



# 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.**

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***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.***

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**2025:** **SB 1582** authorized app-based cash advances by Earned Wage Advance (EWA) providers without imposing the usury limits and loan protections of the Consumer Lender law. The bill set no limits on how many loans a borrower can have at one time and from multiple lenders, resulting in stacked fees and a diminished paycheck, triggering more borrowing. This bill did not pass.

**2024:** Legislation to authorize so-called Earned Wage Advances (EWA) exempt from Arizona's usury law (**SB 1273**) did not pass. It would have reauthorized payday lending at triple-digit rates in Arizona. EWA's business model hides the true cost of credit via fees and "voluntary" tips for loans prepaid from the borrower's next paycheck deposited to a bank account or onto a debit card. This fintech product is payday lending without storefronts.

**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 Kavanaugh (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.