

**BALLOT PROPOSITION #202**  
**Arizona Minimum Wage Act**

*Publicity Pamphlet Fiscal Impact Summary*

State law requires the Joint Legislative Budget Committee (JLBC) Staff to prepare a summary of the fiscal impact of certain ballot measures. The State may receive additional revenues in the form of civil penalties from violators of the provisions of Proposition 202. The state Industrial Commission will have responsibility to enforce these provisions. The civil penalties may be retained by the agency that recovered them and used to finance enforcement of the proposition. The total amount of civil penalties will depend on the level of compliance, which is difficult to predict in advance.

An increase in wages may also have an economic impact on state and local revenue collections and state spending. By increasing wages and business costs, the proposition may affect individual income tax, corporate income tax and sale tax collections. In addition, a minimum wage increase may affect participation in, and the cost of, public assistance programs. It is difficult to predict the impacts of the proposition on either state revenues or spending in advance.