State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

CHAPTER 203

HOUSE BILL 2579

AN ACT

AMENDING SECTIONS 23-204, 23-350 AND 23-357, ARIZONA REVISED STATUTES;
RELATING TO THE PAYMENT OF WAGES.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 23-204, Arizona Revised Statutes, is amended to read:

23-204. Employee benefits; state preemption; exemption; definition

A. The regulation of employee benefits, including NONWAGE compensation, paid and unpaid leave and other absences, meal breaks and rest periods, is of statewide concern. The regulation of NONWAGE employee benefits pursuant to this chapter and federal law is not subject to further regulation by a city, town or other political subdivision of this state.

B. This section does not apply to any employee benefit, including NONWAGE compensation, paid and unpaid leave and other absences, meal breaks and rest periods, provided by a city, town or other political subdivision of this state to any of its employees.

C. FOR THE PURPOSES OF THIS SECTION, "NONWAGE COMPENSATION" INCLUDES FRINGE BENEFITS, WELFARE BENEFITS, CHILD OR ADULT CARE PLANS, SICK PAY, VACATION PAY, SEVERANCE PAY, COMMISSIONS, BONUSES, RETIREMENT PLAN OR PENSION CONTRIBUTIONS, OTHER EMPLOYMENT BENEFITS PROVIDED IN 29 UNITED STATES CODE SECTION 2611 AND OTHER AMOUNTS PROMISED TO THE EMPLOYEE THAT ARE MORE THAN THE MINIMUM COMPENSATION DUE AN EMPLOYEE BY REASON OF EMPLOYMENT.

Sec. 2. Section 23-350, Arizona Revised Statutes, is amended to read:

23-350. Definitions

In this article, unless the context otherwise requires:

1. "Department" means the labor department of the industrial commission of Arizona.

2. "Employee" means any person who performs services for an employer under a contract of employment either made in this state or to be performed wholly or partly within this state.

3. "Employer" means any individual, partnership, association, joint stock company, trust, OR corporation, the administrator or executor of the estate of a deceased individual or the receiver, trustee or successor of any of such persons employing any person. Employer also includes this state and any county, municipality, school district or other political subdivision of this state.

4. "Hours worked" includes all time an employee is employed.

5. "MINIMUM WAGE" MEANS THE NONDISCRETIONARY MINIMUM COMPENSATION DUE AN EMPLOYEE BY REASON OF EMPLOYMENT, INCLUDING THE EMPLOYEE'S COMMISSIONS, BUT EXCLUDING TIPS OR GRATUITIES.

6. "Payroll card account" means an account that is directly or indirectly established through an employer and to which electronic fund transfers of an employee's wages are made on a recurring basis whether the account is operated or managed by the employer, a third-party payroll processor, a depository institution or any other person.

7. "Wages" means nondiscretionary compensation due an employee in return for labor or services rendered by an employee for which the employee
has a reasonable expectation to be paid whether determined by a time, task, piece, commission or other method of calculation. Wages include sick pay, vacation pay, severance pay, commissions, bonuses and other amounts promised when the employer has a policy or a practice of making such payments.

Sec. 3. Section 23-357, Arizona Revised Statutes, is amended to read:

23-357. Investigation of wage claims

A. The department shall investigate wage AND NONWAGE claims timely filed under section 23-356 to determine if wages are due or if a dispute exists between the parties to the claim.

B. Upon completion of its investigation, the department shall notify the parties to the claim of its findings in writing, which may include a finding that a dispute exists which cannot be resolved by the department's investigation. If it is determined that the claim for unpaid wages is valid, the department shall direct that the unpaid wages be paid by the party responsible for their payment.

APPROVED BY THE GOVERNOR MAY 11, 2016.