



BUILDING AMERICA

THE MERIT SHOP SCORECARD

A Review & Ranking of State Construction Environments

Arizona

Project Labor Agreements

Adopted ABC model government neutrality bill.

Prevailing Wage

No.

Right to Work

Yes.

Public-Private Partnerships

Statute authorizes the use of P3s on horizontal and vertical construction projects. Unsolicited bids are allowed.

Workforce Development Incentives

Arizona Job Training Grant – A job-specific reimbursable grant that supports the design and delivery of customized training plans for employers creating new jobs or increasing the skill and wage levels of current employees. Associations are also eligible grant recipients.

Net New Grant – An employer creating new jobs can apply for a grant to be reimbursed for up to 75% of eligible training expenses.

Incumbent Grant – An employer seeking to supplement its current training plan and increase the skill level of its employees may apply for a grant to be reimbursed for up to 50% of eligible training expenses.

Career and Technical Education

99% of CTE high school graduates are placed in colleges or careers.

Arizona recognizes NCCER as an approved curriculum for CTE programs.

Job Growth Rate

10.8%.

OVERALL RANK 3

Project Labor Agreements A

Prevailing Wage A

Right to Work A

Public-Private Partnerships A

Workforce Development Incentives B

Career & Technical Education A

Job Growth Rate A

Compared to the National Average

	ARIZONA		NATIONAL
PLA	A		B
PPP	A		C
WDI	B		C
CTE	A		B
JGR	A		C

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Industry Overview

Prompt Pay	<p><u>Private</u>: When a contractor completes and an owner approves and certifies all work under a construction contract, the owner shall make payment in full within seven days. 1.6% interest per month.</p> <p><u>Public</u>: 14 days after invoice approved. Final payment 60 days after acceptance. 1% interest per month.</p> <p><u>Subs</u>: Payment must be made to subs and from subs to lower tiers within 7 days, unless otherwise agreed.</p>
Immigration/E-Verify Mandate	<p>The law requires employers in Arizona to use the E-Verify system to verify the employment authorization of all new employees hired. Government contracts may not be awarded to businesses that do not use E-Verify.</p>
Percentage of State GDP From Nonresidential Construction	3.7%.
Incidence Rate	3.9.
Occupational Safety & Health Oversight (State vs. Federal)	State plan covers private workplaces and state and local government workplaces.
Percentage of Union Membership in Private Construction	1.2%.
Marijuana Legalization Status	Legalized for medicinal use.

Business Facts

Minimum Wage	\$10
Percentage of Pensions Funded	60%
Effective Real-Estate Tax Rate	0.68%
Corporate Income Tax Rate(s)	4.9%
State and Local Public Construction Expenditures (in millions)	4.9%