

Senate Engrossed  
judgments; interest rates

State of Arizona  
Senate  
Fifty-sixth Legislature  
Second Regular Session  
2024

# SENATE BILL 1059

AN ACT

AMENDING SECTION 44-1201, ARIZONA REVISED STATUTES; RELATING TO INTEREST RATES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 44-1201, Arizona Revised Statutes, is amended to  
3 read:

4 44-1201. Rate of interest for loan or indebtedness; interest  
5 on judgments; definitions

6 A. Interest on any loan, indebtedness or other obligation shall be  
7 as follows:

8 1. The maximum interest rate on medical debt shall be the lesser of  
9 the following:

10 (a) The annual rate equal to the weekly average one-year constant  
11 maturity treasury yield, as published by the board of governors of the  
12 federal reserve system, for the calendar week preceding the date when the  
13 consumer was first provided with a bill, or

14 (b) Three percent a year.

15 The maximum interest rate provided pursuant to this paragraph also applies  
16 to any judgments on medical debt.

17 2. For any loan, indebtedness or obligation other than medical  
18 debt, interest shall be at the rate of ten ~~per cent per annum~~ PERCENT A  
19 YEAR, unless a different rate is contracted for in writing, in which event  
20 any rate of interest may be agreed to. Interest on any judgment, other  
21 than a judgment on medical debt, that is based on a written agreement  
22 evidencing a loan, indebtedness or obligation that bears a rate of  
23 interest not in excess of the maximum permitted by law shall be at the  
24 rate of interest provided in the agreement and shall be specified in the  
25 judgment.

26 B. Unless specifically provided for in statute or a different rate  
27 is contracted for in writing, interest on any judgment other than a  
28 judgment on medical debt shall be at the lesser of ten ~~per cent per annum~~  
29 PERCENT A YEAR or at a rate per ~~annum~~ YEAR that is equal to one ~~per cent~~  
30 PERCENT plus the prime rate as published by the board of governors of the  
31 federal reserve system in statistical release H.15 or any publication that  
32 may supersede it ~~on the date that the judgment is entered.~~ A CHANGE IN  
33 THE RATE THAT IS PRESCRIBED IN THIS SUBSECTION TAKES EFFECT ON THE FIRST  
34 BUSINESS DAY FOLLOWING PUBLICATION BY THE FEDERAL RESERVE. The judgment  
35 shall state the applicable interest rate and it shall not change after it  
36 is entered.

37 C. Interest on a judgment on a condemnation proceeding, including  
38 interest that is payable pursuant to section 12-1123, subsection B, shall  
39 be payable as follows:

40 1. If instituted by a city or town, at the rate prescribed by  
41 section 9-409.

42 2. If instituted by a county, at the rate prescribed by section  
43 11-269.04.

44 3. If instituted by the department of transportation, at the rate  
45 prescribed by section 28-7101.

1           4. If instituted by a county flood control district, a power  
2 district or an agricultural improvement district, at the rate prescribed  
3 by section 48-3628.

4           D. A court shall not award either of the following:

5           1. Prejudgment interest for any unliquidated DAMAGES, future  
6 DAMAGES, punitive DAMAGES or exemplary damages that are found by the trier  
7 of fact.

8           2. Interest for any future DAMAGES, punitive DAMAGES or exemplary  
9 damages that are found by the trier of fact.

10          E. For the purposes of subsection D of this section, "future  
11 damages" means damages that will be incurred after the date of the  
12 judgment and includes the costs of any injunctive or equitable relief that  
13 will be provided after the date of the judgment.

14          F. If awarded, prejudgment interest shall be at the rate described  
15 in subsection A or B of this section.

16          G. For the purposes of this section:

17          1. "Health care services" means services provided at or by any of  
18 the following:

19           (a) Health care institutions as defined in section 36-401.

20           (b) Private offices or clinics of health care providers licensed  
21 under title 32, chapters 7, 11, 13, 15, 15.1, 16, 17, 18, 19, 19.1, 25,  
22 28, 33, 34, or 35.

23           (c) Ambulances or ambulance services as defined in section 36-2201.

24          2. "Medical debt" means a loan, indebtedness or other obligation  
25 arising directly from the receipt of health care services or of medical  
26 products or devices.