

REVISED

AMENDED

FOR CAUCUS AND FLOOR ACTION



ARIZONA STATE SENATE
RESEARCH STAFF

TO: MEMBERS OF THE SENATE
DATE: March 15, 2012
SUBJECT: Strike everything amendment to H.B. 2601
relating to filing; wage claims

JENNIFER THOMSEN
LEGISLATIVE RESEARCH ANALYST
COMMERCE & ENERGY and ECONOMIC
DEVELOPMENT & JOBS CREATION COMMITTEE
Telephone: (602) 926 -3171
Facsimile: (602) 926 -3833

Purpose

Increases the maximum amount of unpaid wages that enables an employee to file a written claim with the Industrial Commission of Arizona from \$2,500 to \$5,000.

Background

If an employer fails to pay wages due to an employee, the employee may recover an amount treble the amount of unpaid wages in a civil action against the employer (A.R.S. § 23-355). However, current law allows an employee to instead file a written claim with the Department of Labor within the Arizona Industrial Commission (ICA) for unpaid wages against an employer if the amount of unpaid wages does not exceed \$2,500 and the claim was filed within one year of the accrual of such a claim (A.R.S. § 23-356).

If a wage claim is filed, the ICA investigates the wage claim and determines whether wages are due or if a dispute exists between the parties to the claim. If the ICA determines that the claim for unpaid wages is valid, the ICA directs the unpaid wages be paid by the employer responsible for payment. If the determination finds that there is a dispute, which cannot be resolved by investigation, then the employee may attempt to recover the wages by instituting a civil action.

The fiscal impact of this legislation, if any, is unknown.

Provisions

1. Increases the maximum amount of unpaid wages that enables an employee to file a written claim with the ICA from \$2,500 to \$5,000.
2. Becomes effective on the general effective date.

Revision

- Makes a change to reflect the correct agency.

STRIKER MEMO - AMENDED

H.B. 2601

Page 2

Amendments Adopted by Committee

- Adopted the strike everything amendment.

Senate Action

CE 3/14/12 DPA/SE 5-0-1-0

JT/tf