



STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

April 3, 2018

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2nd Regular Session, which I signed on April 3, 2018:

HB 2036 substitute teachers; experience; certification (Carter)
HB 2097 pension funding policies; employers (Livingston)
HB 2169 driving violations; restricted licenses; penalties (Boyer)
HB 2198 property tax; delinquent tax list (Shope)
HB 2245 prohibited bail; sexual conduct; molestation (Farnsworth, E.)
HB 2272 unmanned aircraft; emergencies; immunity (Thorpe)
HB 2302 private postsecondary regulation; opt-in (Thorpe)
HB 2421 national guard; employment rights (Andrade)
HB 2457 corporation commission; database fee; prohibited (Norgaard)
HB 2561 schools; civics literacy state seal (Boyer)
HB 2591 fallen correctional employees memorial; extension (Shope)
HB 2603 corporations; blockchain technology (Weninger)
SB 1110 photo radar; review; penalty (Borrelli)
SB 1159 school employees; contracts; revisions (Allen, S.)
SB 1163 credit security freezes; fees; prohibition (Brophy McGee)
SB 1240 weights and measures; duties; systems (Pratt)
SB 1376 landlord tenant act; personal property (Griffin)
SB 1393 dissolution; human embryos; disposition (Barto)
SB 1432 ranchers; landowners; fire training (Griffin)

Sincerely,

A handwritten signature in black ink that reads "Douglas A. Ducey". The signature is written in a cursive style with a large initial 'D' and a distinct 'A'.

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

House Engrossed Senate Bill

FILED

MICHELE REAGAN

SECRETARY OF STATE

State of Arizona
Senate
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 124

SENATE BILL 1159

AN ACT

AMENDING SECTION 23-351, ARIZONA REVISED STATUTES; RELATING TO 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. Section 23-351, Arizona Revised Statutes, is amended to
3 read:

4 23-351. Designation of paydays for employees; payment;
5 exceptions; violation; classification;
6 applicability; definition

7 A. Each employer in this state shall designate two or more days in
8 each month, not more than sixteen days apart, as fixed paydays for payment
9 of wages to the employees.

10 B. Notwithstanding subsection A of this section, each employer in
11 this state whose principal place of business is located outside of this
12 state and whose payroll system is centralized outside of this state may
13 designate one or more days in each month as fixed paydays for payment of
14 wages to the following employees:

15 1. Professional, administrative or executive employees or employees
16 employed in the capacity of an outside salesman as those terms are defined
17 under the fair labor standards act of 1938, as amended.

18 2. Employees employed in a supervisory capacity as defined under
19 the national labor relations act.

20 C. Each employer, on each of the regular paydays, shall pay to the
21 employees all wages due the employees up to ~~such~~ THAT date, except:

22 1. In the case of employees remaining in the service of any such
23 employer, with the exception of school district employees OR PERSONS
24 EMPLOYED BY AN EMPLOYEE LEASING FIRM THAT CONTRACTS WITH A SCHOOL
25 DISTRICT, all wages other than overtime or exception pay not to exceed
26 five days of labor may be withheld. School districts OR EMPLOYEE LEASING
27 FIRMS THAT CONTRACT WITH A SCHOOL DISTRICT may withhold wages for up to
28 seven business days during their normal two-week payroll processing cycle.
29 An employer other than a school district OR EMPLOYEE LEASING FIRM THAT
30 CONTRACTS WITH A SCHOOL DISTRICT may satisfy the requirements of this
31 paragraph by any of the following:

32 (a) Personally delivering the wages to the employee not later than
33 five business days after the end of the most recent pay period.

34 (b) Depositing the wages in the United States mail not later than
35 five business days after the end of the most recent pay period for
36 delivery to an address specified by the employee.

37 (c) Personally delivering the wages to the employee not later than
38 ten days after the end of the most recent pay period for an employer whose
39 payroll system is centralized outside of this state.

40 2. In the case of employees of school districts or of the Arizona
41 state schools for the deaf and the blind, the annual salary may be
42 prorated in any number of payments, and the employee may select whether to
43 have the salary prorated or paid during the actual months worked. If the
44 employee's salary is prorated, all ~~such~~ payments still due at the close of
45 the school attendance year or fiscal year may at the option of the

1 employee be paid in either a lump sum or paid within a period of two
2 months after the close of the fiscal year. If the employee's salary is
3 prorated, the employee's salary under the contract may be prorated into
4 equal payments and paid beginning with the first pay period that the
5 employee works.

6 3. Overtime or exception pay shall be paid not later than sixteen
7 days after the end of the most recent pay period.

8 D. An employer may choose one of the following methods to pay wages
9 to employees under subsection A of this section:

10 1. In lawful currency of the United States.

11 2. In negotiable bank checks.

12 3. In the case of this state or any political subdivision of this
13 state, warrants payable on demand and bearing even date with the payday.

14 4. With the written consent of the employee, by deposit on the
15 payday to the employee's credit at a financial institution of the
16 employee's choice that is a member of the federal deposit insurance
17 corporation or any other comparable federal or state agency.

18 5. If the employer has offered deposit on the payday to the
19 employee's credit at a financial institution of the employee's choice that
20 is a member of the federal deposit insurance corporation or any other
21 comparable federal or state agency and the employee does not provide
22 consent and does not designate a financial institution, by deposit on the
23 payday to the employee's credit to a payroll card account.

24 E. When an employee's wages are paid by deposit in a financial
25 institution the employee shall be furnished with a written or electronic
26 statement of the employee's earnings and withholdings. Any wage deposit
27 plan adopted by an employer shall entitle the employee to one withdrawal
28 for each deposit, free of any service charge to the employee. The consent
29 of an employee for payment of wage by deposit in a financial institution
30 shall not constitute a prior assignment of wages to the financial
31 institution and is revocable at any time before the transmittal to the
32 financial institution by the employer. A person shall not be denied
33 employment, ~~nor~~ BE discharged or BE reprimanded for refusal to consent to
34 payment of wage by deposit in a financial institution.

35 F. When an employee's wages are paid to a payroll card account the
36 employee shall be furnished with a written or electronic statement of the
37 employee's earnings and withholdings. A payroll card account plan adopted
38 by an employer shall entitle the employee to one free withdrawal for each
39 deposit of wages per pay period but not more frequently than once per
40 week. An employer shall also provide a list of all fees associated with
41 the use of an employer provided payroll card account to an employee who
42 receives wages by deposit to a payroll card account.

43 G. Subsection B of this section does not apply to employees whose
44 salaries are subject to provisions of collective bargaining agreements.

1 H. Each employer in this state, in its discretion, may pay all
2 wages due to an employee by deposit on the payday at a financial
3 institution of the employee's choice or, if the employee does not
4 designate a financial institution, to a payroll card account. For the
5 purposes of this subsection, "financial institution" means a member of the
6 federal deposit insurance corporation or of any other comparable federal
7 or state agency.

8 I. Any employer who violates ~~a provision~~ of this section is guilty
9 of a petty offense.

10 J. THE PROVISIONS OF SUBSECTION C, PARAGRAPH 1 OF THIS SECTION
11 RELATING TO THE PAYMENT OF WAGES BY AN EMPLOYEE LEASING FIRM THAT
12 CONTRACTS WITH A SCHOOL DISTRICT APPLY ONLY TO EMPLOYEES OF THE EMPLOYEE
13 LEASING FIRM WHO ARE PLACED AT A SCHOOL DISTRICT AND NOT TO ANY OTHER
14 EMPLOYEES WHO ARE EMPLOYED OR CONTRACTED BY THE EMPLOYEE LEASING FIRM.

15 K. FOR THE PURPOSES OF THIS SECTION, "EMPLOYEE LEASING FIRM" MEANS
16 A COMPANY THAT PLACES ITS CONTRACTED, LEASED AND COEMPLOYED EMPLOYEES IN
17 ADMINISTRATOR, CERTIFIED, CLASSIFIED OR EXTRACURRICULAR POSITIONS WITH A
18 SCHOOL DISTRICT.

APPROVED BY THE GOVERNOR APRIL 3, 2018

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 3, 2018

Passed the House March 27, 2018,

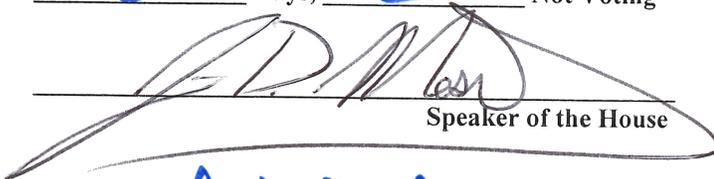
Passed the Senate February 22, 2018,

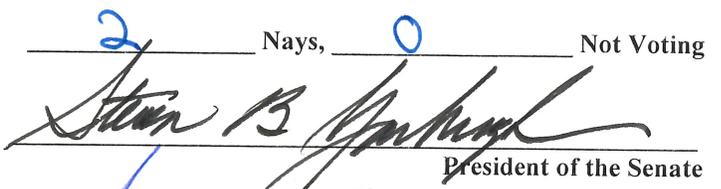
by the following vote: 55 Ayes,

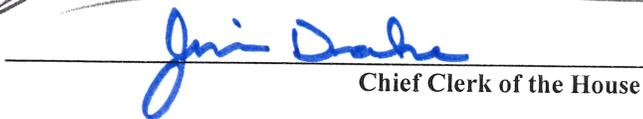
by the following vote: 28 Ayes,

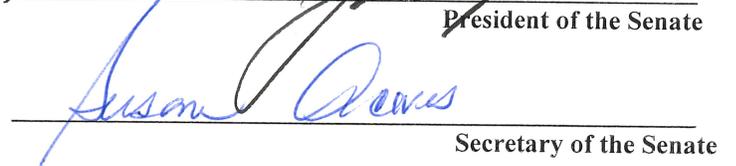
3 Nays, 2 Not Voting

2 Nays, 0 Not Voting


Speaker of the House


President of the Senate


Chief Clerk of the House


Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20____,

at _____ o'clock _____ M.

Governor of Arizona

S.B. 1159

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

SENATE CONCURS IN HOUSE
AMENDMENTS AND FINAL PASSAGE

Passed the Senate April 2, 2018

by the following vote: 30 Ayes,

0 Nays, 0 Not Voting



President of the Senate



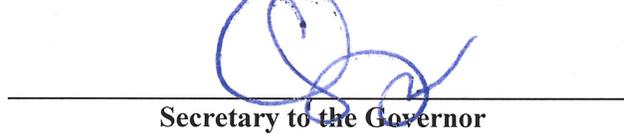
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

2nd day of April, 2018

at 3:54 o'clock P. M.



Secretary to the Governor

Approved this 3rd day of

April 2018

at 1:31 o'clock P. M.



Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 3 day of April, 2018

at 4:12 o'clock P. M.



Secretary of State

S.B. 1159