

PROPOSITION 202
I-13-2006; ARIZONA MINIMUM WAGE ACT

ANALYSIS BY LEGISLATIVE COUNCIL

Based on the federal law, the current minimum wage in Arizona is \$5.15 per hour.

Proposition 202 would establish a state minimum wage law and raise the minimum wage to \$6.75 per hour beginning January 1, 2007. The state minimum wage would be increased each January 1 for changes in the cost of living.

The new state minimum wage law would apply to all employers except:

1. Any person who is employed by a parent or a sibling.
2. A person who is employed performing babysitting services in the employer's home on a casual basis.
3. Employees who regularly receive tips and who are otherwise exempt under federal minimum wage law.
4. The State of Arizona government. But political subdivisions of this state would have to comply with the state minimum wage law.
5. The United States government.
6. A business that has less than \$500,000 in gross annual revenue and that is exempt from having to pay a minimum wage under federal law.

Proposition 202 also contains employer notice and record keeping requirements and enforcement and civil penalty provisions. The Legislature, a county, a city or a town may enact a law providing for a higher minimum wage than established by this proposition.