



ARIZONA STATE SENATE
Fifty-Fourth Legislature, First Regular Session

FACT SHEET FOR H.B. 2523

youth employment

Purpose

Allows an employer to pay an employee a wage equal to or greater than the federal minimum wage if the employee is under 22 years of age, employed on a casual basis and enrolled full-time as a student.

Background

The Fair Labor Standards Act of 1938 (FLSA) established minimum wage, overtime pay, recordkeeping and youth employment standards for full-time and part-time employees. As of July 24, 2009, the federal minimum wage is \$7.25 per hour ([29 U.S.C. 206](#)).

Voter passage of Proposition 206 in 2016 increased the state's hourly minimum wage in four stages from \$10.00 in 2017, to \$12.00 by 2020 ([A.R.S. § 23-363](#)). The rate thereafter increases each subsequent year by the cost of living, based on the consumer price index. The state minimum wage in 2019 is set at \$11.00 an hour.

Current statute requires employment of persons under 16 years of age to be confined to: 1) no more than 40 hours per week when not enrolled in school or school is out of session; 2) no more than 18 hours per week when enrolled in school and school is in session; 3) no more than 8 hours per day when not enrolled in school or on a day school is not in session; and 4) no more than 3 hours per day when enrolled in school on a day school is in session ([A.R.S. § 23-233](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Allows an employer to prevent the curtailment of opportunities for youth employment by paying a wage equal to or greater than the federal minimum wage to an employee who is:
 - a) under 22 years of age;
 - b) employed on a casual basis; and
 - c) enrolled full-time as a student.

2. Allows, consistent with state and federal law, an employer to prevent the curtailment of opportunities for youth employment by negotiating other terms and conditions of employment with an employee who is:
 - a) under 22 years of age;
 - b) employed on a casual basis; and
 - c) enrolled full-time as a student.

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3. Exempts, from restrictions on employment hours of persons under the age of 16, a person who is:
 - a) under 22 years of age;
 - b) employed on a casual basis; and
 - c) enrolled full-time as a student.
4. Defines *on a casual basis* to mean employment that:
 - a) does not exceed 20 hours total per week; or
 - b) exceeds 20 hours per week if the excessive hours of employment are without regularity or are for irregular or intermittent periods.
5. Makes technical and conforming changes.
6. Becomes effective on the general effective date.

House Action

RA	2/11/19	DP	4-3-0-0
3 rd Read	2/28/19		31-29-0

Prepared by Senate Research

March 26, 2019

MG/g