

REFERENCE TITLE: business relocation; notice; penalty

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SB 1301

Introduced by
Senator Gabaldón

AN ACT

AMENDING TITLE 44, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 30;
RELATING TO BUSINESS RELOCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 44, Arizona Revised Statutes, is amended by adding
3 chapter 30, to read:

4 CHAPTER 30

5 BUSINESS RELOCATION

6 ARTICLE 1. GENERAL PROVISIONS

7 44-7301. Definitions

8 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "AGENCY" MEANS A DEPARTMENT OR AGENCY OF THE EXECUTIVE BRANCH OF
10 STATE GOVERNMENT.

11 2. "EMPLOYER":

12 (a) MEANS A BUSINESS ENTITY THAT EMPLOYS EITHER OF THE FOLLOWING:

13 (i) FIFTY OR MORE EMPLOYEES, EXCLUDING PART-TIME EMPLOYEES.

14 (ii) FIFTY OR MORE EMPLOYEES WHO IN THE AGGREGATE WORK AT LEAST ONE
15 THOUSAND FIVE HUNDRED HOURS PER WEEK, NOT INCLUDING OVERTIME HOURS.

16 (b) INCLUDES ANY BUSINESS ENTITY THAT EMPLOYS FIFTY OR MORE
17 EMPLOYEES, EXCLUDING PART-TIME EMPLOYEES, AND THAT RECEIVED A STATE
18 SUBSIDY TO RELOCATE, EXPAND OR START A BUSINESS.

19 3. "PART-TIME EMPLOYEE" MEANS AN EMPLOYEE WHO IS EMPLOYED FOR AN
20 AVERAGE OF FEWER THAN TWENTY HOURS PER WEEK OR WHO HAS BEEN EMPLOYED FOR
21 FEWER THAN SIX OF THE TWELVE MONTHS PRECEDING THE DATE ON WHICH NOTICE IS
22 REQUIRED UNDER SECTION 44-7302.

23 4. "STATE SUBSIDY" MEANS ANY OF THE FOLLOWING:

24 (a) A TAX INCENTIVE.

25 (b) A GRANT.

26 (c) A GUARANTEED LOAN.

27 (d) A TAX BENEFIT.

28 (e) ANY OTHER GOVERNMENTAL SUPPORT.

29 44-7302. Business entity relocation; notification; civil
30 penalty

31 A. AN EMPLOYER THAT INTENDS TO RELOCATE FROM THIS STATE TO ANOTHER
32 STATE OR TO A FOREIGN COUNTRY SHALL NOTIFY THE DIRECTOR OF THE DEPARTMENT
33 OF ECONOMIC SECURITY OF THAT INTENTION AT LEAST ONE HUNDRED TWENTY DAYS
34 BEFORE THE RELOCATION.

35 B. AN EMPLOYER THAT VIOLATES THIS SECTION IS SUBJECT TO A CIVIL
36 PENALTY NOT TO EXCEED \$10,000 FOR EACH DAY OF THE VIOLATION, EXCEPT THAT
37 THE DIRECTOR OF THE INDUSTRIAL COMMISSION OF ARIZONA MAY REDUCE THE AMOUNT
38 FOR JUST CAUSE.

39 44-7303. Semiannual employer list; distribution

40 A. THE DIRECTOR OF THE DEPARTMENT OF ECONOMIC SECURITY SHALL
41 COMPILE A SEMIANNUAL LIST OF ALL EMPLOYERS THAT RELOCATE FROM THIS STATE
42 TO ANOTHER STATE OR TO A FOREIGN COUNTRY. THE LIST SHALL INCLUDE THE NAME
43 OF THE EMPLOYER AND THE DATE ON WHICH THE EMPLOYER RELOCATED.

44 B. THE DIRECTOR OF THE DEPARTMENT OF ECONOMIC SECURITY SHALL
45 DISTRIBUTE THE LIST REQUIRED BY THIS SECTION TO ALL AGENCIES.

1 44-7304. Ineligibility for state subsidy; remittance of
2 monies; exceptions

3 A. EXCEPT AS PROVIDED IN SUBSECTION B OF THIS SECTION AND
4 NOTWITHSTANDING ANY OTHER LAW, AN EMPLOYER THAT APPEARS ON THE LIST
5 PRESCRIBED BY SECTION 44-7303:

6 1. IS NOT ELIGIBLE FOR ANY DIRECT OR INDIRECT STATE SUBSIDY FOR
7 FIVE YEARS AFTER THE DATE THAT THE LIST IS PUBLISHED.

8 2. SHALL REMIT TO THIS STATE THE UNAMORTIZED VALUE OF ANY STATE
9 SUBSIDY THE EMPLOYER HAS PREVIOUSLY RECEIVED.

10 3. SHALL PAY TO THIS STATE ALL STATE SUBSIDIES THAT THE EMPLOYER
11 HAS RECEIVED.

12 B. THE ARIZONA COMMERCE AUTHORITY, IN CONSULTATION WITH THE
13 APPROPRIATE AGENCY PROVIDING A STATE SUBSIDY, MAY WAIVE THE INELIGIBILITY
14 OR REMITTANCE REQUIREMENT PRESCRIBED IN SUBSECTION A OF THIS SECTION IF
15 THE EMPLOYER APPLYING FOR THE STATE SUBSIDY DEMONSTRATES THAT A LACK OF
16 THE STATE SUBSIDY WOULD DO ANY OF THE FOLLOWING:

17 1. RESULT IN SUBSTANTIAL JOB LOSSES IN THIS STATE.

18 2. HARM THE ENVIRONMENT.

19 3. RESULT IN A SIGNIFICANT ECONOMIC IMPACT TO THIS STATE.

20 44-7305. State business location requirement; contractor
21 requirements

22 A. THE DIRECTOR OF EACH AGENCY SHALL ENSURE THAT ALL WORK PERFORMED
23 BY AN EMPLOYER THAT RELATES TO STATE BUSINESS IS CONDUCTED ENTIRELY WITHIN
24 THIS STATE OR BY A STATE CONTRACTOR OR A STATE CONTRACTOR'S AGENT OR
25 SUBCONTRACTOR.

26 B. A STATE CONTRACTOR THAT PERFORMS WORK RELATED TO STATE BUSINESS
27 MAY NOT HIRE AN INDIVIDUAL TO PERFORM THAT WORK AT A LOCATION OUTSIDE OF
28 THIS STATE.

29 C. A STATE CONTRACTOR THAT CURRENTLY PERFORMS WORK OUTSIDE OF THIS
30 STATE SHALL COMPLY WITH THIS SECTION ON OR BEFORE NOVEMBER 1, 2027 EXCEPT
31 THAT BEGINNING NOVEMBER 1, 2026 ALL NEW EMPLOYEES HIRED BY A STATE
32 CONTRACTOR TO PERFORM WORK ON A CONTRACT SHALL IMMEDIATELY BE EMPLOYED
33 WITHIN THIS STATE.

34 44-7306. State benefits for workers

35 THIS CHAPTER DOES NOT ALLOW THE WITHHOLDING OR DENIAL OF PAYMENTS,
36 COMPENSATION OR BENEFITS UNDER ANY OTHER LAW TO WORKERS WHO ARE EMPLOYED
37 BY EMPLOYERS THAT RELOCATE TO ANOTHER STATE OR TO A FOREIGN COUNTRY.

38 Sec. 2. Effective date

39 This act is effective from and after October 31, 2026.

40 Sec. 3. Short title

41 This act may be cited as the "State Investment Accountability Act".