The Terán amendment does the following:

**Small Business Paid Sick Leave Assistance Fund**

Creates a small business paid sick leave assistance fund (Fund) consisting of legislative appropriations to provide financial assistance to covered employers in Arizona. Requires the Industrial Commission of Arizona (ICA) to administer the Fund. Monies in the Fund are continuously appropriated.

Requires the ICA to establish eligibility criteria that a small business must meet to receive monies from the Fund, including criteria to determine the financial impact on the business resulting from the COVID-19 pandemic. Requires a small business owner to apply to the Commission on a form prescribed by the Commission to receive monies from the Fund. Requires the application to include:

a. The name of the business;

b. The number of employees at the time of application; and

c. Other information determined by the Commission to be necessary to determine the financial impact on the small business.

States the legislature intends that the Fund will enable small businesses to provide paid sick leave to their employees and ensure that small businesses affected during the state of emergency remain financially viable.

 Defines "covered employer" as an employer between 10-50 employees engaged in the field of leisure and hospitality, food services, pharmacy, child care, education or home health care working with elderly, disabled, or ill individuals or otherwise high-risk individuals or an employer that operates a nursing home or a community living facility. "Covered employer" also includes an employer engaged in market and grocery services, regardless of the number of employees.

Appropriates $28 million in FY 2020 to the Fund. Exempts the ICA from rulemaking for the purpose of administering the Fund. Contains a delayed repeal date of June 30, 2021.

Amendment explanation prepared by Alan F. Eder

Phone Number 6-5848

3/22/2020
**Paid Sick Leave**
Requires a covered employer to provide up to 112 hours of paid sick leave to an employee who meets one or more of the following:

a. Has a current diagnosis of COVID-19;
b. Is under quarantine (including self-imposed quarantine), at the instruction of a health care provider, an employer, or a local, state or federal official to prevent the spread of COVID-19;
c. Is giving care to an individual who has a current diagnosis of COVID-19 or is under quarantine as described in clause (b); or
d. Is giving care to a child or other individual who is unable to provide self-care because of the closure of a school or other care facility or program for reasons related to COVID-19.

Requires pay to be provided at the employee's regular rate of pay, including all forms of wages and compensation (subject to certain conditions); and for the employee's regularly worked hours.

Specifies these rules do not require the employer to offer additional days of paid sick leave, if the employer already offers all employees at least 112 hours of paid sick leave.

Defines "covered employer" as an employer between 10-50 employees engaged in the field of leisure and hospitality, food services, pharmacy, child care, education or home health care working with elderly, disabled, or ill individuals or otherwise high-risk individuals or an employer that operates a nursing home or a community living facility. "Covered employer" also includes an employer engaged in market and grocery services, regardless of the number of employees.

Defines "education" as all levels of education and services related to providing education including campus-related cafeteria services and transportation.

Contains a delayed repeal date of June 30, 2021.
Page 1, between lines 1 and 2, insert:

"Section 1. Title 23, chapter 4, article 4, Arizona Revised Statutes, is amended by adding section 23-710, to read:

23-710. Small business paid sick leave assistance fund;

A. THE SMALL BUSINESS PAID SICK LEAVE ASSISTANCE FUND IS ESTABLISHED CONSISTING OF LEGISLATIVE APPROPRIATIONS TO PROVIDE FINANCIAL ASSISTANCE TO COVERED EMPLOYERS IN THIS STATE. THE INDUSTRIAL COMMISSION OF ARIZONA SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED.

B. THE COMMISSION SHALL ESTABLISH ELIGIBILITY CRITERIA THAT A SMALL BUSINESS MUST MEET TO RECEIVE MONIES FROM THE SMALL BUSINESS PAID SICK LEAVE ASSISTANCE FUND, INCLUDING CRITERIA TO DETERMINE THE FINANCIAL IMPACT ON THE BUSINESS RESULTING FROM THE COVID-19 PANDEMIC.

C. A BUSINESS OWNER SHALL APPLY TO THE COMMISSION ON A FORM PRESCRIBED BY THE COMMISSION TO RECEIVE MONIES FROM THE SMALL BUSINESS PAID SICK LEAVE ASSISTANCE FUND. THE APPLICATION MUST INCLUDE:

1. THE NAME OF THE BUSINESS.

2. THE NUMBER OF EMPLOYEES AT THE TIME OF THE APPLICATION.

3. OTHER INFORMATION DETERMINED BY THE COMMISSION TO BE NECESSARY TO DETERMINE THE FINANCIAL IMPACT ON THE SMALL BUSINESS RESULTING FROM THE COVID-19 PANDEMIC.

D. THE LEGISLATURE INTENDS THAT THE SMALL BUSINESS PAID SICK LEAVE ASSISTANCE FUND WILL ENABLE SMALL BUSINESSES TO PROVIDE IMMEDIATE PAID SICK LEAVE TO THEIR EMPLOYEES AND ENSURE THAT SMALL BUSINESSES AFFECTED DURING THE STATE OF EMERGENCY RELATING TO THE COVID-19 PANDEMIC REMAIN FINANCIALLY Viable.
F. "COVERED EMPLOYER" MEANS AN EMPLOYER WITH BETWEEN TEN AND FIFTY EMPLOYEES ENGAGED IN THE FIELD OF LEISURE AND HOSPITALITY, FOOD SERVICES, PHARMACY, CHILD CARE, EDUCATION OR HOME HEALTH CARE WORKING WITH ELDERLY, DISABLED OR ILL INDIVIDUALS OR OTHERWISE HIGH-RISK INDIVIDUALS OR AN EMPLOYER THAT OPERATES A NURSING HOME OR A COMMUNITY LIVING FACILITY. COVERED EMPLOYER UNDER THIS SECTION ALSO MEANS AN EMPLOYER ENGAGED IN THE FIELD OF MARKET AND GROCERY SERVICES, REGARDLESS OF THE NUMBER OF EMPLOYEES EMPLOYED BY THE EMPLOYER.

Sec. 2. Delayed repeal

Section 23-710, Arizona Revised Statutes, as added by this act, is repealed from and after June 30, 2021."

Renumber to conform

Page 1, between lines 17 and 18, insert:

"Sec. 4. Paid sick leave for certain employees; definitions

A. A covered employer shall provide up to at least one hundred twelve hours of paid sick leave to an employee who meets one or more of the following:


2. Is under quarantine, including self-imposed quarantine, at the instruction of a health care provider, an employer or a local, state or federal official to prevent the spread of COVID-19.

3. Is giving care to an individual who has a current diagnosis of COVID-19 or is under quarantine as described in paragraph 2 of this subsection.

4. Is giving care to a child or other individual who is unable to provide self-care because of the closure of a school or other care facility or program for reasons related to COVID-19.

B. Except as provided in subsection C of this section, if a covered employer allows an employee to take up to at least ten days of sick leave, this section does not require the covered employer to provide additional sick leave for the purposes prescribed in subsection A of this section.
C. If a covered employer provides sick leave and an employee has exhausted this sick leave, an employee who meets the requirements of subsection A of this section may take sick leave as provided in this section.

D. The covered employer shall provide sick leave pay based on the employee's regular rate of pay, including all forms of wages and compensation, and regularly worked hours, except that:
   1. If the employee's rate of pay is reduced below the applicable minimum wage because the employee receives tip income, the employee's rate of pay is the applicable minimum wage.
   2. If the employee's rate of pay or hours worked has varied in the period before the employee's absence as described in subsection A of this section, the employee's sick leave pay shall be based on the employee's average daily pay for the preceding month.

E. To the extent feasible, covered employers and employees shall comply with the procedures of the family and medical leave act (29 United States Code chapter 28), except that:
   1. A covered employer may not terminate an employee for the inability to provide documentation during the period an employee meets the requirements of subsection A of this section.
   2. Application of the family and medical leave act does not lessen the rights and responsibilities prescribed by this section.

F. For the purposes of this section:
   1. "Covered employer" means an employer with between ten and fifty employees engaged in the field of leisure and hospitality, food services, pharmacy, child care, education or home health care working with elderly, disabled or ill individuals or otherwise high-risk individuals or an employer that operates a nursing home or a community living facility. Covered employer under this section also means an employer engaged in the field of market and grocery services, regardless of the number of employees employed by the employer.
2. "Education" includes all levels of education and services related to providing education including campus-related cafeteria services and transportation.

G. This section is repealed from and after June 30, 2021.

Sec. 5. Rulemaking; exemption

The industrial commission of Arizona is exempt from the rulemaking requirements of title 41, chapter 6, Arizona Revised Statutes, until June 30, 2021 for the purpose of administering the small business paid sick leave assistance fund."

Renumber to conform

Page 1, between lines 25 and 26, insert:

"Sec. 7. Appropriation; small business paid sick leave assistance fund

The sum of $28,000,000 is appropriated from the state general fund in fiscal year 2019-2020 to the small business paid sick leave assistance fund established by section 23-710, Arizona Revised Statutes, as added by this act."

Renumber to conform

Amend title to conform

RAQUEL A. TERÁN