The undersigned intends to circulate and file an initiative petition and hereby makes application for the issuance of an official serial number to be printed in the lower right-hand corner of each side of each signature sheet of such petition. Attached hereto is the full title and text, in no less than eight point type, of the measure or constitutional amendment intended to be initiated at the next general election.

The One Fair Wage Act expands the coverage of the current state minimum wage law. It gradually raises the minimum wage paid to tipped employees to be equal to that of other employees covered by state minimum wage law. Currently, tipped employees may be paid $3 per hour less than other covered employees. The Act will require them to be paid at the same rate as others by 2028. The Act also requires small businesses, including those exempt from paying the federal minimum wage, to pay the state minimum wage. The Act raises the state minimum wage to $18 per hour starting on January 1, 2025, and continues to increase the minimum wage based on inflation as measured by the consumer price index. The Act makes clear that the state minimum wage applies regardless of the individual earner's age, status as a learner, apprentice, vocational trainee or other status wherein the individual provides labor regardless of any benefit to the individual, but the state minimum wage does not apply to independent contractors. The Act also defines "individual," "tip," and "tipped employee."

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Raise the Wage AZ
Committee Name
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Committee ID No.
Jeffrey Robinson
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By submitting this Application for Serial Number and checking all boxes below, I acknowledge the following:

✔ That I have received and will review the accompanying Instructions for Statewide Initiatives, including the Secretary of State's recommended best practices for printing copies of the Statewide Initiative Petition to be circulated.

✔ That at the time of filing, I was provided instructions regarding accurate completion of the Statewide Initiative Petition form.

Monse Vejar
Applicant Signature

September 30, 2022
Date
AN INITIATIVE MEASURE
AMENDING SECTIONS 23-362 AND 23-363, ARIZONA REVISED STATUTES; RELATING TO MINIMUM WAGE
AND ASSOCIATED DEFINITIONS

Be it enacted by the People of the State of Arizona:

Section 1. Section 23-362, Arizona Revised Statutes, is amended to read:

Section 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 TRIBAL ENTITY.

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 § 206(a) of title 29 of the United States Code.

D. C. "Employ" includes MEANS 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, ANYWHERE IN THE STATE OF ARIZONA, REGARDLESS OF THE INDIVIDUAL'S AGE, STATUS AS A LEARNER, APPRENTICE, VOCATIONAL TRAINEE OR OTHER STATUS WHEREIN THAT INDIVIDUAL PROVIDES LABOR REGARDLESS OF ANY BENEFIT TO THE INDIVIDUAL. "EMPLOY" DOES NOT INCLUDE CONTRACTING FOR WORK WITH AN INDEPENDENT CONTRACTOR, but the burden of proof shall be upon the party for whom the work is performed to show independent contractor status by clear and convincing evidence.

D. "INDIVIDUAL" MEANS A NATURAL PERSON.

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.

H. "TIP" MEANS A VERIFIABLE SUM PRESENTED BY A CUSTOMER AS A GIFT OR VOLUNTARY GRATUITY IN RECOGNITION OF SOME SERVICE PERFORMED FOR OR ON BEHALF OF THE CUSTOMER.

I. "TIPPED EMPLOYEE" MEANS AN EMPLOYEE WHO CUSTOMARILY AND REGULARLY RECEIVES MORE THAN THIRTY ($30.00) DOLLARS PER WEEK IN TIPS, HAS BEEN INFORMED BY THE EMPLOYER IN WRITING ABOUT THE TIP REQUIREMENTS OF THIS ARTICLE, RETAINS ALL TIPS RECEIVED, AND WHOSE TOTAL COMPENSATION (THE SUM OF WAGES AND TIPS) IS NOT LESS THAN THE MINIMUM WAGE.

Sec. 2. Section 23-363, Arizona Revised Statutes, is amended to read:

Section 23-363. Wages

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

1. $40 16 on and after January 1, 2012 2025.
2. $40 60 17 on and after January 1, 2018 2026.
3. $44 18 on and after January 1, 2019 2027.
4. $42 on and after January 1, 2020--

B. The minimum wage shall be increased on January 1, 2021 2028 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 increase the minimum wage at 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 $2.00 per hour less than the minimum wage ON THE SCHEDULE THAT FOLLOWS 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. THE MINIMUM WAGE FOR TIPPED EMPLOYEES, EXCLUDING ANY TIPS RECEIVED BY THE EMPLOYEE, SHALL NOT BE LESS THAN:

1. $14 ON JANUARY 1, 2025
2. $16 ON JANUARY 1, 2026

3. ON AND AFTER JANUARY 1, 2027, TIPPED WORKERS MUST BE PAID AT LEAST THE MINIMUM WAGE.

Sec. 3. Conflicts with federal law

This act shall not be interpreted or applied so as to create any power or duty in conflict with federal law.

Sec. 4. 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.

Sec. 5. Saving clause

This act applies prospectively only. Accordingly, it does not affect rights and duties that matured before the effective date of this act, contracts entered into before the effective date of this act or the interest rate on judgments that are based on a written agreement entered into before the effective date of this act.

Sec. 6. Legal defense

The People of Arizona desire that this initiative, if approved by the voters, be defended if it is challenged in court. They therefore declare that the political committee registered to circulate petitions and campaign in support of the adoption of the initiative, or any one or more of its officers, has standing to defend this initiative on behalf of and as the agent of the People of Arizona in any legal action brought to challenge the validity of this initiative.

Sec. 7. Short title

This act may be cited as the One Fair Wage Act.