

REFERENCE TITLE: minimum wage; disabilities; trust fund

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

SB 1613

Introduced by
Senators Pesquiera: Aboud, Soltero; Representative Prezelski

AN ACT

AMENDING SECTION 23-363, ARIZONA REVISED STATUTES; RELATING TO MINIMUM WAGES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Subject to the requirements of article IV, part 1, section
3 1, Constitution of Arizona, section 23-363, Arizona Revised Statutes, is
4 amended to read:

5 23-363. Minimum wage

6 A. EXCEPT AS PROVIDED IN SUBSECTION D, employers shall pay employees
7 no less than the minimum wage, which shall be six dollars and seventy-five
8 cents (\$6.75) an hour beginning on January 1, 2007.

9 B. The minimum wage shall be increased on January 1, 2008 and on
10 January 1 of successive years by the increase in the cost of living. The
11 increase in the cost of living shall be measured by the percentage increase
12 as of August of the immediately preceding year over the level as of August of
13 the previous year of the consumer price index (all urban consumers, U.S. city
14 average for all items) or its successor index as published by the U.S.
15 department of labor or its successor agency, with the amount of the minimum
16 wage increase rounded to the nearest multiple of five cents.

17 C. For any employee who customarily and regularly receives tips or
18 gratuities from patrons or others, the employer may pay a wage up to \$3.00
19 per hour less than the minimum wage if the employer can establish by its
20 records of charged tips or by the employee's declaration for federal
21 insurance contributions act (FICA) purposes that for each week, when adding
22 tips received to wages paid, the employee received not less than the minimum
23 wage for all hours worked. Compliance with this provision will be determined
24 by averaging tips received by the employee over the course of the employer's
25 payroll period or any other period selected by the employer that complies
26 with regulations adopted by the commission.

27 D. AN EMPLOYER MAY PAY A WAGE THAT IS LOWER THAN THE MINIMUM WAGE
28 PRESCRIBED IN SUBSECTION A TO AN EMPLOYEE WHO HAS A DISABILITY AND WHO IS
29 COVERED BY A SPECIAL CERTIFICATE THAT IS ISSUED UNDER SECTION 14(c) OF THE
30 FAIR LABOR STANDARDS ACT OF 1938 (29 UNITED STATES CODE SECTION 214(c)). THE
31 EMPLOYER SHALL PAY A WAGE UNDER THIS SUBSECTION THAT IS BASED ON THE
32 EMPLOYEE'S PRODUCTIVITY LEVEL AS DETERMINED BY FEDERAL STANDARDS. THE
33 EMPLOYER SHALL DEPOSIT IN A SEPARATE TRUST FUND FOR THE EMPLOYEE AN AMOUNT
34 THAT IS EQUAL TO THE DIFFERENCE BETWEEN THE AMOUNT REQUIRED UNDER SUBSECTION
35 A AND THE AMOUNT PAID TO THE EMPLOYEE UNDER THIS SUBSECTION. THE TRUST FUND
36 SHALL INURE TO THE BENEFIT OF THE EMPLOYEE AND SHALL BE ADMINISTERED BY THE
37 EMPLOYEE'S PARENTS OR BY ANOTHER ADULT MEMBER OF THE EMPLOYEE'S FAMILY.

38 Sec. 2. Requirements for enactment; three-fourths vote

39 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
40 section 23-363, Arizona Revised Statutes, as amended by this act, is
41 effective only on the affirmative vote of at least three-fourths of the
42 members of each house of the legislature.