



ARIZONA STATE SENATE
Fifty-Seventh Legislature, Second Regular Session

AMENDED
FACT SHEET FOR H.C.R. 2040

~~minimum wage; exception; homeless~~
(NOW: school districts; labor organizations; resources)

Purpose

Subject to voter approval, constitutionally prohibits a school district from using public monies and resources to support a labor organization's operations or perform labor organization activities during working hours beginning January 1, 2028. Prohibits a school district employee from distributing any communications in a manner that consumes public resources on a labor organization's behalf beginning January 1, 2028.

Background

The Arizona Constitution prohibits: 1) a person from being denied the opportunity to obtain or retain employment because of non-membership in a labor organization; and 2) the state or a corporation, individual or association from entering any written or oral agreement that excludes a person from employment or continuation of employment because of non-membership in a labor organization ([Ariz. Const. art. 25](#)).

Statute prohibits a public employer from: 1) spending public monies for union activities; 2) entering an employment contract with an employee to engage in union activities; or 3) providing paid leave or any other form of compensation for the purposes of engaging in union activities. The prohibitions do not prohibit a public employee from using personal leave for union activities. *Public employer* means the state or any branch, department, division, agency or authority of the state or a city, town or other political subdivision ([A.R.S. § 23-1431](#)).

The Joint Legislative Budget Committee fiscal note estimates that prohibiting school districts from using public monies to support the operations of a labor organizations would not generate an impact to the state General Fund ([JLBC Fiscal Note](#)).

Provisions

1. Prohibits a school district from:
 - a) using public monies and resources to support the operations of a labor organization;
 - b) deducting any payment from a school district employee's paycheck for labor organization membership dues; or
 - c) providing access to the school district's internal communications systems to distribute labor organization membership recruiting information or political materials.
2. Prohibits school district employees from distributing written, printed or digital communications in a manner that consumes public resources on a labor organization's behalf.

3. Prohibits a school district from using public monies or resources to perform labor organization activities during working hours, including using:
 - a) government accounting or payroll systems to collect dues, fee contributions or other assessments for a labor organization;
 - b) facilities for captive audience meetings to recruit labor organization members during working hours, including new hire orientations;
 - c) paid leave to conduct business on behalf of a labor organization;
 - d) internal government communication systems to distribute labor organization membership recruiting information or political materials; or
 - e) any other public resource for distributing written, printed or digital communications on behalf of a labor organization.
4. Specifies that a school district may not approve employee paid leave for any business related to a school district employee's labor organization activities.
5. Specifies that a school district employee has a right to negotiate the employee's own terms and conditions of employment, including wages, benefits and working conditions.
6. Prohibits the state or a political subdivision from negotiating with a labor organization for an exclusive representation agreement, collective bargaining agreement, memorandum of understanding, contract or other agreement regarding the terms and conditions of school district employment.
7. Determines that the outlined prohibitions relating to labor organizations supersedes any contract, memorandum of understanding, meet and confer agreement, policy, ordinance or other written or oral agreement.
8. Applies the outlined prohibitions and requirements on school districts and school district employees relating to labor organizations on January 1, 2028.
9. Defines *labor organization* as any employee representation organization that exists to deal with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment or other conditions of employment.
10. Defines *public monies* as monies that are received by a school district and that are derived all or in part from tax revenues.
11. Defines *public resources* as facilities, vehicles, postage, telecommunications, computer hardware and software, websites, personnel, equipment, materials, buildings or any other thing of value of the school district.
12. Requires the Secretary of State to submit the proposition to the voters at the next general election.
13. Becomes effective if approved by the voters and on proclamation of the Governor.

1. Prohibits a public school teacher from striking or engaging in an organized work stoppage against the school.
2. Determines that a teacher who violates the prohibition on striking or engaging in an organized work stoppage forfeits all rights, benefits or privileges that accrue as a result of employment or former employment.
3. Specifies that the prohibition on striking or engaging in an organized work stoppage does not restrict a teacher's right to stop work if the teacher is not engaging in a strike or organized work stoppage with other individuals.
4. Prohibits the state or a political subdivision from negotiating with a labor organization for a contract or agreement regarding the terms and conditions of employment as specified.
5. Specifies that a school district employee has a right to negotiate the employee's own terms and conditions of employment.
6. Makes conforming changes.

Amendments Adopted by Additional Committee of the Whole

1. Removes the prohibition on school district and charter school teachers striking or engaging in an organized work stoppage against the school and the requirement for a teacher who violates the prohibition to forfeit outlined employment rights and benefits.
2. Makes conforming changes.

House Action

COM	2/16/26	W/D	
ED	2/17/26	DPA/SE	7-4-0-1
3 rd Read	3/2/26		31-25-3-0-1

Senate Action

GOV	3/25/26	DPA	4-2-1
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Prepared by Senate Research

June 12, 2026

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