AN ACT

AMENDING TITLE 23, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 23-206; AMENDING SECTIONS 23-340 AND 23-341, ARIZONA REVISED STATUTES; AMENDING TITLE 23, CHAPTER 2, ARTICLE 6.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 23-342; AMENDING TITLE 23, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 8.2; AMENDING TITLE 41, CHAPTER 23, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-2535.01; RELATING TO LABOR.

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

Section 1. Title 23, chapter 2, article 1, Arizona Revised Statutes, is amended by adding section 23-206, to read:

23-206. Wage disclosure; protection; prohibitions; civil action

A. AN EMPLOYER MAY NOT:

1. REQUIRE NONDISCLOSURE BY AN EMPLOYEE REGARDING THE EMPLOYEE'S WAGE INFORMATION AS A CONDITION OF EMPLOYMENT.

2. REQUIRE AN EMPLOYEE TO SIGN A WAIVER OR OTHER DOCUMENT THAT DENIES THE EMPLOYEE THE RIGHT TO DISCLOSE THE EMPLOYEE'S WAGE INFORMATION.

3. TAKE ANY ADVERSE EMPLOYMENT ACTION AGAINST AN EMPLOYEE FOR DISCLOSING THE EMPLOYEE'S WAGES OR DISCUSSING ANOTHER EMPLOYEE'S WAGES IF THE DISCUSSION WAS VOLUNTARY.

4. RETALIATE AGAINST AN EMPLOYEE FOR ASSERTING THE EMPLOYEE'S RIGHTS AND REMEDIES UNDER THIS SECTION.

B. THIS SECTION DOES NOT:

1. CREATE AN OBLIGATION FOR AN EMPLOYER OR EMPLOYEE TO DISCLOSE WAGE INFORMATION.

2. ALLOW AN EMPLOYEE, WITHOUT THE WRITTEN CONSENT OF THE EMPLOYER, TO DISCLOSE PROPRIETARY INFORMATION, TRADE SECRET INFORMATION OR OTHER INFORMATION THAT IS OTHERWISE SUBJECT TO LEGAL PRIVILEGE OR PROTECTED BY LAW.

3. DIMINISH ANY EXISTING RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT (49 STAT. 449; 29 UNITED STATES CODE SECTIONS 151 THROUGH 169).

4. ALLOW AN EMPLOYEE TO DISCLOSE WAGE INFORMATION OF OTHER EMPLOYEES TO A COMPETITOR OF THE EMPLOYER.

C. AN EMPLOYER THAT PROVIDES AN EMPLOYEE HANDBOOK TO ITS EMPLOYEES SHALL INCLUDE IN THE EMPLOYEE HANDBOOK NOTICE OF THE EMPLOYEE'S RIGHTS AND REMEDIES UNDER THIS SECTION.

D. IF AN EMPLOYER VIOLATES SUBSECTION A OF THIS SECTION, THE EMPLOYEE MAY FILE A CIVIL ACTION AGAINST THE EMPLOYER. THE COURT MAY ORDER REINSTATEMENT, RECOVERY OF UNPAID WAGES, RESTORATION OF LOST SERVICE CREDITS, IF APPROPRIATE, AND EXPUNGEMENT OF ANY RELATED ADVERSE RECORDS RELATING TO THE EMPLOYEE WHO WAS THE SUBJECT OF THE VIOLATION.

Sec. 2. Section 23-340, Arizona Revised Statutes, is amended to read:

23-340. Definitions

In this article, unless the context otherwise requires:

1. "BUSINESS NECESSITY" MEANS AN OVERRIDING LEGITIMATE BUSINESS PURPOSE SUCH THAT THE FACTOR RELIED ON EFFECTIVELY FULFILLS THE BUSINESS PURPOSE THE FACTOR IS SUPPOSED TO SERVE.

2. "Commission" means the industrial commission of Arizona.

3. "Employee" means every woman or man in receipt of or entitled to compensation for labor performed for any employer.
3. 4. "Employer" means this state and any political subdivision of
this state which receives state tax monies and every person, firm,
corporation, agent, manager, representative, contractor, subcontractor,
principal or other person having control or direction of any woman or man
employed at any labor, or responsible directly or indirectly for the wages
of another.

4. 5. "Wage" or "wages" means any compensation for labor measured
by time, piece,- or otherwise.

Sec. 3. Section 23-341, Arizona Revised Statutes, is amended to
read:
23-341. Equal wage rates; variations; penalties;
recordkeeping; enforcement
A. Notwithstanding the other provisions of this chapter, no AN
employer shall NOT pay any person in his THE EMPLOYER'S employ at wage
rates less than the rates paid to employees of the opposite sex in the
same establishment for the same quantity and quality of the same
classification of work, provided, that nothing herein shall prohibit a
variation of rates of pay for male and female employees engaged in the
same classification of work based upon a difference in seniority, length
of service, ability, skill, difference in duties or services performed,
whether regularly or occasionally, difference in the shift or time of day
worked, hours of work, or restrictions or prohibitions on lifting or
moving objects in excess of specified weight, or other reasonable
differentiation, factor or factors other than sex, when exercised in good
faith. SUBSTANTIALLY SIMILAR WORK, WHEN VIEWED AS A COMPOSITE OF SKILL,
EFFORT AND RESPONSIBILITY AND PERFORMED UNDER SIMILAR WORKING CONDITIONS,
UNLESS THE EMPLOYER CAN DEMONSTRATE:
1. THE WAGE RATE DIFFERENTIAL IS BASED ON ONE OR MORE OF THE
FOLLOWING FACTORS:
   (a) A SENIORITY SYSTEM.
   (b) A MERIT SYSTEM.
   (c) A SYSTEM THAT MEASURES EARNINGS BY QUANTITY OR QUALITY OF
PRODUCTION.
   (d) A BONA FIDE FACTOR OTHER THAN SEX, SUCH AS EDUCATION, TRAINING
OR EXPERIENCE. THIS FACTOR APPLIES ONLY IF THE EMPLOYER DEMONSTRATES THAT
THE FACTOR IS NOT BASED ON OR DERIVED FROM A SEX-BASED DIFFERENTIAL IN
WAGE RATES, IS RELATED TO THE EMPLOYMENT POSITION IN QUESTION AND IS
CONSISTENT WITH A BUSINESS NECESSITY. THIS FACTOR DOES NOT APPLY IF THE
EMPLOYEE DEMONSTRATES THAT AN ALTERNATIVE BUSINESS PRACTICE EXISTS THAT
WOULD SERVE THE SAME BUSINESS NECESSITY WITHOUT PRODUCING THE WAGE RATE
DIFFERENTIAL.
2. EACH FACTOR RELIED ON IS APPLIED REASONABLY.
3. THE FACTOR OR FACTORS RELIED ON ACCOUNT FOR THE ENTIRE WAGE RATE
DIFFERENTIAL.
B. Any employer who violates subsection A of this section is liable to the employee affected in the amount of the wages of which such THE employee is deprived by reason of such THE violation, INCLUDING INTEREST, AND AN ADDITIONAL EQUAL AMOUNT AS LIQUIDATED DAMAGES.

C. Any affected employee may register with the commission a complaint that the wages paid to such THE employee are less than the wages to which such THE employee is entitled under this section.

D. The commission shall take all proceedings necessary to enforce the payment of any sums found to be due and unpaid to such AFFECTED employees.

E. AN EMPLOYER SHALL DO ALL OF THE FOLLOWING TO MONITOR COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION:

1. MAINTAIN RECORDS OF THE WAGES AND WAGE RATES, JOB CLASSIFICATIONS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT OF THE EMPLOYER’S EMPLOYEES.

2. KEEP THE RECORDS FOR A PERIOD OF THREE YEARS.

3. ALLOW THE COMMISSION ACCESS TO THESE RECORDS, WITH APPROPRIATE NOTICE AND AT A MUTUALLY AGREEABLE TIME.

F. Any employee receiving less than the wage to which such THE employee is entitled under this section may recover in a civil action the balance of such wages, INCLUDING INTEREST, AND AN EQUAL AMOUNT AS LIQUIDATED DAMAGES, together with the costs of suit AND REASONABLE ATTORNEY FEES, notwithstanding any agreement to work for a lesser wage.

G. Any action based upon ON or arising under this section shall be instituted within six months NOT LATER THAN TWO YEARS after the date of the alleged violation, but in no event shall any employer be liable for any pay due under this section for more than thirty days prior to receipt by the employer of written notice of claim thereof from the employee OR THREE YEARS AFTER THE ALLEGED VIOLATION IN THE CASE OF A WILFUL VIOLATION.

H. The burden of proof shall be upon IS ON the person bringing the claim to establish that the differentiation in rate of pay WAGE RATE DIFFERENTIAL is based upon ON the factor of sex and not upon ON other differences, factor or factors.

I. AN EMPLOYER MAY NOT DISCHARGE OR IN ANY MANNER DISCRIMINATE OR RETALIATE AGAINST AN EMPLOYEE FOR TAKING ANY ACTION TO ENFORCE OR ASSIST IN THE ENFORCEMENT OF THIS SECTION. AN EMPLOYEE WHO IS DISCHARGED OR DISCRIMINATED OR RETALIATED AGAINST IN THE TERMS AND CONDITIONS OF THE EMPLOYEE’S EMPLOYMENT BECAUSE THE EMPLOYEE ENGAGED IN ANY ACTION TO ENFORCE OR ASSIST IN THE ENFORCEMENT OF THIS SECTION MAY RECOVER IN A CIVIL ACTION REINSTATEMENT AND REIMBURSEMENT FOR LOST WAGES AND WORK BENEFITS CAUSED BY THE EMPLOYER, INCLUDING INTEREST, AS WELL AS OTHER APPROPRIATE EQUITABLE RELIEF.
Sec. 4. Title 23, chapter 2, article 6.1, Arizona Revised Statutes, is amended by adding section 23-342, to read:

23-342. Equal pay certification; application; criteria; denial; suspension and revocation; audit; confidentiality; report; definitions

A. The commission shall issue an equal pay certificate to a business that has at least forty full-time employees in this state or the state where the business's primary place of business is located and that submits to the commission an application, a statement signed by the chairperson of the board of directors or chief executive officer of the business and supporting documentation that states:


2. That the average compensation for female employees is not consistently below the average compensation for male employees within each job category for which an employee is expected to perform work under a contract, taking into consideration length of service, requirements of specific jobs, experience, skill, effort, responsibility, working conditions on the job or other mitigating factors.

3. That the business does not restrict employees of one sex to certain job classifications and makes retention and promotion decisions without regard to sex.

4. That wage and benefit disparities are corrected if identified to ensure compliance with the laws pursuant to paragraph 1 of this subsection.

5. How often wages and benefits are evaluated to ensure compliance with the laws pursuant to paragraph 1 of this subsection.

6. Whether the business sets compensation and benefits based on a market pricing approach, the state prevailing wage or labor organization requirements, a performance pay system, an internal analysis or an alternative approach. If the business uses an alternative approach, the business shall provide a description of the alternative approach used to set compensation and benefits.

B. The commission may establish an application and application fee by rule for the issuance of equal pay certificates and for equal pay certificate renewal.

C. An equal pay certificate issued pursuant to this section is valid for a period of four years.

D. The commission shall review each business's application, statement and supporting documentation submitted within fifteen days after receipt. If the commission determines that the business is not in
COMPLIANCE WITH SUBSECTION A OF THIS SECTION, THE COMMISSION MAY DENY THE
BUSINESS THE EQUAL PAY CERTIFICATE.

E. THE COMMISSION MAY SUSPEND OR REVOKE AN EQUAL PAY CERTIFICATE IF
THE BUSINESS FAILS TO MAKE A GOOD FAITH EFFORT TO COMPLY WITH OR HAS
MULTIPLE VIOLATIONS OF TITLE VII OF THE CIVIL RIGHTS ACT OF 1964
(P.L. 88-352; 78 STAT. 241; 42 UNITED STATES CODE SECTIONS 2000e THROUGH
2000e-17), THE EQUAL PAY ACT OF 1963 (P.L. 88-38; 77 STAT. 56; 29 UNITED
STATES CODE SECTION 206) AND THIS ARTICLE. THE COMMISSION SHALL PROVIDE
NOTICE TO THE BUSINESS BEFORE SUSPENDING OR REVOKING THE BUSINESS'S EQUAL
PAY CERTIFICATE AND ALLOW THE BUSINESS AN OPPORTUNITY TO COMPLY WITH TITLE
VII OF THE CIVIL RIGHTS ACT OF 1964 (P.L. 88-352; 78 STAT. 241; 42 UNITED
STATES CODE SECTIONS 2000e THROUGH 2000e-17), THE EQUAL PAY ACT OF 1963
(P.L. 88-38; 77 STAT. 56; 29 UNITED STATES CODE SECTION 206) AND THIS
ARTICLE.

F. THE COMMISSION MAY AUDIT A BUSINESS TO VERIFY COMPLIANCE WITH
THIS SECTION. ON REQUEST, THE BUSINESS SHALL PROVIDE THE FOLLOWING
INFORMATION TO THE COMMISSION WITH RESPECT TO THE EMPLOYEES EXPECTED TO
PERFORM WORK UNDER THE CONTRACT IN EACH JOB CATEGORY:

1. THE NUMBER OF MALE EMPLOYEES.
2. THE NUMBER OF FEMALE EMPLOYEES.
3. THE AVERAGE ANNUALIZED SALARIES PAID TO MALE EMPLOYEES AND TO
FEMALE EMPLOYEES, IN A MANNER CONSISTENT WITH THE BUSINESS'S COMPENSATION
SYSTEM, WITHIN EACH JOB CATEGORY.
4. INFORMATION ON PERFORMANCE PAYMENTS, BENEFITS OR OTHER ELEMENTS
OF COMPENSATION, IN A MANNER CONSISTENT WITH THE BUSINESS'S COMPENSATION
SYSTEM.
5. THE AVERAGE LENGTH OF SERVICE FOR MALE AND FEMALE EMPLOYEES IN
EACH JOB CATEGORY.
6. OTHER INFORMATION IDENTIFIED BY THE BUSINESS OR THE COMMISSION
NECESSARY TO DETERMINE COMPLIANCE WITH THE CRITERIA PROVIDED IN SUBSECTION
A OF THIS SECTION.

G. ALL INFORMATION THAT IS RELATED TO A BUSINESS'S EMPLOYEES AND
THAT IS SUBMITTED TO THE COMMISSION RELATED TO AN EQUAL PAY CERTIFICATE IS
CONFIDENTIAL AND IS NOT SUBJECT TO INSPECTION BY THE PUBLIC. THE
COMMISSION'S DECISION TO ISSUE, DENY, REVOKE OR SUSPEND AN EQUAL PAY
CERTIFICATE IS NOT CONFIDENTIAL.

H. THE COMMISSION SHALL SUBMIT A REPORT TO THE GOVERNOR, THE
CHAIRPERSON AND RANKING MINORITY MEMBER OF THE SENATE COMMITTEE ON
GOVERNMENT, OR ITS SUCCESSOR COMMITTEE, AND THE CHAIRPERSON AND RANKING
MINORITY MEMBER OF THE HOUSE OF REPRESENTATIVES COMMITTEE ON GOVERNMENT,
OR ITS SUCCESSOR COMMITTEE, ON OR BEFORE JANUARY 31 OF EVERY ODD-NUMBERED
YEAR, BEGINNING JANUARY 31, 2019. THE REPORT SHALL INCLUDE THE NUMBER OF
EQUAL PAY CERTIFICATES ISSUED, THE NUMBER OF AUDITS CONDUCTED AND
INFORMATION REGARDING THE PROCESSES USED BY BUSINESSES TO ENSURE COMPLIANCE WITH SUBSECTION A OF THIS SECTION.

1. FOR THE PURPOSES OF THIS SECTION:
   1. "BUSINESS" HAS THE SAME MEANING PRESCRIBED IN SECTION 41-2503.
   2. "CONTRACT" HAS THE SAME MEANING PRESCRIBED IN SECTION 41-2503.
   3. "JOB CATEGORY" MEANS THE MAJOR JOB CATEGORIES PROVIDED IN THE MOST RECENT EMPLOYER INFORMATION REPORT ISSUED BY THE UNITED STATES EQUAL EMPLOYMENT OPPORTUNITY COMMISSION, OR ITS SUCCESSOR AGENCY.

Sec. 5. Title 23, chapter 2, Arizona Revised Statutes, is amended by adding article 8.2, to read:

ARTICLE 8.2. FLEXIBLE SCHEDULING

23-385. Definitions
IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:
1. "BONA FIDE BUSINESS REASON" MEANS:
   (a) THE IDENTIFIABLE BURDEN OF ADDITIONAL COSTS TO AN EMPLOYER, INCLUDING THE COST OF PRODUCTIVITY LOSS, RETRAINING OR HIRING EMPLOYEES OR TRANSFERRING EMPLOYEES FROM ONE FACILITY TO ANOTHER FACILITY.
   (b) A SIGNIFICANT DETRIMENTAL EFFECT ON THE EMPLOYER'S ABILITY TO MEET ORGANIZATIONAL NEEDS OR CUSTOMER DEMAND.
   (c) A SIGNIFICANT INABILITY OF THE EMPLOYER, DESPITE BEST EFFORTS, TO REORGANIZE WORK AMONG EXISTING STAFF.
   (d) A SIGNIFICANT DETRIMENTAL EFFECT ON BUSINESS PERFORMANCE.
   (e) INSUFFICIENCY OF WORK DURING THE PERIODS AN EMPLOYEE PROPOSES TO WORK.
   (f) THE NEED TO BALANCE COMPETING SCHEDULING REQUESTS WHEN IT IS NOT POSSIBLE TO GRANT ALL SCHEDULING REQUESTS WITHOUT A SIGNIFICANT DETRIMENTAL EFFECT ON THE EMPLOYER'S ABILITY TO MEET ORGANIZATIONAL NEEDS.
   (g) ANOTHER REASON PRESCRIBED BY THE COMMISSION IN RULE.
2. "CAREER-RELATED EDUCATIONAL OR TRAINING PROGRAM" MEANS AN EDUCATIONAL OR TRAINING PROGRAM OFFERED BY A CAREER AND TECHNICAL EDUCATION SCHOOL, AN INSTITUTION OF HIGHER EDUCATION OR ANOTHER ENTITY THAT PROVIDES EDUCATION, CAREER AND TECHNICAL EDUCATION OR TRAINING THAT LEADS TO A POSTSECONDARY DEGREE.
3. "CAREGIVER" MEANS AN INDIVIDUAL WHO IS A SIGNIFICANT PROVIDER OF:
   (a) ONGOING CARE OR EDUCATION FOR A CHILD, INCLUDING AN INDIVIDUAL WHO IS RESPONSIBLE FOR SECURING ONGOING CARE OR EDUCATION FOR A CHILD.
   (b) ONGOING CARE FOR A FAMILY MEMBER, INCLUDING AN INDIVIDUAL WHO IS RESPONSIBLE FOR SECURING ONGOING CARE FOR A FAMILY MEMBER.
4. "COMMISSION" MEANS THE INDUSTRIAL COMMISSION OF ARIZONA.
5. "EMPLOYEE" MEANS ANY PERSON WHO IS EMPLOYED BY AN EMPLOYER FOR MORE THAN EIGHTY HOURS IN A CALENDAR YEAR. EMPLOYEE DOES NOT INCLUDE AN INDIVIDUAL WHO IS EMPLOYED BY THIS STATE, A POLITICAL SUBDIVISION OF THIS STATE OR THE UNITED STATES OR WHO IS COVERED BY A VALID COLLECTIVE
6. "EMPLOYER" INCLUDES ANY CORPORATION, PROPRIETORSHIP, PARTNERSHIP, JOINT VENTURE, LIMITED LIABILITY COMPANY, TRUST, ASSOCIATION, INDIVIDUAL OR OTHER ENTITY ACTING DIRECTLY OR INDIRECTLY IN THE INTEREST OF AN EMPLOYER IN RELATION TO AN EMPLOYEE, BUT DOES NOT INCLUDE THIS STATE, A POLITICAL SUBDIVISION OF THIS STATE OR THE UNITED STATES.

7. "FAMILY MEMBER" MEANS:
   (a) A BIOLOGICAL, ADOPTED OR FOSTER CHILD, A STEPCHILD OR LEGAL WARD, A CHILD OF A DOMESTIC PARTNER OR A CHILD FOR WHOM THE EMPLOYEE SERVES AS A TEMPORARY GUARDIAN.
   (b) A BIOLOGICAL, FOSTER OR ADOPTIVE PARENT OR LEGAL GUARDIAN OF THE EMPLOYEE OR THE EMPLOYEE'S SPOUSE OR DOMESTIC PARTNER, A STEPPARENT OF THE EMPLOYEE OR THE EMPLOYEE'S SPOUSE OR DOMESTIC PARTNER OR AN INDIVIDUAL WHO WAS A TEMPORARY GUARDIAN OF THE EMPLOYEE WHEN THE EMPLOYEE WAS A MINOR.
   (c) THE SPOUSE OR DOMESTIC PARTNER OF THE EMPLOYEE.
   (d) A GRANDPARENT OR A SPOUSE OR DOMESTIC PARTNER OF A GRANDPARENT.
   (e) A BIOLOGICAL, FOSTER OR ADOPTED SIBLING OR A SPOUSE OR DOMESTIC PARTNER OF A BIOLOGICAL, FOSTER OR ADOPTED SIBLING.
   (f) A GRANDCHILD.
   (g) ANY OTHER INDIVIDUAL WHO IS RELATED BY BLOOD OR AFFINITY WHOSE CLOSE ASSOCIATION WITH THE EMPLOYEE IS THE EQUIVALENT OF A FAMILY RELATIONSHIP.

8. "RETIATION" MEANS ANY THREAT, DISCHARGE, SUSPENSION, DEMOTION OR REDUCTION OF HOURS BY AN EMPLOYER OF AN EMPLOYEE OR OTHER ADVERSE ACTION THAT AN EMPLOYER TAKES AGAINST AN EMPLOYEE AND INCLUDES ANY SANCTIONS AGAINST A RECIPIENT OF PUBLIC BENEFITS OR INTERFERENCE WITH OR PUNISHMENT FOR PARTICIPATING IN AN INVESTIGATION, PROCEEDING OR HEARING UNDER THIS ARTICLE.

9. "SPLIT SHIFT" MEANS A SCHEDULE OF DAILY HOURS IN WHICH THE HOURS WORKED ARE NOT CONSECUTIVE. A SPLIT SHIFT DOES NOT INCLUDE A SCHEDULE IN WHICH THE TOTAL TIME OUT FOR MEALS IS NOT MORE THAN ONE HOUR.

23-385.01. Request for change in the terms and conditions of employment

A. AN EMPLOYEE MAY REQUEST A CHANGE IN THE TERMS AND CONDITIONS OF EMPLOYMENT RELATED TO:
   1. THE NUMBER OF HOURS THE EMPLOYEE IS REQUIRED TO WORK OR BE ON CALL FOR WORK.
   2. THE TIMES WHEN THE EMPLOYEE IS REQUIRED TO WORK OR BE ON CALL FOR WORK.
   3. THE LOCATION WHERE THE EMPLOYEE IS REQUIRED TO WORK.
   4. THE AMOUNT OF ADVANCE NOTIFICATION THE EMPLOYEE RECEIVES OF WORK SCHEDULE ASSIGNMENTS.
5. THE MINIMIZATION OF FLUCTUATIONS IN THE NUMBER OF HOURS THE
EMPLOYEE IS SCHEDULED TO WORK ON A DAILY, WEEKLY OR MONTHLY BASIS.

B. IF AN EMPLOYEE REQUESTS A CHANGE IN THE TERMS AND CONDITIONS OF
EMPLOYMENT AS PRESCRIBED BY SUBSECTION A OF THIS SECTION, THE EMPLOYER
SHALL ENGAGE IN A TIMELY, GOOD FAITH INTERACTIVE PROCESS WITH THE
EMPLOYEE, INCLUDING DISCUSSING POTENTIAL SCHEDULE CHANGES THAT WOULD MEET
THE EMPLOYEE'S NEEDS. IF THE EMPLOYER DENIES THE PROPOSED CHANGE IN THE
TERMS AND CONDITIONS OF EMPLOYMENT REQUESTED BY THE EMPLOYEE, THE EMPLOYER
SHALL CONSIDER ALTERNATIVES TO THE PROPOSED CHANGE THAT MAY MEET THE
EMPLOYEE'S NEEDS. IF THE EMPLOYER DENIES THE ALTERNATIVE CHANGE, THE
EMPLOYER SHALL STATE THE REASON FOR THE DENIAL.

C. IF THE EMPLOYER REQUIRELS CLARIFICATION OF THE INFORMATION
PROVIDED BY THE EMPLOYEE IN THE REQUEST TO CHANGE THE TERMS AND CONDITIONS
OF EMPLOYMENT, THE EMPLOYER SHALL EXPLAIN WHAT ADDITIONAL INFORMATION IS
NEEDED AND PROVIDE THE EMPLOYEE REASONABLE TIME TO PRODUCE THE
INFORMATION.

D. IF AN EMPLOYEE REQUESTS A CHANGE IN THE TERMS AND CONDITIONS OF
EMPLOYMENT AS PRESCRIBED IN SUBSECTION A OF THIS SECTION BECAUSE OF A
SERIOUS HEALTH CONDITION OF THE EMPLOYEE, THE EMPLOYEE'S RESPONSIBILITIES
AS A CAREGIVER FOR A FAMILY MEMBER OR THE EMPLOYEE'S ENROLLMENT IN A
CAREER-RELATED EDUCATIONAL OR TRAINING PROGRAM, OR IF THE EMPLOYEE IS A
PART-TIME EMPLOYEE AND THE REQUEST IS RELATED TO A SECOND JOB, THE
EMPLOYER SHALL GRANT THE REQUEST, UNLESS THE EMPLOYER HAS A BONA FIDE
BUSINESS REASON FOR DENYING THE REQUEST.

E. IF AN EMPLOYEE REQUESTS A CHANGE IN THE TERMS AND CONDITIONS OF
EMPLOYMENT AS PRESCRIBED IN SUBSECTION A OF THIS SECTION FOR A REASON
OTHER THAN THE REASONS PROVIDED IN SUBSECTION D OF THIS SECTION, THE
EMPLOYER MAY DENY THE REQUEST FOR ANY LAWFUL REASON. IF THE EMPLOYER
DENIES THE REQUEST, THE EMPLOYER SHALL PROVIDE THE EMPLOYEE WITH THE
REASON FOR THE DENIAL, INCLUDING WHETHER THE REASON IS A BONA FIDE
BUSINESS REASON.

23-385.02. Pay and schedule notice requirements for retail,
food service or cleaning employees; definition

A. AN EMPLOYER SHALL PAY AN EMPLOYEE AS FOLLOWS:
1. FOR AT LEAST FOUR HOURS AT THE EMPLOYEE'S REGULAR RATE OF PAY
FOR EACH DAY ON WHICH THE EMPLOYEE REPORTS FOR WORK UNDER SPECIFIC
INSTRUCTIONS BUT IS GIVEN LESS THAN FOUR HOURS OF WORK, EXCEPT THAT IF THE
EMPLOYEE'S SCHEDULED HOURS ARE LESS THAN FOUR HOURS, THE EMPLOYEE SHALL BE
PAID FOR THE EMPLOYEE'S SCHEDULED HOURS FOR THAT DAY IF GIVEN LESS THAN
THE SCHEDULED HOURS OF WORK.
2. FOR AT LEAST ONE HOUR AT THE EMPLOYEE'S REGULAR RATE OF PAY FOR
EACH DAY THE EMPLOYEE IS GIVEN SPECIFIC INSTRUCTIONS TO CONTACT THE
EMPLOYER, OR WAIT TO BE CONTACTED BY THE EMPLOYER, LESS THAN TWENTY-FOUR
3. For one additional hour at the employee's regular rate of pay for each day during which the employee works a split shift.

B. An employer shall:
1. On or before a new employee's first day of work, inform the employee in writing of the employee's work schedule and the minimum number of expected work hours the employee will be assigned to work per month.
2. Except as provided in subsection C of this section, if the employee's work schedule changes from the work schedule of which the employee was informed pursuant to paragraph 1 of this subsection, provide a new work schedule to the employee at least fourteen days before the first day of the new work schedule. If the expected minimum number of work hours an employee is assigned changes, the employer shall notify the employee of the change of work hours at least fourteen days before the change goes into effect. This paragraph does not prohibit an employer from providing greater advance notice to an employee than is required under this paragraph.

3. Post the work schedule in a conspicuous place in every establishment where an employee is employed. Availability of the work schedule by electronic means accessible by all employees is considered to be in compliance with this paragraph.

C. An employer may change the work schedule as needed, including offering additional hours of work to employees beyond the hours previously scheduled. An employer shall provide one extra hour of pay at the employee's regular rate for each shift that is changed with less than twenty-four hours' notice, unless the need to schedule the employee is due to the unforeseen unavailability of the employee previously scheduled to work that shift.

D. The notifications required under subsection B of this section shall be in writing. An employer may use additional means of notifying an employee of the employee's work schedule.

E. This section does not:
1. Prevent an employer from allowing an employee to work in place of another employee who has been scheduled to work a particular shift if the change in schedule is mutually agreed on by the employees. An employer is not subject to the requirements of subsection B, paragraph 2 or subsection C of this section for voluntary shift trades.
2. Apply during periods when regular operations of the employer are suspended due to events beyond the employer's control.

F. For the purposes of this section, "employee" means any person who is employed in a retail sales occupation, food-preparation-and-service-related occupation or building cleaning occupation.
23-385.03. Protection of rights; retaliation prohibition
A. IT IS UNLAWFUL FOR AN EMPLOYER OR ANY OTHER PERSON TO INTERFERE
WITH, RESTRAIN OR DENY THE EXERCISE OF, OR THE ATTEMPT TO EXERCISE, ANY
RIGHT THAT IS PROVIDED UNDER THIS ARTICLE.
B. AN EMPLOYER MAY NOT ENGAGE IN RETALIATION OR DISCRIMINATION
AGAINST AN EMPLOYEE BECAUSE THE EMPLOYEE HAS EXERCISED, OR ATTEMPTED TO
EXERCISE, ANY RIGHT THAT IS PROVIDED UNDER THIS ARTICLE.

23-385.04. Notice and posting
A. AN EMPLOYER SHALL GIVE NOTICE TO AN EMPLOYEE AT THE COMMENCEMENT
OF EMPLOYMENT OR BY JANUARY 1, 2019, WHICHER IS LATER, OF THE FOLLOWING:
1. EMPLOYEES ARE ENTITLED TO REQUEST A CHANGE IN THE TERMS AND
CONDITIONS OF EMPLOYMENT PURSUANT TO SECTION 23-385.01.
2. RETALIATION AGAINST EMPLOYEES WHO REQUEST A CHANGE IN THE TERMS
AND CONDITIONS OF EMPLOYMENT PURSUANT TO SECTION 23-385.01 IS PROHIBITED.
3. EACH EMPLOYEE MAY FILE A COMPLAINT OR BRING A CIVIL ACTION IF
THE EMPLOYER VIOLATES THIS ARTICLE OR THE EMPLOYEE IS RETALIATED AGAINST
FOR REQUESTING A CHANGE IN THE TERMS AND CONDITIONS OF EMPLOYMENT.
B. TO COMPLY WITH THIS SECTION, AN EMPLOYER SHALL:
1. SUPPLY EACH EMPLOYEE WITH A NOTICE THAT CONTAINS IN ENGLISH, SPANISH AND ANY LANGUAGE THAT IS THE FIRST LANGUAGE SPOKEN BY AT LEAST TEN PERCENT OF THE EMPLOYER'S WORKFORCE THE INFORMATION THAT IS REQUIRED IN SUBSECTION A OF THIS SECTION.
2. DISPLAY A POSTER IN A CONSPICUOUS AND ACCESSIBLE PLACE IN EACH
ESTABLISHMENT WHERE EMPLOYEES ARE EMPLOYED THAT CONTAINS IN ENGLISH, SPANISH AND ANY LANGUAGE THAT IS THE FIRST LANGUAGE SPOKEN BY AT LEAST TEN PERCENT OF THE EMPLOYER'S WORKFORCE THE INFORMATION THAT IS REQUIRED IN SUBSECTION A OF THIS SECTION.
C. THE COMMISSION SHALL CREATE AND MAKE AVAILABLE TO EMPLOYERS NOTICES AND POSTERS THAT CONTAIN IN ENGLISH, SPANISH AND ANY LANGUAGE DEEMED APPROPRIATE BY THE COMMISSION THE INFORMATION THAT IS REQUIRED UNDER SUBSECTION A OF THIS SECTION FOR THE EMPLOYERS' USE IN COMPLYING WITH THIS SECTION.

23-385.05. Employer records
AN EMPLOYER SHALL RETAIN RECORDS THAT DOCUMENT COMPLIANCE WITH THIS ARTICLE FOR A PERIOD OF AT LEAST THREE YEARS AND SHALL ALLOW THE COMMISSION ACCESS TO THESE RECORDS, WITH APPROPRIATE NOTICE AND AT A MUTUALLY AGREEABLE TIME, TO MONITOR COMPLIANCE WITH THE REQUIREMENTS OF THIS ARTICLE.

23-385.06. Enforcement; civil penalties
A. THE COMMISSION SHALL:
1. IMPLEMENT AND ENFORCE THIS ARTICLE AND ADOPT RULES FOR THESE PURPOSES.
2. DEVELOP AND IMPLEMENT AN OUTREACH AND EDUCATION PROGRAM TO INFORM EMPLOYEES OF THEIR RIGHTS UNDER THIS ARTICLE THAT INCLUDES THE
DISTRIBUTION OF NOTICES AND OTHER WRITTEN MATERIALS TO EMPLOYERS AND LABOR ORGANIZATIONS.

B. AN EMPLOYEE OR OTHER PERSON MAY REPORT TO THE COMMISSION ANY SUSPECTED VIOLATION OF THIS ARTICLE. THE COMMISSION SHALL KEEP CONFIDENTIAL THE NAME AND OTHER IDENTIFYING INFORMATION OF THE EMPLOYEE OR PERSON THAT REPORTS THE VIOLATION, EXCEPT THAT THE COMMISSION MAY DISCLOSE THIS INFORMATION AS AUTHORIZED BY THE EMPLOYEE OR OTHER PERSON AS NECESSARY TO ENFORCE THIS SECTION OR FOR OTHER APPROPRIATE PURPOSES.

C. ANY PERSON THAT IS INJURED BY A VIOLATION OF THIS ARTICLE MAY MAINTAIN A CIVIL ACTION TO ENFORCE THIS ARTICLE IN A COURT OF COMPETENT JURISDICTION AND MAY BE AWARDED REASONABLE ATTORNEY FEES AND COSTS.

D. ANY EMPLOYER THAT VIOLATES RECORDKEEPING, POSTING OR OTHER REQUIREMENTS THAT THE COMMISSION ESTABLISHES UNDER THIS ARTICLE IS SUBJECT TO A CIVIL PENALTY OF NOT MORE THAN ONE HUNDRED DOLLARS FOR EACH SEPARATE VIOLATION.

E. ANY EMPLOYER THAT WILFULLY VIOLATES THIS ARTICLE IS SUBJECT TO A CIVIL PENALTY OF NOT MORE THAN ONE HUNDRED DOLLARS FOR EACH VIOLATION AND SHALL PAY THE EMPLOYEE AN AMOUNT SET BY THE COMMISSION OR A COURT THAT IS SUFFICIENT TO COMPENSATE THE EMPLOYEE AND DETER FUTURE VIOLATIONS.

F. ANY EMPLOYER THAT RETALIATES AGAINST AN EMPLOYEE FOR EXERCISING, OR ATTEMPTING TO EXERCISE, ANY RIGHT PROVIDED BY THIS ARTICLE IS SUBJECT TO A CIVIL PENALTY OF NOT MORE THAN ONE THOUSAND ONE HUNDRED DOLLARS AND SHALL PAY THE EMPLOYEE AN AMOUNT SET BY THE COMMISSION OR A COURT THAT IS SUFFICIENT TO COMPENSATE THE EMPLOYEE AND DETER FUTURE VIOLATIONS.

G. A CIVIL ACTION TO ENFORCE THIS ARTICLE MAY BE COMMENCED NOT LATER THAN TWO YEARS AFTER THE DATE THE EMPLOYEE KNEW OR SHOULD HAVE KNOWN OF THE VIOLATION, OR THREE YEARS AFTER THE DATE THE EMPLOYEE KNEW OR SHOULD HAVE KNOWN OF THE VIOLATION IN THE CASE OF A WILFUL VIOLATION.

Sec. 6. Title 41, chapter 23, article 3, Arizona Revised Statutes, is amended by adding section 41-2535.01, to read:

41-2535.01. Equal pay certificate required; waiver; voiding of contract; hearing

A. BEGINNING JANUARY 1, 2019, A BUSINESS THAT HAS AT LEAST FORTY FULL-TIME EMPLOYEES IN THIS STATE OR THE STATE WHERE THE BUSINESS'S PRIMARY PLACE OF BUSINESS IS LOCATED MUST HAVE AN EQUAL PAY CERTIFICATE ISSUED BY THE INDUSTRIAL COMMISSION OF ARIZONA OR AN EQUAL PAY CERTIFICATE WAIVER ISSUED BY THE PROCUREMENT OFFICER TO BE ELIGIBLE TO CONTRACT WITH ANY PURCHASING AGENCY IN THIS STATE FOR A PROCUREMENT THAT EXCEEDS AN AGGREGATE AMOUNT OF FIVE HUNDRED THOUSAND DOLLARS.

B. THE PROCUREMENT OFFICER MAY ISSUE AN EQUAL PAY CERTIFICATE WAIVER TO A BUSINESS FOR A SPECIFIC CONTRACT IF THE PROCUREMENT OFFICER DETERMINES THAT APPLICATION OF THIS SECTION WOULD CAUSE UNDUE HARDSHIP TO THE PURCHASING AGENCY.
C. The procurement officer may void a contract on behalf of this state if the contract is awarded to a business that does not have an equal pay certificate or an equal pay certificate waiver or whose equal pay certificate has been suspended or revoked pursuant to section 23-342. The procurement officer shall notify all parties to the contract before taking action to void the contract.

D. A business may request a hearing to appeal the procurement officer's action to void the contract pursuant to chapter 6, article 10 of this title.

Sec. 7. Short title

This act may be cited as the "Arizona Equal Pay Act".