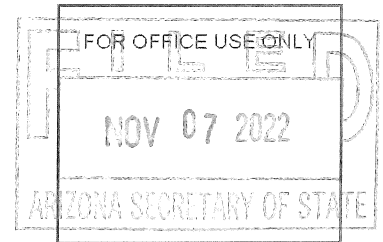




STATE OF ARIZONA

Application for Serial Number Initiative Petition A.R.S. § 19-111



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.

Statutory Measure [checked] Constitutional Amendment [unchecked]
Date of Application: November 7, 2022
Signatures Required: TBD
Deadline for Filing: July 3, 2024
Serial Number Issued: I-02-2024

The One Fair Wage Act raises the minimum wage by \$1 over cost of living increases in 2025 and 2026 and leaves cost of living increases in place thereafter. For tipped employees, it raises the minimum wage employers must pay tipped employees regardless of tips employees earn. Currently, employers may count up to \$3 per hour of a tipped employee's tips to offset the employer's minimum wage obligation. The Act gradually reduces the amount of the employer's offset due to tips until the employer is required to pay the full minimum wage and employees keep all of their tips on top of that wage. The Act expands coverage of the minimum wage, removing the small business exception. It explicitly exempts tribal entities as employers for purposes of the minimum wage law, and leaves in place the exemption for the state and federal governments. It makes clear that the state minimum wage applies regardless of the individual'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 continues to not apply to independent contractors. Defines terms; repeals old version of section 23-362.

Monse Vejar

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Raise the Wage AZ

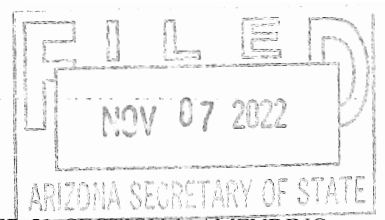
Committee Name: Raise the Wage AZ
Committee ID No.: 101257
Chairperson: Jeffrey Robinson
Treasurer: Monse Vejar
Committee Address: 401 West Baseline Road, Suite 205
City: Tempe AZ 85283
Committee Telephone Number: 480.550.5165
Committee E-mail Address: james@bartonmendezsoto.com

By submitting this Application for Serial Number and checking all boxes below, I acknowledge the following:

- [checked] 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.
[checked] That at the time of filing, I was provided instructions regarding accurate completion of the Statewide Initiative Petition form.

Monse Vejar
Applicant Signature

November 7, 2022
Date



AN INITIATIVE MEASURE

REPEALING SECTION 23-362, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 1997, CHAPTER 51, SECTION 1; AMENDING SECTION 23-362, ARIZONA REVISED STATUTES, AS ADDED BY PROPOSITION 202, SECTION 2, ELECTION OF NOVEMBER 7, 2006; AMENDING SECTION 23-363, ARIZONA REVISED STATUTES; RELATING TO THE MINIMUM WAGE AND ASSOCIATED DEFINITIONS

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

Section 1. Repeal Section 23-362, Arizona Revised Statutes, as added by Laws 1997, chapter 51, section 1, is repealed.

~~Section 23-362. Minimum wage prohibition~~

~~A. The legislature declares that the establishment of a uniform minimum wage is a matter of statewide concern.~~

~~B. No political subdivision of this state may establish, mandate or otherwise require a minimum wage that exceeds the federal minimum wage prescribed in 29 United States Code section 206.~~

Sec. 2. Section 23-362, Arizona Revised Statutes, as added by Proposition 202, section 2, election of November 7, 2006, is amended to read:

Section 23-362. Definitions

~~As used~~ In this article, unless the context otherwise requires:

~~G.~~ 1. "Commission" means the industrial commission of Arizona, OR any successor agency, or such other agency as the governor shall designate DESIGNATES to implement this article.

~~D.~~ 2. "Employ" ~~includes~~:

(a) MEANS to suffer or permit AN INDIVIDUAL 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 THIS STATE, 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.

(b) 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.

~~A.~~ 3. "Employee":

(a) ~~m~~Means any person who is or was employed by an employer.

(b) ~~but d~~Does not include any person who EITHER:

(i) is employed by a parent or a sibling.

(ii) PERFORMS, ~~or who is employed performing~~ babysitting services in the employer's home on a casual basis.

~~B.~~ 4. "Employer":

(a) ~~i~~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~~

(b) ~~d~~Does not include the THIS 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 section 206(a) of title 29 of the United States Code.

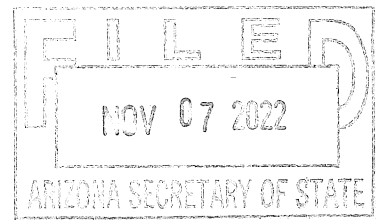
5. "INDIVIDUAL" MEANS A NATURAL PERSON.

~~F.~~ 6. "Law enforcement officer" means the attorney general, a city attorney, a county attorney or a town attorney.

7. "TIP" MEANS A VERIFIABLE SUM PRESENTED TO AN EMPLOYEE BY A PATRON OR OTHERS AS A GIFT OR VOLUNTARY GRATUITY IN RECOGNITION OF SOME SERVICE PERFORMED FOR OR ON BEHALF OF THE PATRON OR OTHERS BY THE EMPLOYEE.

8. "TIPPED EMPLOYEE" MEANS AN EMPLOYEE WHO CUSTOMARILY AND REGULARLY RECEIVES MORE THAN \$30.00 PER WEEK IN TIPS, WHO HAS BEEN INFORMED BY THE EMPLOYER IN WRITING ABOUT THE TIP REQUIREMENTS OF THIS ARTICLE, WHO RETAINS ALL TIPS RECEIVED, AND WHOSE TOTAL COMPENSATION IS AT LEAST THE MINIMUM WAGE. FOR PURPOSES OF THIS PARAGRAPH "TOTAL COMPENSATION" MEANS THE SUM OF WAGES AND TIPS.

~~E.~~ 9. "Wage" means monetary compensation due to an employee by reason of employment, including an employee's commissions, but not tips or gratuities.



Sec. 3. Section 23-363, Arizona Revised Statutes, is amended to read:

Section 23-363. Minimum Wage

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

- 1. \$10 on and after January 1, 2017.
- 2. \$10.50 on and after January 1, 2018.
- 3. \$11 on and after January 1, 2019.
- 4. \$12 on and after January 1, 2020.

B. The minimum wage shall be increased on January 1, 2021 and on January 1 of successive years, by the increase in the cost of living AS DESCRIBED IN SUBSECTION C. IN ADDITION, ON JANUARY 1, 2025, AND AGAIN ON JANUARY 1, 2026, THE MINIMUM WAGE SHALL INCREASE BY \$1 AFTER THE INCREASE ATTRIBUTABLE TO THE COST OF LIVING ISSUED PURSUANT TO THIS SUBSECTION AND SUBSECTION C.

C. 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. UNITED STATES city average for all items) or its successor index as published by the U.S. UNITED STATES 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. IF THE CHANGE IN THE COST OF LIVING AS MEASURED IN THIS SUBSECTION IS NEGATIVE, THE MINIMUM WAGE WILL REMAIN UNCHANGED FOR THAT YEAR.

~~E.~~ D. 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 AS PRESCRIBED IN THIS SUBSECTION 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~~ AT LEAST the minimum wage for all hours worked. Compliance with this ~~provision will be~~ SUBSECTION IS 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. EXCLUDING ANY TIPS RECEIVED BY THE EMPLOYEE, EMPLOYERS SHALL PAY TIPPED EMPLOYEES AT LEAST:

- 1. \$3.00 PER HOUR LESS THAN THE MINIMUM WAGE DESCRIBED IN SUBSECTION B, ON OR BEFORE DECEMBER 31, 2024.
- 2. \$2.00 PER HOUR LESS THAN THE MINIMUM WAGE DESCRIBED IN SUBSECTION B, ON AND AFTER JANUARY 1, 2025 THROUGH DECEMBER 31, 2025.
- 3. \$1.00 PER HOUR LESS THAN THE MINIMUM WAGE DESCRIBED IN SUBSECTION B, ON AND AFTER JANUARY 1, 2026 THROUGH DECEMBER 31, 2026.
- 4. THE MINIMUM WAGE DESCRIBED IN SUBSECTION B, ON AND AFTER JANUARY 1, 2027.

Sec. 4. 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. 5. 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. 6. 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. 7. 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. 8. Short title

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