

REFERENCE TITLE: **minimum wage; definitions; increase**

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

HB 2849

Introduced by
Representative Sandoval

AN ACT

AMENDING SECTION 23-363, ARIZONA REVISED STATUTES; RELATING TO THE MINIMUM WAGE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Subject to the requirements of article IV, part 1,
3 section 1, Constitution of Arizona, section 23-363, Arizona Revised
4 Statutes, is amended to read:

5 23-363. Minimum wage

6 A. Employers shall pay employees ~~no less than~~ AT LEAST the minimum
7 wage, which shall be not less than:

8 ~~1. \$10 on and after January 1, 2017.~~

9 ~~2. \$10.50 on and after January 1, 2018.~~

10 ~~3. \$11 on and after January 1, 2019.~~

11 ~~4. \$12~~ \$18 PER HOUR on and after January 1, ~~2020~~ 2027.

12 B. The minimum wage shall be increased on January 1, ~~2021~~ 2028 and
13 on January 1 of successive years, by the increase in the cost of living AS
14 DESCRIBED IN SUBSECTION C OF THIS SECTION. IN ADDITION, ON JANUARY 1,
15 2028 AND AGAIN ON JANUARY 1, 2029, THE MINIMUM WAGE SHALL INCREASE BY \$1
16 PER HOUR AFTER THE INCREASE ATTRIBUTABLE TO THE COST OF LIVING ISSUED
17 PURSUANT TO THIS SUBSECTION AND SUBSECTION C OF THIS SECTION.

18 C. The increase in the cost of living shall be measured by the
19 percentage increase as of August of the immediately preceding year over
20 the level as of August of the previous year of the consumer price index
21 (all urban consumers, ~~U.S.~~ UNITED STATES city average for all items) or
22 its successor index as published by the ~~U.S.~~ UNITED STATES department of
23 labor or its successor agency, with the amount of the minimum wage
24 increase rounded to the nearest multiple of ~~five cents~~ \$0.05. IF THE
25 CHANGE IN THE COST OF LIVING AS MEASURED IN THIS SUBSECTION IS NEGATIVE,
26 THE MINIMUM WAGE WILL REMAIN UNCHANGED FOR THAT YEAR.

27 ~~C. For any employee who customarily and regularly receives tips or~~
28 ~~gratuities from patrons or others, the employer may pay a wage up to \$3.00~~
29 ~~per hour less than the minimum wage if the employer can establish by its~~
30 ~~records of charged tips or by the employee's declaration for federal~~
31 ~~insurance contributions act (FICA) purposes that for each week, when~~
32 ~~adding tips received to wages paid, the employee received not less than~~
33 ~~the minimum wage for all hours worked. Compliance with this provision~~
34 ~~will be determined by averaging tips received by the employee over the~~
35 ~~course of the employer's payroll period or any other period selected by~~
36 ~~the employer that complies with regulations adopted by the commission.~~

37 D. ON OR AFTER JANUARY 1, 2030, AN EMPLOYER SHALL PAY AN EMPLOYEE
38 THE MINIMUM WAGE REGARDLESS OF WHETHER THE EMPLOYEE CUSTOMARILY AND
39 REGULARLY RECEIVES TIPS OR GRATUITIES FROM PATRONS OR OTHERS.

40 Sec. 2. Conflicts with federal law

41 This statute shall not be interpreted or applied so as to create
42 any power or duty in conflict with federal law.

1 Sec. 3. Severability

2 If a provision of this act or its application to any person or
3 circumstance is held invalid, the invalidity does not affect other
4 provisions of applications of the act that can be given effect without the
5 invalid provision of application, and to this end the provisions of this
6 act are severable.

7 Sec. 4. Short title

8 This act may be cited as the "One Fair Wage Act".

9 Sec. 5. Requirements for enactment; three-fourths vote

10 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
11 section 23-363, Arizona Revised Statutes, as amended by this act, is
12 effective only on the affirmative vote of at least three-fourths of the
13 members of each house of the legislature.