

REFERENCE TITLE: prevailing wage contracts; agreements

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

## **SB 1721**

Introduced by  
Senators Bravo: Alston, Diaz, Fernandez, Gonzales, Hatathlie, Kuby,  
Miranda, Ortiz, Sears, Sundareshan

### **AN ACT**

REPEALING SECTION 34-321, ARIZONA REVISED STATUTES; AMENDING TITLE 34, CHAPTER 3, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 34-321; AMENDING SECTION 40-360.06, ARIZONA REVISED STATUTES; RELATING TO WAGE CONTRACTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Repeal

3 Section 34-321, Arizona Revised Statutes, is repealed.

4 Sec. 2. Title 34, chapter 3, article 2, Arizona Revised Statutes,  
5 is amended by adding a new section 34-321, to read:

6 34-321. Public construction contracts; prevailing wages;  
7 posting; retaliation prohibited; civil penalty;  
8 inspection

9 A. NOTWITHSTANDING ANY OTHER LAW, EACH CONTRACT IN THIS STATE  
10 BETWEEN AN AGENT AND A BIDDER THAT IS ENTERED INTO PURSUANT TO AN  
11 ADVERTISEMENT OR AN INVITATION TO BID, THAT REQUIRES THE EMPLOYMENT OF  
12 CONSTRUCTION WORKERS AND THAT IS SPONSORED OR FINANCED BY THIS STATE SHALL  
13 CONTAIN A PROVISION THAT THE RATES OF WAGES AND FRINGE BENEFITS PAID TO  
14 EACH CLASS OF WORKERS BY THE BIDDER AND ALL OF THE BIDDER'S SUBCONTRACTORS  
15 MAY NOT BE LESS THAN THE WAGE AND FRINGE BENEFIT RATES IN THE CITY, TOWN  
16 OR COUNTY, IN WHICH THE WORK WILL BE PERFORMED.

17 B. BEFORE ADVERTISING FOR BIDS ON A STATE PROJECT, AN AGENT SHALL  
18 HAVE THE DEPARTMENT OF ADMINISTRATION DETERMINE THE PREVAILING RATES OF  
19 WAGES AND FRINGE BENEFITS FOR ALL CLASSES OF CONSTRUCTION WORKERS  
20 PRESCRIBED IN THE CONTRACT. A SCHEDULE OF THESE RATES SHALL BE MADE PART  
21 OF THE SPECIFICATIONS FOR THE WORK TO BE PERFORMED AND SHALL BE PRINTED ON  
22 THE BIDDING FORMS WHERE THE WORK IS TO BE DONE. IF A CONTRACT IS NOT  
23 AWARDED OR CONSTRUCTION IS NOT UNDERTAKEN WITHIN NINETY DAYS AFTER THE  
24 DATE OF THE DEPARTMENT'S DETERMINATION OF PREVAILING RATES OF WAGES AND  
25 FRINGE BENEFITS, THE DEPARTMENT SHALL MAKE A REDETERMINATION BEFORE THE  
26 CONTRACT IS AWARDED.

27 C. THE DEPARTMENT OF ADMINISTRATION SHALL ESTABLISH PREVAILING  
28 WAGES AND FRINGE BENEFITS AT THE SAME RATE THAT PREVAILS ON PROJECTS OF A  
29 SIMILAR CHARACTER IN THE CITY, TOWN OR COUNTY UNDER COLLECTIVE AGREEMENTS  
30 OR UNDERSTANDINGS BETWEEN ORGANIZATIONS OF CONSTRUCTION WORKERS AND THEIR  
31 EMPLOYERS. THE AGREEMENTS AND UNDERSTANDINGS MAY NOT BE CONTROLLED BY  
32 EITHER AN EMPLOYEE OR EMPLOYER ORGANIZATION. IF THE PREVAILING RATES OF  
33 WAGES AND FRINGE BENEFITS CANNOT REASONABLY AND FAIRLY BE APPLIED IN ANY  
34 CITY, TOWN OR COUNTY BECAUSE SUCH AGREEMENTS OR UNDERSTANDINGS DO NOT  
35 EXIST, THE DEPARTMENT SHALL DETERMINE THE RATES AND FRINGE BENEFITS FOR  
36 THE SAME OR MOST SIMILAR EMPLOYMENT IN THE NEAREST CITY, TOWN OR COUNTY IN  
37 WHICH SUCH AGREEMENTS DO EXIST.

38 D. EACH CONTRACTOR SHALL POST ON THE CONSTRUCTION SITE, IN A  
39 CONSPICUOUS PLACE, A COPY OF ALL PREVAILING WAGE AND FRINGE BENEFIT RATES  
40 PRESCRIBED IN THE CONTRACT AND SHALL KEEP AN ACCURATE RECORD SHOWING THE  
41 NAME AND OCCUPATION OF AND THE ACTUAL WAGES AND BENEFITS PAID TO EACH  
42 CONSTRUCTION WORKER EMPLOYED. THIS RECORD SHALL BE AVAILABLE FOR  
43 REASONABLE INSPECTION BY THE AGENT OR THE DEPARTMENT OF ADMINISTRATION.

1 E. A CONTRACTOR OR SUBCONTRACTOR MAY NOT DISCHARGE, DISCIPLINE,  
2 RETALIATE AGAINST OR DISCRIMINATE AGAINST A CONSTRUCTION WORKER BECAUSE  
3 THE CONSTRUCTION WORKER REPORTED OR WAS ABOUT TO REPORT A VIOLATION OF  
4 THIS SECTION.

5 F. A PERSON THAT VIOLATES THIS SECTION IS SUBJECT TO A CIVIL  
6 PENALTY OF \$5,000. THE COUNTY ATTORNEY IN THE COUNTY IN WHICH THE  
7 VIOLATION OCCURRED OR THE ATTORNEY GENERAL MAY BRING AN ACTION TO ENFORCE  
8 THIS SECTION.

9 G. IF AN AGENT DOES NOT INCLUDE IN THE CONTRACT DOCUMENTS OR  
10 BIDDING FORMS THE REQUIREMENT TO PAY PREVAILING WAGES AND FRINGE BENEFITS,  
11 THE AGENT IS LIABLE FOR ANY LOSS OF WAGES AND FRINGE BENEFITS SUFFERED BY  
12 CONSTRUCTION WORKERS ON THE PROJECT AS A RESULT OF THE AGENT'S VIOLATION.  
13 AN AGGRIEVED CONSTRUCTION WORKER MAY BRING A CIVIL ACTION AGAINST AN AGENT  
14 FOR THE VIOLATION AND MAY RECOVER DAMAGES AND ATTORNEY FEES.

15 H. THE DEPARTMENT OF ADMINISTRATION HAS THE RIGHT TO ENTER THE  
16 WORKSITE OF ANY PROJECT GOVERNED BY A CONTRACT UNDER THIS SECTION DURING  
17 NORMAL HOURS OF OPERATION OF THE PROJECT FOR THE PURPOSES OF INSPECTING  
18 PAYROLL RECORDS, INTERVIEWING EMPLOYEES, CONDUCTING WAGE SURVEYS OF  
19 EMPLOYEES OR ALL OTHER ACTIONS REASONABLY RELATED TO THE ENFORCEMENT OF  
20 THIS SECTION. THE AGENT OR CONTRACTOR SHALL PROVIDE TO THE DEPARTMENT OF  
21 ADMINISTRATION ANY RECORDS REQUESTED THAT ARE NECESSARY TO ENFORCE THIS  
22 SECTION.

23 I. THE DEPARTMENT OF ADMINISTRATION MAY NOT ACCEPT OR INVESTIGATE  
24 COMPLAINTS RECEIVED MORE THAN THREE YEARS AFTER THE DATE OF THE ALLEGED  
25 VIOLATION OR THE LAST DATE ON WHICH A VIOLATION COULD HAVE OCCURRED,  
26 WHICHEVER IS LATER.

27 Sec. 3. Section 40-360.06, Arizona Revised Statutes, is amended to  
28 read:

29 40-360.06. Factors to be considered in issuing a certificate  
30 of environmental compatibility

31 A. The committee may approve or deny an application and may impose  
32 reasonable conditions on the issuance of a certificate of environmental  
33 compatibility and in so doing shall consider the following factors as a  
34 basis for its action with respect to the suitability of either plant or  
35 transmission line siting plans:

36 1. Existing plans of this state, A local government and private  
37 entities for other developments at or in the vicinity of the proposed  
38 site.

39 2. Fish, wildlife and plant life and associated forms of life on  
40 which they are dependent.

41 3. Noise emission levels and interference with communication  
42 signals.

1           4. The proposed availability of the site to the public for  
2 recreational purposes, consistent with safety considerations and  
3 regulations.

4           5. Existing scenic areas, historic sites and structures or  
5 archaeological sites at or in the vicinity of the proposed site.

6           6. The total environment of the area.

7           7. The technical practicability of achieving a proposed objective  
8 and the previous experience with equipment and methods available for  
9 achieving a proposed objective.

10          8. The estimated cost of the facilities and site as proposed by the  
11 applicant and the estimated cost of the facilities and site as recommended  
12 by the committee, recognizing that any significant increase in costs  
13 represents a potential increase in the cost of electric energy to the  
14 customers or the applicant.

15          9. Any additional factors that require consideration under  
16 applicable federal and state laws pertaining to any such site.

17          B. The committee shall give special consideration to the protection  
18 of areas unique because of biological wealth or because they are habitats  
19 for rare and endangered species.

20          C. Notwithstanding any other provision of this article, the  
21 committee shall require in all certificates for facilities that the  
22 applicant comply with all applicable nuclear radiation standards and air  
23 and water pollution control standards and regulations, but shall not  
24 require either of the following:

25           1. Compliance with performance standards other than those  
26 established by the agency having primary jurisdiction over a particular  
27 pollution source.

28           2. That a contractor, subcontractor, material supplier or other  
29 person engaged in the construction, maintenance, repair or improvement of  
30 any project subject to approval of the commission negotiate, execute or  
31 otherwise become a party to any project labor agreement, neutrality  
32 agreement ~~as defined in section 34-321~~, apprenticeship program  
33 participation or contribution agreement or other agreement with employees,  
34 employees' representatives or any labor organization as a condition of or  
35 a factor in the commission's approval of the project. This paragraph does  
36 not:

37           (a) Prohibit private parties from entering into individual  
38 collective bargaining relationships.

39           (b) Regulate or interfere with activity protected by law, including  
40 the national labor relations act.

41          D. Any certificate granted by the committee shall be conditioned on  
42 compliance by the applicant with all applicable ordinances, master plans  
43 and regulations of the state, a county or an incorporated city or town,  
44 except that the committee may grant a certificate notwithstanding any such

1 ordinance, master plan or regulation, exclusive of franchises, if the  
2 committee finds as a fact that compliance with such ordinance, master plan  
3 or regulation is unreasonably restrictive and compliance therewith is not  
4 feasible in view of technology available. When it becomes apparent to the  
5 chairman of the committee or to the hearing officer that an issue exists  
6 with respect to whether such an ordinance, master plan or regulation is  
7 unreasonably restrictive and compliance therewith is not feasible in view  
8 of technology available, the chairman or hearing officer shall promptly  
9 serve notice of such fact by certified mail on the chief executive officer  
10 of the area of jurisdiction affected and, notwithstanding any provision of  
11 this article to the contrary, shall make such area of jurisdiction a party  
12 to the proceedings on its request and shall give it an opportunity to  
13 respond on such issue.