

Senate Engrossed
judgments; interest rates

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

CHAPTER 3
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.

APPROVED BY THE GOVERNOR MARCH 18, 2024.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 18, 2024.