

House Engrossed

qualified marketplace contractors; employment

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HOUSE BILL 2310

AN ACT

AMENDING SECTION 23-1603, ARIZONA REVISED STATUTES; RELATING TO EMPLOYMENT
RELATIONSHIPS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 23-1603, Arizona Revised Statutes, is amended to
3 read:

4 23-1603. Qualified marketplace contractors; definitions

5 A. A qualified marketplace contractor shall be treated as an
6 independent contractor for all purposes under state and local laws,
7 regulations and ordinances, including employment security laws prescribed
8 in chapter 4 of this title and workers' compensation laws prescribed in
9 chapter 6 of this title, if all of the following apply:

10 1. All or substantially all of the payment for the services
11 performed by the qualified marketplace contractor is related to the
12 performance of services or other output.

13 2. The services performed by the qualified marketplace contractor
14 are governed by a written contract executed between the qualified
15 marketplace contractor and a qualified marketplace platform.

16 3. The written contract required by paragraph 2 of this subsection
17 provides for all of the following:

18 (a) That the qualified marketplace contractor is providing services
19 as an independent contractor and not as an employee.

20 (b) That, pursuant to paragraph 1 of this subsection, all or
21 substantially all of the payment paid to the **QUALIFIED MARKETPLACE**
22 contractor shall be based on the performance of services or other output.

23 (c) That the qualified marketplace contractor is allowed to work
24 any hours or schedules the qualified marketplace contractor chooses. If
25 the qualified marketplace contractor elects to work specified hours or
26 schedules, a contract may require the qualified marketplace contractor to
27 perform work during the selected hours or schedules.

28 (d) That the qualified marketplace contract does not restrict the
29 **QUALIFIED MARKETPLACE** contractor's ability to perform services for other
30 parties.

31 (e) That the qualified marketplace contractor bears all or
32 substantially all of the qualified marketplace contractor's own expenses
33 that are incurred by the qualified marketplace contractor in performing
34 the services.

35 (f) That the qualified marketplace contractor is responsible for
36 the taxes on the qualified marketplace contractor's own income.

37 (g) That the contract and the association created by the contract
38 may be terminated without cause **AT ANY TIME AND ON REASONABLE NOTICE IN**
39 **WHICH THE CONTRACT EXPRESSLY PROVIDES FOR TERMINATION** by either party to
40 the contract. ~~OR UNILATERALLY BY A QUALIFIED MARKETPLACE CONTRACTOR~~ at
41 any time on reasonable notice given to the other party.

42 B. For services performed by a qualified marketplace contractor
43 before August 6, 2016, the qualified marketplace contractor shall be
44 treated as an independent contractor for all purposes under state and
45 local laws, regulations and ordinances, including employment security laws

1 prescribed in chapter 4 of this title and workers' compensation laws
2 prescribed in chapter 6 of this title, if both of the following apply:

3 1. All or substantially all of the payment for the services
4 performed by the qualified marketplace contractor is related to the
5 performance of services or other output.

6 2. The services performed by the qualified marketplace contractor
7 are governed by a written contract executed between the qualified
8 marketplace contractor and a qualified marketplace platform that conforms
9 to the requirements of subsection A, paragraph 3 of this section.

10 C. Compliance with this section is not mandatory in order to
11 establish the existence of an independent contractor relationship. The
12 exclusion of any contractor or digital platform from this section does not
13 create any presumptions and is not admissible to deny the existence of an
14 independent contractor relationship.

15 D. This section does not apply to:

16 1. Service performed in the employ of a state, or any political
17 subdivision of ~~the~~ A state, or in the employ of an Indian tribe, or any
18 instrumentality of a state, any political subdivision of a state or any
19 Indian tribe that is wholly owned by one or more states or political
20 subdivisions or Indian tribes, provided that such service is excluded from
21 employment as defined in the federal unemployment tax act (26 United
22 States Code sections 3301 ~~and~~ THROUGH 3311) SOLELY BY REASON OF 26 UNITED
23 STATES CODE SECTION 3306(c)(7)~~).~~

24 2. Service performed in the employ of a religious, charitable,
25 educational or other organization that is excluded from employment as
26 defined in the federal unemployment tax act (26 United States Code
27 sections 3301 through 3311), solely by reason of 26 United States Code
28 section 3306(c)(8).

29 E. For the purposes of this section:

30 1. "Qualified marketplace contractor" means any person or
31 organization, including an individual, corporation, limited liability
32 company, partnership, sole ~~proprietor~~ PROPRIETORSHIP or other entity, that
33 enters into an agreement with a qualified marketplace platform to use the
34 qualified marketplace platform's digital platform to provide services to
35 third-party individuals or entities seeking those services. Qualified
36 marketplace contractor does not include any contractor when the services
37 performed consist of transporting freight, sealed and closed envelopes,
38 boxes or parcels or other sealed and closed containers for compensation.

39 2. "Qualified marketplace platform":

40 (a) Means an organization, including, ~~but not limited to,~~ a
41 corporation, limited liability company, partnership, ~~OR~~ sole ~~proprietor~~
42 PROPRIETORSHIP or any other entity, that both:

43 ~~(a)~~ (i) Operates a digital website or digital smartphone
44 application that facilitates the provision of services by qualified
45 marketplace contractors to individuals or entities seeking such services.

1 ~~(b)~~ (ii) Accepts service requests from the public only through its
2 digital website or digital smartphone application, and does not accept
3 service requests by telephone, by facsimile or in person at physical
4 retail locations. ~~Qualified marketplace platform~~

5 (b) Does not include any digital website or smartphone application
6 where the services facilitated consist of transporting freight, sealed and
7 closed envelopes, boxes or parcels or other sealed and closed containers
8 for compensation.

9 Sec. 2. Applicability

10 This act applies to any contract or addendum entered into from and
11 after the effective date of this act.