

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

HB 2131

Introduced by
Representatives Salman: De Los Santos, Ortiz, Stahl Hamilton

AN ACT

AMENDING TITLE 23, CHAPTER 2, ARTICLE 7, ARIZONA REVISED STATUTES, BY
ADDING SECTION 23-361.03; RELATING TO THE PAYMENT OF WAGES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Title 23, chapter 2, article 7, Arizona Revised
3 Statutes, is amended by adding section 23-361.03, to read:
4 23-361.03. Overtime pay; exemption; rules
5 A. NOTWITHSTANDING ANY OTHER LAW, TO QUALIFY AS AN INDIVIDUAL WHO
6 IS EMPLOYED IN A BONA FIDE ADMINISTRATIVE, EXECUTIVE OR PROFESSIONAL
7 CAPACITY AND WHO IS EXEMPT FROM THE OVERTIME PAY REQUIREMENTS AS
8 PRESCRIBED IN THE FAIR LABOR STANDARDS ACT OF 1938 AND THE REGULATIONS
9 ADOPTED PURSUANT TO THAT ACT, AN INDIVIDUAL SHALL BE COMPENSATED ON A
10 SALARY BASIS IN AN AMOUNT PER WEEK, EXCLUSIVE OF BOARD, LODGING OR OTHER
11 FACILITIES, THAT IS NOT LESS THAN THE AMOUNT DETERMINED BY THE INDUSTRIAL
12 COMMISSION OF ARIZONA UNDER SUBSECTION D OF THIS SECTION.
13 B. THE SALARY REQUIREMENTS DESCRIBED IN SUBSECTION A OF THIS
14 SECTION DO NOT APPLY TO TEACHERS, LICENSED MEDICAL PROFESSIONALS, LICENSED
15 ATTORNEYS OR OTHER INDIVIDUALS WHO ARE EMPLOYED IN A PROFESSIONAL CAPACITY
16 TO WHOM THE SALARY REQUIREMENTS FOR EXEMPTION UNDER THE UNITED STATES
17 DEPARTMENT OF LABOR REGULATIONS THAT WERE IN EFFECT IN 2015 WOULD NOT HAVE
18 APPLIED.
19 C. THE REQUIRED AMOUNT OF COMPENSATION PER WEEK UNDER SUBSECTION A
20 OF THIS SECTION MAY BE EITHER:
21 1. FOR AN INDIVIDUAL WHO IS EMPLOYED IN AN ADMINISTRATIVE CAPACITY
22 OR A PROFESSIONAL CAPACITY, PAID ON A FEE BASIS.
23 2. TRANSLATED INTO EQUIVALENT AMOUNTS AND PAID ON A BASIS THAT IS
24 FOR A PERIOD OF TIME LONGER THAN ONE WEEK, INCLUDING BIWEEKLY, SEMIMONTHLY
25 OR MONTHLY.
26 D. ON THE EFFECTIVE DATE OF THIS SECTION, THE COMMISSION SHALL SET
27 THE SALARY AMOUNT UNDER SUBSECTION A OF THIS SECTION AT THE FORTIETH
28 PERCENTILE OF WEEKLY EARNINGS OF FULL-TIME NONHOURLY WORKERS IN THE
29 LOWEST-WAGE CENSUS REGION IN THE SECOND QUARTER OF THE YEAR IMMEDIATELY
30 PRECEDING THE UPDATE PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR,
31 BUREAU OF LABOR STATISTICS. ON JANUARY 1, 2026, AND EVERY THREE YEARS
32 THEREAFTER, THE COMMISSION SHALL ADJUST THE SALARY AMOUNT UNDER SUBSECTION
33 A OF THIS SECTION TO EQUAL THE FORTIETH PERCENTILE OF WEEKLY EARNINGS OF
34 FULL-TIME NONHOURLY WORKERS IN THE LOWEST-WAGE CENSUS REGION IN THE SECOND
35 QUARTER OF THE YEAR IMMEDIATELY PRECEDING THE UPDATE PUBLISHED BY THE
36 UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.
37 E. THE COMMISSION MAY ADOPT RULES TO IMPLEMENT THIS SECTION.