~ THE FOLLOWING are
22 repealed from and after December 31, ~~2021~~ 2023:

23 1. LAWS 2016, CHAPTER 125, SECTION 19.

24 2. LAWS 2016, CHAPTER 125, SECTION 20.

25 3. LAWS 2016, CHAPTER 125, SECTION 21, AS AMENDED BY LAWS 2017,
26 CHAPTER 215, SECTION 1 AND THIS ACT.

27 4. LAWS 2016, CHAPTER 125, SECTION 22, AS AMENDED BY LAWS 2017,
28 CHAPTER 215, SECTION 2 AND THIS ACT.

29 5. LAWS 2016, CHAPTER 125, SECTION 23.

30 6. LAWS 2016, CHAPTER 125, SECTION 24.

31 7. LAWS 2016, CHAPTER 125, SECTION 25.

32 8. LAWS 2016, CHAPTER 125, SECTION 26, AS AMENDED BY LAWS 2017,
33 CHAPTER 215, SECTION 3 AND THIS ACT.

34 Sec. 9. Department of gaming regulatory assessment;
35 pari-mutuel pool

36 Notwithstanding any other law, in fiscal year 2021-2022, the
37 department of gaming shall establish and collect a regulatory assessment
38 from each commercial racing permittee, payable from amounts deducted from
39 pari-mutuel pools by the permittee, in addition to the amounts the
40 permittee is authorized to deduct pursuant to section 5-111, subsection B,
41 Arizona Revised Statutes, from amounts wagered on live and simulcast races
42 from in-state and out-of-state wagering handled by the permittee, in the
43 amount of 0.5 percent of the amounts wagered.

1 Sec. 10. Agricultural fees; continuation; intent; rulemaking
2 exemption

3 A. Notwithstanding any other law, the director of the Arizona
4 department of agriculture, with the assistance of the department of
5 agriculture advisory council, may continue, increase or lower existing
6 fees from fiscal years 2019-2020 and 2020-2021 in fiscal year 2021-2022
7 for services provided in fiscal year 2021-2022.

8 B. The legislature intends that the additional revenue generated by
9 the fees prescribed in subsection A of this section not exceed \$218,000 to
10 the state general fund, \$113,000 to the pesticide trust fund established
11 by section 3-350, Arizona Revised Statutes, and \$26,000 to the dangerous
12 plants, pests and diseases trust fund established by section 3-214.01,
13 Arizona Revised Statutes, in fiscal year 2021-2022.

14 C. The Arizona department of agriculture is exempt from the
15 rulemaking requirements of title 41, chapter 6, Arizona Revised Statutes,
16 until July 1, 2022 for the purpose of establishing fees pursuant to this
17 section.

18 Sec. 11. County fiscal obligations; report

19 A. Notwithstanding any other law, for fiscal year 2021-2022, a
20 county with a population of less than two hundred fifty thousand persons
21 according to the 2010 United States decennial census may meet any county
22 fiscal obligation from any source of county revenue designated by the
23 county, including monies of any countywide special taxing jurisdiction of
24 which the board of supervisors serves as the board of directors. Under
25 the authority provided in this subsection, a county may not use more than
26 \$1,250,000 for purposes other than the purposes of the revenue source.

27 B. On or before October 1, 2021, each county with a population of
28 less than two hundred fifty thousand persons according to the 2010 United
29 States decennial census shall report to the director of the joint
30 legislative budget committee whether the county used a revenue source for
31 purposes other than the purposes of the revenue source to meet a county
32 fiscal obligation pursuant to subsection A of this section and, if so, the
33 specific source and amount of revenues that the county intends to use in
34 fiscal year 2021-2022.

35 Sec. 12. City of Flagstaff; local minimum wage assessment;
36 retroactivity

37 A. Pursuant to section 35-121.01, Arizona Revised Statutes, the
38 department of administration shall assess and collect the amount of
39 \$1,110,992 from the City of Flagstaff in fiscal year 2021-2022 to
40 reimburse this state for costs to this state attributable to the
41 establishment of a minimum wage that exceeds the minimum wage established
42 by this state pursuant to section 23-363, Arizona Revised Statutes.

43 B. This section applies retroactively to from and after June 30,
44 2021.

1 Sec. 13. Exemption from rulemaking

2 A. Notwithstanding any other law, for the purposes of title 23,
3 chapter 11, Arizona Revised Statutes, as added by this act, the industrial
4 commission of Arizona is exempt from the rulemaking requirements of title
5 41, chapter 6, Arizona Revised Statutes, for one year after the effective
6 date of this act, except that the commission shall provide the public with
7 a reasonable opportunity to comment on proposed rules and shall publish
8 otherwise exempt rules.

9 B. Notwithstanding any other law, for the purposes of section
10 43-1011, subsection E, Arizona Revised Statutes, as added by this act, the
11 department of revenue is exempt from the rulemaking requirements of title
12 41, chapter 6, Arizona Revised Statutes, for one year after the effective
13 date of this act.

14 Sec. 14. Legislative intent

15 The legislature intends that:

16 1. Title 23, chapter 11, Arizona Revised Statutes, as added by this
17 act, does not convey any responsibility of firefighter cancer compensation
18 and benefits claims onto this state. All costs incurred shall be paid for
19 by monies collected from cities and towns pursuant to section 23-1703,
20 Arizona Revised Statutes, as added by this act.

21 2. Any monies in the municipal firefighter cancer reimbursement
22 fund established by section 23-1702, Arizona Revised Statutes, as added by
23 this act, are not subject to transfer from the municipal firefighter
24 cancer reimbursement fund to the state general fund in any fiscal year.

25 Sec. 15. Retroactivity

26 A. Title 23, chapter 11, Arizona Revised Statutes, as added by this
27 act, section 42-5029, Arizona Revised Statutes, as amended by this act,
28 and section 42-5041, Arizona Revised Statutes, as repealed by this act,
29 apply retroactively to from and after June 30, 2021.

30 B. The following apply retroactively to from and after December 31,
31 2019:

32 1. Laws 2016, chapter 125, section 21, as amended by Laws 2017,
33 chapter 215, section 1 and this act.

34 2. Laws 2016, chapter 125, section 22, as amended by Laws 2017,
35 chapter 215, section 2 and this act.

36 3. Laws 2016, chapter 125, section 26, as amended by Laws 2017,
37 chapter 215, section 3 and this act.

38 4. Laws 2016, chapter 125, section 28, as amended by Laws 2017,
39 chapter 215, section 4 and this act.

APPROVED BY THE GOVERNOR JUNE 30, 2021.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 30, 2021.

Passed the House June 24, 20 21,

by the following vote: 31 Ayes,
29 Nays, 0 Not Voting

[Signature]
Speaker of the House
No Tenure

[Signature]
Chief Clerk of the House

Passed the Senate June 22, 20 21,

by the following vote: 16 Ayes,
14 Nays, 0 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this
28 day of June, 20 21,

at 12:52 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 30 day of
June, 20 21,

at 9:12 o'clock A M.

[Signature]
Governor of Arizona

S.B. 1827

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 30th day of June, 20 21,

at 4:00 o'clock P M.

[Signature]
Secretary of State