



ARIZONA LAWMAKERS SAID NO TO USURY SINCE PROP 200 VOTE IN 2008

Since Arizona voters rejected the payday loan industry's Prop 200 by a 60 to 40% vote in 2008, the Arizona legislature **has held the line against usurious loans.**

Recommendation: The Arizona Legislature should reject any bill or striker amendment to bring back payday lending, legalize usury or authorize new forms of high-cost consumer lending.

2021: Legislation rewriting the Consumer Lender law (**SB 1463**) initially extended the Consumer Lender usury cap to loans from \$10,000 to \$50,000 but did not step down the maximum interest rate for larger loans. That provision was struck from the bill as enacted, leaving rates capped only on loans up to \$10,000. Three bills to reform triple-digit rate car title loans (**HB 2611**, **HB 2511**, and **HB 2557**) did not get hearings. A bill to authorize Arizona to enforce the federal Military Lending Act (**HB 2272**) which bans high-cost title loans to covered military borrowers was not heard.

2020: A bill to hike rates for pawn loans passed the House on a 31-28-1 vote but was not taken up by the Senate in the truncated session due to the pandemic. **HB 2240** was sponsored by Rep. Anthony Kern (R-20) and set a 20 percent per month or 240 percent APR "pawn service charge" on pawn loans plus any fee imposed by government agencies to supervise transactions for stolen property.

2019: No payday loan authorization bill was introduced. **HB 2146**, sponsored by Rep. Tony Rivero (D-21) was amended to exclude car title loans and consumer lender loan term protections from a bill to deregulate certain financial and other transactions up to \$6,000 if delivered electronically.

2018: No payday loan authorization bill was introduced. **HB 2434**, the Attorney General's sandbox bill, sponsored by Rep. Jeff Weinger (R-17), was amended to apply the Arizona usury cap to consumer loans up to \$15,000 made in the sandbox.

2017: Striker amendment to HB 2496, offered by Sen. Debbie Lesko (R-21), passed by the Senate Appropriations Committee but was not brought up for a vote in the Senate by Senate President Steve Yarbrough. The CALC bill would have created a triple-digit-rate line of credit for up to \$2,500. The bill died in Senate.

2016: SB 1447/SB 1316, sponsored by Sen. John Kavanagh (R-23) and Rep. J.D. Mesnard (R-17), to authorize a triple-digit rate closed-end payday "Flexible Credit" loan product was rejected by the Senate Finance Committee. A **striker** amendment to **SB 1316** passed the House but was not voted on in the Senate.

2015: The Arizona Senate rejected **HB 2611**, sponsored by Rep. J.D. Mesnard (R-17) to authorize a triple-digit rate line of credit payday "Flex" loan product. The bill passed the House but was not heard in the Senate.

2010: The payday loan industry backed a striker amendment to **HB 2370** proposed by Sen. Russell Pearce (R-18) to repeal the payday loan sunset date. It was heard by the Senate Appropriations Committee March 16, 2010, and failed to pass. **HB 2035 striker** amendment was introduced in the Senate by Jack W. Harper (R-4) to add fees and charges to the Consumer Lender law to create high-cost installment loans. HB 2035 died in the Senate Finance Committee.

2010: With the payday loan law set to expire in mid-2010, **HB 2161** was introduced by Rep. Andy Tobin (R-1) to reauthorize the product under terms similar to those rejected by voters in Prop 200. The bill died in the House Financial Services committee.

2009: Rep. Andy Biggs (R-12) in 2009 tried a second time to hike the cost of Consumer Lender loans to over 100 percent APR with **HB 2608** but the bill failed in committee.

2008: HB 2672, introduced by Rep. Andy Biggs (R-12) to hike the cost of Consumer Lender loans to over 100 percent APR, passed the House but died in the Senate.