

1 Brett W. Johnson (#021527)
Benjamin W. Reeves (#025708)
2 Tracy A. Olson (#034616)
Ryan Hogan (#036169)
3 Charlene A. Warner (#037169)
SNELL & WILMER L.L.P.
4 One East Washington Street
Suite 2700
5 Phoenix, Arizona 85004-2202
Telephone: 602.382.6000
6 bwjohnson@swlaw.com
breeves@swlaw.com
7 tolson@swlaw.com
rhogan@swlaw.com
8 cwarner@swlaw.com

9 *Attorneys for Plaintiffs Arizona Creditors
Bar Association Inc., et. al.*

11 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
12 **IN AND FOR THE COUNTY OF MARICOPA**

13 ARIZONA CREDITORS BAR
14 ASSOCIATION INC., an Arizona
corporation; PROTECT OUR ARIZONA
15 PAC, an Arizona political action
committee; ABSOLUTE RESOLUTIONS
16 INVESTMENTS, LLC, an Arizona limited
liability company; HAMEROFF LAW
17 GROUP, P.C., an Arizona corporation;
DESERT RIDGE COMMUNITY
18 ASSOCIATION, an Arizona non-profit
corporation; AUGUSTA RANCH
19 COMMUNITY MASTER
ASSOCIATION, an Arizona non-profit
20 corporation; BAUHINIA, LLC, a South
Dakota limited liability company; and
21 CASH TIME TITLE LOANS, INC., an
Arizona corporation,

22 **Plaintiffs,**

23 **v.**

24 **STATE OF ARIZONA,**

25 **Defendant.**

COPY

DEC 05 2022



CLERK OF THE SUPERIOR COURT

A. Tolson
DEPUTY CLERK

No. CV 2022-015921

**VERIFIED SPECIAL ACTION
COMPLAINT**

(Special Action Petition for Declarative
and Injunctive Relief Enjoining
Implementation and Enforcement of
Amended A.R.S. §§ 12-1598.10, 33-
1101, 33-1123, 33-1125, 33-1126, 33-
1131, and 44-1201)

1 For their Verified Complaint, Plaintiffs allege as follows:

2 **PRELIMINARY STATEMENT**

3 1. This is a challenge to the constitutionality of an initiative titled “Arizona
4 Protection from Predatory Debt Collection Act” (“Prop 209”), bearing the initiative serial
5 number I-05-2022. The application for this initiative was initially filed on April 22, 2021
6 and refiled on June 8, 2021 with the Arizona Secretary of State, and it was approved by
7 voters as Prop 209 on November 8, 2022. Prop 209 was approved via statewide canvass and
8 adopted by proclamation on December 5, 2022 (“the Effective Date”). An accurate copy of
9 Prop 209 is attached as Exhibit 1.

10 2. Prop 209 is a statutory initiative that amends various Arizona statutes to:
11 (a) lower the interest rate cap on medical debt; (b) increase the amount of equity in a
12 person’s home that is protected from certain creditors, including tax liens from state and
13 local governments; (c) increase the dollar value of personal property and assets exempt from
14 the claims of creditors; and (d) increase the amount of earnings that is exempt from
15 garnishment by judgment creditors.

16 3. Prop 209 includes a Savings Clause stating that the entire law “applies
17 prospectively only.” (Ex. 1 § 10.) The Savings Clause then affirms that the entire law “does
18 not apply to” three types of situations. *Id.* While two of those situations deal with the date
19 contracts or “written agreement[s]” are entered into, the third ambiguously states that Prop
20 209 does not apply “right and duties that matured” before the Effective Date. *Id.* Generally,
21 a judgment vests certain substantive rights in a judgment creditor, including the right to
22 collect on the debt. *See McCullough v. Com. of Virginia*, 172 U.S. 102, 123 (1898) (holding
23 that “[i]t is not within the power of a legislature to take away rights which have been once
24 vested by a judgment.”). Moreover, because garnishment actions are considered
25 independent from the underlying contract action, *Bennett Blum, MD, Inc. v. Cowan*, 235
26 Ariz. 204, 207 ¶ 13 (App. 2014), it is unclear when in this process the right to garnishment
27 would “mature” under Prop 209.

28 4. In other words, if the first subpart governs, the decision of when a

1 garnishment right “matures” can lead to a myriad of outcomes. Take for example a claim
2 with a contract date of January 1, 2020, a judgment date of December 1, 2022, a garnishment
3 application filing on December 2, 2022, a writ of garnishment on December 5, 2022, service
4 of the writ of garnishment on December 6, 2022, and order of continuing lien on January
5 27, 2022.

6 a. If a claim matures when a judgment is entered, then Prop 209 would
7 not apply to this garnishment.

8 b. If a claim matures when a garnishment application is filed, then Prop
9 209 would not apply to this garnishment.

10 c. If a claim matures when a garnishment writ is issued, then which law
11 applies depends on whether the writ was issued before or after Prop
12 209 was certified.

13 d. If a claim matures when a garnishment writ is served, then Prop 209
14 would apply.

15 e. If a claim matures when an order of continuing lien is issued, then Prop
16 209 would apply.

17 5. There is no clear guidance regarding when Prop 209 purports to inject itself
18 into this timeline.

19 6. The Arizona judiciary has all but admitted to Prop 209’s vagueness. In a
20 “Proposition 209 Information Sheet” posted to its Self-Service Center on or before
21 December 1, 2022, the judicial branch’s website acknowledges that:

22 The proposition was **unclear** on when the changes to the garnishment rates
23 would take effect, but if a debtor was being garnished on December 5, 2022,
24 the previous rates would be continued. If a Writ of Garnishment is filed on
25 or after December 5, 2022, most courts will likely impose the new lower
rates; other courts may impose the higher garnishment rates for contracts
entered into before December 5, 2022.

26 (Ex. 2, Hameroff Decl. ¶ 22, Attach. D.)

27 7. The judicial branch updated its Self-Service Center recommendations on or
28 around December 3, 2022, recognizing that different judges will interpret Prop 209

1 differently. The page now reads:

2 If a garnishment was in place prior to December 5, 2022, the previous rates
3 of garnishment would be continued. If a Writ of Garnishment is filed on or
4 after December 5, 2022, a judicial officer may impose the new lower rates
5 based on their reading of Proposition 209; another judicial officer may
impose the higher garnishment rates for contracts entered into before
December 5, 2022, based on their interpretation.

6 A debtor can file an objection to a writ of garnishment and ask for the lowest
7 garnishment rate.

8 (*Id.* ¶ 23, Attach. E.)

9 8. Given these conflicting interpretations, and the lack of specific guidance in
10 Prop 209 related to the scope and application of the Savings Clause, Prop 209 is void for
11 vagueness under the First and Fourteenth Amendments of the U.S. Constitution and Article
12 2, Section 4 of the Arizona Constitution. Additionally, Prop 209 is unenforceable under the
13 unintelligibility doctrine because it provides no standards for courts to rely upon for
14 deciding when in the post-judgment enforcement process Prop 209 applies or whether it
15 applies differently to judgments based on non-contract claims. Accordingly, it must be
16 preliminarily and permanently enjoined.

17 9. Faced with mounting uncertainty about how this new law will be interpreted,
18 debt collectors, creditors, debtors, employer garnishees, bank garnishees, and anyone else
19 involved in the debt collection process, in addition to court administrators, Justices of the
20 Peace, Superior Court Judges and legal aid clinics, need definitive guidance. Without
21 clarifying guidance, incalculable state and private resources will be expended attempting to
22 accurately understand and interpret Prop 209, with differing interpretations leading to
23 inconsistent applications across the State. Additionally, judgment creditors and collectors
24 working on their behalf will inevitably face a tidal wave of lawsuits alleging that their
25 interpretation of Prop 209 violates federal and state laws regarding debt collection. A lack
26 of clarity carries with it not only the possibility that a reputable collector's reputation and
27 goodwill could be harmed, but because the majority of debt collectors' revenue usually
28 comes from post-judgment enforcement actions such as garnishments, they could also be

1 forced to cease operating entirely.

2 10. If Prop 209 is not completely invalidated (it should be), the Court must
3 provide the parties with the specific guidance that Prop 209 does not. Thus, the Court should
4 declare that Prop 209's provisions: (a) do not apply to debt arising out of contracts or
5 agreements entered into before the Effective Date; (b) do not apply to post-judgment
6 enforcement actions occurring after the Effective Date where the underlying contracts were
7 entered into before the Effective Date, regardless of when the underlying judgment was
8 entered; and (c) do not apply to non-contract judgments where the underlying cause of
9 action accrued before the Effective Date; but (d) do apply to both debt arising out of
10 contracts entered into and non-contract judgments entered after the Effective Date. Thus,
11 Prop 209 requires a bifurcated application for completing the mandatory documents for
12 post-judgment enforcement actions depending on their relation to the Effective Date.

13 PARTIES

14 11. Plaintiff Arizona Creditors Bar Association ("ACBA") is an Arizona
15 corporation dedicated to educating and enhancing the practice of collection law in Arizona.
16 Members of the ACBA are regularly involved in the lawful collection of consumer debts
17 and must interpret and comply with the laws and civil procedures necessary to litigate in
18 their state and local courts. Members of the ACBA must also comply with the requirements
19 of the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 *et seq.* ("FDCPA"). ACBA has
20 a strong interest in ensuring interpretation and application of Prop 209 in a way that allows
21 collection attorneys to fulfill their ethical duty to advance their clients' legitimate interests
22 within the bounds of existing law, without exposing themselves and their clients to
23 substantial strict liability. Prop 209 has caused ACBA to divert its resources to interpret the
24 law and will force ACBA to divert additional resources to educating its members about
25 Prop 209 and the exposure it creates. Further, as collection attorneys, ACBA's members
26 share a common and equal risk of being held strictly liable for the FDCPA's civil penalties
27 caused by any non-compliance with Prop 209. *See Ariz. Ass'n of Providers for Persons with*
28 *Disabilities v. State*, 223 Ariz. 6, 13 ¶ 18 (App. 2009).

1 12. Plaintiff Protect Our Arizona is an Arizona political action committee. Protect
2 Our Arizona's primary purpose is to oppose the qualification and passage of Prop 209. It
3 therefore has an interest in disputing Prop 209's validity.

4 13. Plaintiff Absolute Resolutions Investments, LLC is an Arizona limited
5 liability company that purchases and manages debt from creditors. Absolute Resolutions
6 Investments specializes in the recovery of distressed consumer receivables, business cards
7 and lines of credit, commercial leasing, and specialty finance portfolios.

8 14. Plaintiff Hameroff Law Group, P.C. is an Arizona law firm engaging in the
9 practice of debt collection. Hameroff Law Group, P.C. represents original creditors, debt
10 buyers, hospitals, medical providers, and financial institutions in recovering their
11 outstanding debts, up to and including garnishment actions. As collection attorneys,
12 Hameroff Law Group and its staff are subject to strict liability under the FDCPA if they
13 interpret Prop 209 incorrectly.

14 15. Plaintiff Desert Ridge Community Association ("Desert Ridge") is an
15 Arizona non-profit corporation and a master planned community association, more
16 commonly recognized as a HOA. Desert Ridge is required to provide services to
17 homeowners within the community without regard to a homeowner's creditworthiness and
18 irrespective of whether such homeowner can pay for the services. As such, Desert Ridge
19 routinely collects unpaid dues from its homeowners through the courts and has current
20 garnishment proceedings pending. Desert Ridge has been and will continue to be harmed
21 by the passage of Prop 209.

22 16. Plaintiff Augusta Ranch Master Community Association ("Augusta Ranch")
23 is an Arizona non-profit corporation and a master planned community association, more
24 commonly recognized as a HOA. Augusta Ranch is required to provide services to
25 homeowners within the community without regard to a homeowner's creditworthiness and
26 irrespective of whether such homeowner can pay for the services. As such, Augusta Ranch
27 routinely collects unpaid dues from its homeowners through the courts and has current
28 garnishment proceedings pending. Augusta Ranch has been and will continue to be harmed

1 by the passage of Prop 209.

2 17. Plaintiff Bauhinia, LLC, is a South Dakota limited liability company that
3 purchases and manages debt for recovery. Bauhinia has hired attorneys to bring lawsuits to
4 collect the debts, including using Arizona's post-judgment enforcement methods. Bauhinia
5 currently owns money judgments in Arizona and is a debt collector as defined by the
6 FDCPA.

7 18. Plaintiff Cash Time Title Loans, Inc. ("Cash Time") is an Arizona corporation
8 providing title loan and personal loan services in the Phoenix and Tucson Metro areas. Cash
9 Time has over 125 employees and is periodically served with garnishments pertaining to
10 these employees. Not only is Cash Time impacted as a harmed judgment creditor, but it is
11 also impacted as an employer faced with the uncertainty of calculating the garnishment
12 withholdings of their employees based upon earnings garnishments periodically served
13 upon them.

14 19. Defendant State of Arizona is a body politic that, pursuant to A.R.S. § 12-
15 1841(A), has an interest in the validity of Prop 209, which would be affected by the
16 declaratory relief sought in this action.

17 JURISDICTION AND VENUE

18 20. This Court has jurisdiction and venue over this case pursuant to Article 4,
19 Section 14 of the Arizona Constitution; A.R.S. §§ 12-123, 12-1801 *et seq.*, 12-1831 *et seq.*,
20 12-2021 *et seq.*, and Rules 3(b) and 4(a) of the Arizona Rules of Procedure for Special
21 Actions because Plaintiffs seek: (a) a declaration that Prop 209 is void for vagueness and is
22 otherwise unintelligible under the First and Fourteenth Amendments; and (b) an injunction
23 enjoining Prop 209 from taking effect.

24 21. A justiciable controversy exists because, without Court intervention, the
25 uncertainty and confusion created by Prop 209 will cause a panoply of differing *ad hoc*
26 interpretations and applications that will subject Plaintiffs to immediate and irreparable
27 injury and loss of rights. *See Tilson v. Mofford*, 153 Ariz. 468, 473 (1987) (concluding that
28 the proper time to consider the constitutionality of a proposed initiative is after its adoption

1 when affected litigants can present the issue).

2 22. This Court has personal jurisdiction over Defendant.

3 23. Venue is proper in Maricopa County pursuant to A.R.S. § 12-401.

4 24. Pursuant to A.R.S. § 12-1841(B), the Arizona Attorney General, Speaker of
5 the House of Representatives, and Senate President will be contemporaneously and timely
6 served with a notice of claim of Prop 209's unconstitutionality and a copy of this filing.

7 **GENERAL ALLEGATIONS**

8 25. In the 2022 general election, an out-of-state labor union called Service
9 Employees International Union ("SEIU"), by and through two shell political action
10 committees, Healthcare Rising AZ and Arizonans Fed Up with Failing Healthcare,
11 sponsored an initiative titled the "Predatory Debt Collection Protection Act," commonly
12 known as Prop 209. (*See* Ex. 3, Campaign Finance Report.) On November 8, 2022, Arizona
13 voters approved Prop 209.

14 26. Although the proponents advertised that Prop 209 dealt with medical debt,
15 Prop 209 actually amends several statutes related to post-judgment enforcement in general
16 and is not limited to medical debt. Prop 209 is codified as A.R.S. §§ 12-1598.10, 33-1101,
17 33-1123, 33-1125, 33-1126, 33-1131, and 44-1201.

18 27. Among other things, Prop 209 sets limits on interest rates for debts accrued
19 from receiving healthcare services equal to either the weekly average one-year constant
20 maturity treasury yield or 3%, whichever is lower. (*See* Ex. 1 § 7.)

21 28. Prop 209 also increases the value for certain property and earnings exempt
22 from attachment, execution, forced sale, and any other post-judgment enforcement
23 processes, and requires the amount of those exemptions to be adjusted annually "by the
24 increase in the cost of living," measured by "the percentage increase as of August of the
25 immediately preceding year over the level as of August of the previous year of the consumer
26 price index . . . as published by the United States Department of Labor, Bureau of Labor
27 Statistics, or its successor agency." (*Id.* § 2-5.)

28 29. Additionally, Prop 209 imposes major changes on earnings garnishment

1 actions by limiting the amount of a debtor's weekly disposable earnings subject to collection
2 to the lesser of 10% of the disposable earnings (formerly 25%) or the amount by which
3 disposable earnings for that week exceed sixty times (formerly thirty times) the highest
4 applicable federal, state, or local minimum wage (formerly federal only). (*Id.* § 1, 6); A.R.S.
5 § 33-1131. Additionally, Prop 209 allows a court to lower the amount of the garnishment
6 withholding to 5% of the disposable earnings upon a finding of extreme economic hardship,
7 whereas prior law allows the court to reduce the amount to 15% of disposable earnings.
8 (Ex. 1 § 1); A.R.S. § 12-1598.10(F).

9 **I. Summary of Legal Process**

10 30. Traditionally, debt collection lawsuits arise when a consumer fails to: (a) pay
11 for a loan; (b) honor an agreement to pay for something of value; (c) pay money due for a
12 good or service; or (d) redress injuries. (*See* Ex. 4, Logvin Decl. ¶ 9.) When that occurs,
13 those who are left unpaid and can send it to collection. Collectors, including Plaintiffs, then
14 work tirelessly to reach the consumer to seek a method of repayment. Lawsuits are filed as
15 a last resort. This process ensures that consumers are held accountable for their purchases,
16 and that creditors are repaid what they are owed. The process is a necessary part of the credit
17 cycle and allows lenders to keep borrowing costs as low as possible for consumers.

18 31. In a given month, even a smaller size collection law firm will mail hundreds
19 of letters, file hundreds of lawsuits, and process hundreds of applications for default
20 judgment. (*See id.* ¶¶ 8, 10–14.)

21 **A. Post-Judgment Enforcement—Garnishments**

22 32. Only once the plaintiff creditor establishes its claim and obtains a final
23 judgment on the underlying action can the garnishment process begin. *See* Marilee Miller
24 Clark, *Arizona Civil Remedies* § 3.13.1.3. A final judgment must be formally written,
25 signed, and entered by the court and effectively means that the creditor is now legally
26 entitled to the debt. *Id.*

27 33. Garnishments are legal proceedings where a third party, called a garnishee, is
28 ordered to hold a judgment debtor's property, money, or earnings and, if appropriate,

1 subsequently turn it over to the judgment creditor to pay the judgment.

2 34. A garnishment—which can include monies, property, or earnings—begins
3 with a judgment creditor’s application, and includes statements about the amount of the
4 judgment and the belief that a garnishee is holding nonexempt assets. *See* A.R.S. §§ 12-
5 1572 (requirements for garnishment of monies or property), 12-1598.03 (requirements for
6 garnishment of earnings).

7 35. Once the writ of garnishment and summons are issued by the court, they must
8 be served upon the garnishee along with copies of enumerated documents. *See id.* §§ 12-
9 1574(C) (garnishment of monies or property), 12-1598.04(C) (garnishment of earnings).
10 Once the garnishee is served with the required documents, the garnishee must hold the
11 nonexempt assets—monies, property, or earnings—until the garnishment ends. *Id.* §§ 12-
12 1578(A) (requiring a garnishee to keep nonexempt monies or property out of the judgment
13 debtor’s control), 12-1598.05(A) (creating an initial lien on the judgment debtor’s
14 nonexempt earnings).

15 36. Within three days of being served with the writ of garnishment, the garnishee
16 must provide copies of the writ, summons, and enumerated documents to the judgment
17 debtor. *See id.* §§ 12-1574(D) (garnishment of monies or property), 12-1598.04(D)
18 (garnishment of earnings).

19 37. Within ten days of being served, the garnishee must answer the writ’s
20 statutory questions. *Id.* §§ 12-1579(D) (listing the questions for garnishments of monies or
21 property), 12-1578.01 (setting the time limit for the garnishee’s answer), 12-1598.08(B)
22 (listing the questions for garnishments of earning), 12-1598.06 (setting the time limit for
23 the garnishee’s answer).

24 38. After the garnishee’s answer is filed and delivered to the judgment debtor and
25 the judgment creditor, each party may object to the writ or the answer. If an objection is
26 filed, the court will hold a hearing on an expedited schedule to resolve the objection. *See*
27 *id.* §§ 12-1580 (garnishments of monies or property), 12-1598.07 (garnishments of
28 earnings).

1 39. If no one objects and the garnishee's answer shows that garnishee is holding
2 nonexempt assets, then the judgment creditor applies for either (a) a judgment against the
3 garnishee in a monies garnishment, (b) an order of continuing lien in an earnings
4 garnishment, or (c) an order directing the garnishee to hold the personal property in a
5 property garnishment. The court then enters the requested order. *See id.* §§ 12-1584(A)
6 (judgments against garnishee), 12-1585(A) (orders regarding personal property), 12-
7 1598.10(A) (orders of continuing lien).

8 40. Once the order of continuing lien is entered in an earnings garnishment—and
9 while that order remains effective—the garnishee must continue to complete nonexempt
10 earnings statements for each pay period and turn over all nonexempt earnings withheld to
11 the judgment creditor. *See id.* § 12-1598.11(C).

12 41. And after the judgment against garnishee is entered in a garnishment of
13 monies, the garnishee must provide the withheld monies to the judgment creditor as directed
14 in the judgment against garnishee. *See id.* § 12-1584(C).

15 42. Further, when the order regarding personal property is entered in a
16 garnishment of personal property, the garnishee must continue to hold the nonexempt
17 property until the sheriff or constable serves a writ of execution on the garnishee or the time
18 limit on the order expires. *See id.* § 12-1585(E).

19 43. In carrying out this process, certain types of the debtor's assets are exempt
20 from garnishment up to a certain dollar amount. *See* A.R.S. §§ 33-1101 (homestead
21 exemption), 33-1123 (household furniture, furnishings, and appliances), 33-1125 (personal
22 items), and 33-1126 (money benefits, or proceeds). Prop 209's provisions increase a variety
23 of these exemptions. (*See* Ex. 1 §§ 2–5.) Thus, because debt collectors can only collect on
24 non-exempt assets, attorneys, judgment creditors, judgment debtors, and the courts all need
25 to be aware of how and when Prop 209 applies to individual cases.

26 44. Indeed, attorneys representing judgment creditors who are considering post-
27 judgment enforcement, including applying for a writ of garnishment, must believe that the
28

1 garnishee possesses the judgment debtor’s nonexempt assets. If they do not interpret and
2 apply Prop 209—or the prior law—properly, such as by over-garnishing newly exempted
3 assets, then those attorneys and judgment creditors could violate the law.

4 45. The need to apply Prop 209 properly also continues after the garnishment
5 process begins. A writ of garnishment may be issued on any valid judgment, and thus active
6 garnishments are often based upon judgments entered more than a decade ago, with the
7 underlying contract necessarily having been entered into, and defaulted upon, prior to
8 that. (*See* Ex. 4 ¶ 17.)

9 **II. Prop 209’s Scope Is Unclear and Unduly Confusing.**

10 46. Although Prop 209 was advertised as an initiative to “help[] Arizona families
11 with medical debt,”¹ Prop 209’s new provisions have breathtaking breadth and reach every
12 type of debt. By increasing the exemptions and reducing the garnishment rates on *all* types
13 of debt, Prop 209 effectively makes a substantial amount of the outstanding debt in Arizona
14 uncollectible because many judgment debtors’ assets are no longer reachable through these
15 collection actions.

16 47. Given Prop 209’s consequential and far-reaching new provisions, it is critical
17 for every Arizonan to understand the scope of its application. In a failed attempt to provide
18 that clarification, Prop 209’s advocates inserted a “Savings Clause,” which states that the
19 Act “applies prospectively only.” (Ex. 1 § 10; *see also* Ex. 5, Legislative Council Ballot
20 Analysis, at 107–08.) The Savings Clause’s addition to Prop 209 instead created fatal
21 confusion. Originally, Prop 209 did not include any amendments to the wage garnishment
22 statute and the amendments to A.R.S. § 12-1598.10 were only added at the Legislative
23 Council’s suggestion. (*See* Ex. 6, Legislative Council Memo, at 2 ¶ 7.)

24 48. Under the Savings Clause, Prop 209 does not affect three specific categories:
25 (1) rights and duties that matured before the effective date; (2) contracts entered into before
26

27
28 ¹ *Yes on Prop 209*, Healthcare Rising Arizona,
<https://www.healthcarerisingaz.org/proposition-209/>.

1 the effective date; and (3) the interest rate on judgments that are based on a written
2 agreement entered into before the effective date. (Ex. 1 § 10)

3 49. Readers of the Savings Clause, however, have reached different conclusions
4 about Prop 209's application to certain post-judgment enforcement action scenarios.

5 50. To illustrate, the below table parses several categories of garnishments and
6 Prop 209's applicability: (1) where the underlying contract, judgment, and garnishment
7 predate the Effective Date; (2) where the underlying contract and the judgment are entered
8 before the Effective Date, but the garnishment postdates the Effective Date; (3) where the
9 underlying contract is entered into before the Effective Date, but the judgment and the
10 garnishment postdate the Effective Date; (4) where the underlying contract, judgment, and
11 the garnishment all postdate the Effective Date; and, (5) where the underlying claim is not
12 based on a contract, the judgment is entered before the Effective Date, but the garnishment
13 postdates the Effective Date.

14 ***

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SAVINGS CLAUSE PROVISIONS			
Applicability of Prop. 209 to Garnishments	PROVISION 1: “does not affect rights and duties that matured before the effective date of this act”	PROVISION 2: “does not affect . . . contracts entered into before the effective date of this act”	PROVISION 3: “does not affect . . . the interest rate on judgments that are based on a written agreement entered into before the effective date of this act”
CATEGORY 1: Garnishments begun before the Effective Date -related to- Contracts entered into before the Effective Date -with- Judgments entered before the Effective Date	Old law	Old law	Old law will govern interest rate on medical debt
CATEGORY 2: Garnishments begun after the Effective Date -related to- Contracts entered into before the Effective Date -with- Judgments entered before the Effective Date	Prop 209?	Old law?	Old law will govern interest rate on medical debt
CATEGORY 3: Garnishments begun after the Effective Date -related to- Contracts entered into before the Effective Date -with- Judgments entered after the Effective Date	Prop 209?	Old law?	Old law will govern interest rate on medical debt
CATEGORY 4: Garnishments begun after the Effective Date -related to- Contracts entered into after the Effective Date -with- Judgments entered after the Effective Date	Prop 209	Prop 209	Prop 209 will govern interest rate on medical debt
CATEGORY 5: Garnishments begun after the Effective Date -related to- Noncontract claims that accrued before the Effective Date -with- Judgments entered before the Effective Date	Old law?	N/A	N/A

51. Under each provision of the Savings Clause, garnishments in Category 1 are plainly governed by the old law, no matter which subpart applies.

1 52. Similarly, garnishments in Category 4 are likely governed by the changes
2 implemented by Prop 209 (depending, of course, on which step of the garnishment action a
3 right matures).

4 53. However, as illustrated by Categories 2, 3, and 5, the first two subparts of the
5 Savings Clause can each be interpreted to define the “prospective” application of Prop 209
6 differently.

7 54. If the second subpart governs, meaning that garnishments are based on
8 “contracts entered into before the effective date,” then Plaintiffs, attorneys, judgment
9 creditors, judgment debtors, and the courts can apply the law as it existed before the
10 Effective Date to Categories 2 and 3.

11 55. On the other hand, if the first subpart governs, Prop 209’s provisions would
12 apply to garnishments where the rights matured after the Effective Date, and the prior law
13 would apply to garnishments where the rights matured before the Effective Date. However,
14 because judgments vest creditors with collection rights, *McCullough*, 172 U.S. at 123, and
15 because garnishments may be viewed as actions independent from the “rights and duties”
16 associated with the underlying judgment, *Bennett Blum MD*, 234 Ariz. at 207 ¶ 13, then the
17 “rights and duties” to garnish a judgment debtor’s wages may not “mature” until some
18 unknown point during the garnishment process.

19 56. Consequently, if the first subpart governs, the courts will have to decide when
20 the garnishment matures: at the underlying judgment, when the garnishment application is
21 filed, when the writ is issued, when the writ is served, when the judgment against garnishee
22 or order of continuing lien is entered, when each pay periods’ nonexempt earnings
23 statements are calculated, or at some other undetermined point. This compounds confusion.

24 57. Moreover, if the first subpart applies, Prop 209 would impair contracts
25 entered into before the Effective Date, in violation of the U.S. and Arizona Constitutions.
26 *Samaritan Health Sys. v. Superior Court of State of Ariz.*, 194 Ariz. 284, 293 ¶ 40–41 (App.
27 1998) (recognizing that the federal and state constitutions forbid laws that impair
28 substantive obligations of existing contracts); *see also Hawk v. PC Village Ass’n, Inc.*, 233

1 Ariz. 94, 98 ¶ 14 (App. 2013) (same).

2 58. Further, although Prop 209 did not provide revised garnishment forms, nor
3 mandate their creation, Prop 209's changes to exemptions necessitate the creation of new
4 garnishment forms to provide to the courts and other interested parties. (*See Ex. 1*); *see also*,
5 A.R.S. §§ 12-1596 (setting out the forms for garnishments of monies or property), 12-
6 1598.16 (same for garnishments of earnings). However, the statutes setting forth the forms
7 convey information incompatible with Prop 209. *See id.*

8 59. Revised boilerplate forms are likely to confuse garnishees who assume that
9 they must use the revised forms on all garnishments when Prop 209 may not apply.

10 60. Even if garnishees independently investigate the matter, garnishees may
11 incorrectly apply Prop 209's provisions by, for instance, applying prior exemptions to
12 existing nonexempt earnings statements. If judgment creditors or their attorneys disagree
13 with the garnishees' conclusion, the courts will have to repeatedly decide the issue on an *ad*
14 *hoc* basis across the state.

15 61. In fact, Prop 209 has engendered widespread confusion among court staff and
16 seasoned attorneys working in this area. Plaintiffs have already received conflicting
17 guidance on the application of Prop 209.

18 62. For example, the Administrative Office of the Courts ("AOC") organized a
19 workgroup regarding the impact of Prop 209 on the self-service forms on the judicial
20 branch's website. (*See Ex. 2* ¶ 17.)

21 63. As part of that workgroup, there is confusion about which rules applied to
22 post-Prop 209 judgments entered on pre-Prop 209 contracts. (*See id.* ¶¶ 17-19, 24.) In
23 response, one Justice of the Peace (and Judicial Education Officer) has already opined that:
24 (1) Prop 209 changes the calculations for garnishments for all judgments, not just those for
25 medical debt; (2) Prop 209 would apply to garnishments of any existing judgments applied
26 for after the effective date; and (3) the Savings Clause would also not apply to garnishment
27 rates on tort judgments. (*See id.* ¶ 18, Attach. B.) Later, the AOC informed Plaintiffs that it
28 will interpret the effective date for garnishments as the date of the order of continuing lien.

1 (See *id.* ¶ 19.) Notably, these conflicting interpretations are from the same workgroup,
2 illustrating the confusion that will permeate courts throughout the state.

3 64. Collection attorneys also reached out to another Justice of the Peace (and
4 Chair of the Maricopa County Best Practices Committee), who offered yet another
5 conflicting interpretation. While he did not agree that all garnishment actions involving
6 contracts entered into before the Effective Date would be subject to existing law, he
7 interpreted the Savings Clause as applying to either money judgments entered before the
8 Effective Date *or* applications for writs of garnishment that were filed before the Effective
9 Date. (See *id.* ¶ 20–21.)

10 65. Given this confusion, judgment creditors will make inconsistent arguments,
11 courts will make inconsistent decisions, judgment debtors will receive inconsistent
12 protections, and all of these inconsistencies will undoubtedly lead to FDCPA claims. (See
13 *id.* ¶¶ 22–28; Ex. 4 ¶¶ 28–37.)

14 **III. Prop 209’s Uncertainty Will Cause Plaintiffs Irreparable Harm.**

15 66. Prop 209’s ambiguity causes substantial harm to nearly everyone impacted
16 by the debt collection industry. In addition to increasing borrowing costs because lenders
17 will be less likely to legally collect what they are owed in a timely manner, Prop 209 creates
18 substantial confusion for creditors, debtors, garnishees, attorneys, courts, judges and anyone
19 else involved with the debt collection process.

20 67. Further, Prop 209’s ambiguities will result in those attempting to comply with
21 it facing a wave of litigation under federal and state consumer protection statutes such as
22 the FDCPA. Consumer advocates, including those that sponsored Prop 209 from the
23 beginning, will allege that any interpretation other than their own should be the basis for
24 legal liability.

25 68. The FDCPA broadly prohibits debt collectors—including attorneys—from
26 making misleading representations or employing unfair practices in connection with the
27 collection of any consumer debt. For example, the FDCPA prohibits false representations
28 of “the character, amount, or legal status of any debt,” 15 U.S.C. § 1692e(2)(A), threats “to

1 take any action that cannot legally be taken,” *id.* § 1692e(5), or attempts to collect any
2 amount “unless such amount is expressly authorized by the agreement creating the debt or
3 permitted by law.” *Id.* § 1692f(1). In other words, interpreting Proposition 209 incorrectly—
4 such as by using its increased exemptions when they do not apply, or by failing to use those
5 increased exemptions when they do apply—exposes a debt collector to liability.

6 69. Debt collectors are strictly liable for misleading and unfair debt collection
7 practices. *Clark v. Cap. Credit & Collection Servs., Inc.*, 460 F.3d 1162, 1175–76 (9th Cir.
8 2006). Specifically, debt collectors who fail to comply with any part of the FDCPA are
9 professionally *and personally* strictly liable for actual damages, statutory damages,
10 attorneys’ fees, and court costs for even one wrongful action. *See* 15 U.S.C. § 1692k(a).
11 Thus, attorneys may be found liable under the FDCPA even for unintended, accidental, or
12 technical violations caused by misinterpreting state law.

13 70. Further, the FDCPA authorizes class actions where debt collectors can be
14 professionally and personally subject to strict liability penalties of up to \$500,000 or 1% of
15 the debt collector’s net worth. *Id.* § 1692k(a)(2)(B).

16 71. If debt collectors and creditors seek to apply the **old garnishment rules** to all
17 contracts that were originated prior to the Effective Date—a plausible interpretation of Prop
18 209 and the Savings Clause—there will inevitably be litigation filed against them
19 contending that the **new garnishment rules** should be applied to those contracts. Not only
20 will those lawsuits burden the courts and make the garnishment process more cumbersome
21 than necessary, but they will also potentially carry with them millions of dollars in statutory
22 strict liability for debt collectors statewide if a court ultimately determines that the new
23 garnishment rules should apply to pre-Effective-Date contracts.

24 72. Moreover, if *all* garnishments, including garnishments that existed before the
25 Effective Date, must be administered under the **new garnishment rules**, judgment creditors
26 may be forced to amend their garnishments, and garnishees may be forced to amend their
27 answers, exempt additional funds, provide the judgment debtor and judgment creditor with
28 revised nonexempt earnings statements, and send out partial or full refunds from previously

1 withheld funds. (*See* Ex. 7, Cash Time Decl. ¶¶ 12–15.) And if these parties do not amend
2 their garnishments accordingly or are confused by new forms and their *ad hoc* applicability,
3 they too may be exposed to liability under consumer protection statutes for failing to turn
4 over the proper amount of nonexempt assets to the proper party. *See* A.R.S. §§ 12-1593
5 (authorizing the court to hold parties that don't perform their duties in garnishments in
6 contempt of court), 12-1598.13 (same); (Ex. 7 ¶ 16.)

7 73. An actual and substantial controversy exists between Plaintiffs and Defendant
8 regarding their respective legal rights and duties. Plaintiffs contend that Prop 209 is
9 unconstitutional and unenforceable in its entirety. Plaintiffs are informed and believe, and
10 on that basis allege, that Defendant contends otherwise. Accordingly, declaratory relief is
11 appropriate.

12 74. If not enjoined by the Court, Prop 209 will create substantial confusion which
13 will result in irreparable injuries to Plaintiffs in the form of: (a) violations of their
14 constitutional rights and duties, including their due process rights to fair notice of what
15 conduct a law prohibits; (b) the loss of current and potential customers if they are wrongly
16 branded as unscrupulous debt collectors who have violated the FDCPA; (c) substantially
17 increased malpractice premiums caused by the uncertainty in Prop 209 for which they
18 cannot be compensated; (d) significant costs that garnishee Plaintiffs will incur that cannot
19 be adequately compensated; and (e) liability under the FDCPA. Plaintiffs have no plain,
20 speedy, or adequate remedy at law for such injuries. Accordingly, injunctive relief is
21 appropriate.

22 **FIRST CLAIM FOR RELIEF**

23 **Declaratory and Injunctive Relief (A.R.S. §§ 12-1801 *et seq.*; 12-1831 *et seq.*)**
24 **Void for Vagueness (violation of U.S. Const. amends. I, XIV; Ariz. Const. art. 2, § 4;**
28 U.S.C. §§ 2201, 2202)

25 75. Plaintiffs incorporate the allegations set forth above as if fully set forth herein.

26 76. “In our constitutional order, a vague law is no law at all.” *United States v.*
27 *Davis*, 139 S. Ct. 2319, 2323 (2019).

28 77. The prohibition against vague laws stems from the First and Fourteenth

1 Amendments of the United States Constitution, *see United States v. Williams*, 553 U.S. 285,
2 304 (2008), as well as Article 2, Section 4, of the Arizona Constitution. *Cohen v. State*, 121
3 Ariz. 6, 9 (1978).

4 78. While vagueness claims are most often raised in the First Amendment or
5 criminal contexts, “indefiniteness in any statute may constitute an unconstitutional denial
6 of due process of law,” *Cohen*, 121 Ariz. at 9 (citing *Sw. Egn’g Co. v. Ernst*, 79 Ariz. 403,
7 414 (1955)), especially when any penalty can be strictly administered.

8 79. A law may be unconstitutionally vague for one of two reasons: “First, if it
9 fails to provide people of ordinary intelligence a reasonable opportunity to understand what
10 conduct it prohibits. Second, if it authorizes or even encourages arbitrary and discriminatory
11 enforcement.” *Hill v. Colorado*, 530 U.S. 703, 732 (2000) (emphasis added).

12 80. Prop 209’s Savings Clause fails both conditions.

13 81. Under the first condition, it is unclear—including to seasoned attorneys and
14 judges in this area of law—whether the first or second subpart of the second sentence of the
15 Savings Clause will govern post-judgment enforcement actions involving contracts entered
16 into before the Effective Date but with judgments entered after the Effective Date.

17 82. While Prop 209 declares that it doesn’t affect “contracts entered into before
18 the effective date of this act” (Ex. 1 § 10), garnishments may be viewed as wholly
19 independent actions. *Bennett Blum MD*, 234 Ariz. at 207 ¶ 13. Thus, some attorneys and
20 judges may refuse to abide by Prop 209’s statement about contracts and concentrate on
21 when the “right” to garnish “matured.” However, Prop 209 provides no guidance about
22 when that right would “mature.”

23 83. Under the second condition, the Savings Clause does not contain explicit
24 standards of application to prevent arbitrary and discriminatory *ad hoc* enforcement. *See*
25 *Franklin v. Clemett*, 240 Ariz. 587, 595 ¶ 24 (App. 2016) (highlighting this requirement of
26 the vagueness doctrine).

27 84. Indeed, the Savings Clause has already led judicial officers and the AOC to
28 offer differing unofficial interpretations about the application of Prop 209’s Savings Clause.

1 85. Prop 209 is too vague to enforce.

2 86. Should a well-intentioned debt collector proceed in a post-judgment
3 enforcement action without applying Prop 209’s provisions, only to later find out that the
4 Savings Clause does not apply, that debt collector may incur strict liability and significant
5 penalties. *See* 15 U.S.C. § 1692k(a).

6 87. Due process does not tolerate this lack of fair notice, particularly where harsh
7 penalties are on the line. *See Batty v. Ariz. Med. Bd.*, 253 Ariz. 151, 156 ¶ 19 (App. 2022)
8 (“[T]he degree of vagueness that the Constitution tolerates depends in part on the nature of
9 the enactment, and [courts] must take into consideration the severity of the penalty.”
10 (quotation omitted)).

11 88. The Savings Clause is not severable from the remaining provisions of Prop
12 209 because the valid portion of the law is not “workable,” meaning the law is capable of
13 accomplishing its purpose without further action. *See Fann v. State*, 251 Ariz. 425, 436
14 ¶ 36–37 (2021) (citing *Randolph v. Groscost*, 195 Ariz. 423, 427 ¶ 15 (1999)).

15 89. Indeed, without the Savings Clause, Prop 209 cannot accomplish its stated
16 purpose to “appl[y] prospectively only” without significant clarification. *Fann*, 251 Ariz. at
17 436–37 ¶ 37 (collecting cases).

18 90. Excising the Savings Clause may allow Prop 209 to modify the remedies
19 available under contracts already in effect, which is contrary to the initiative approved by
20 the voters. (Ex. 1 § 10.) That would expose many judgment creditors and garnishees to
21 liability under state law and the FDCPA. (*See* Ex. 2 ¶¶ 25–28; Ex. 4 ¶¶ 28–37.)

22 91. Without some further legislative act, the voters’ purpose in prospective-only
23 application cannot be achieved if the Savings Clause is deemed void.

24 92. Further, the Savings Clause avoids impairment of the obligations of existing
25 contracts. *See Samaritan Health Sys.*, 194 Ariz. at 293 ¶ 41; *see also Hawk*, 233 Ariz. at 98
26 ¶ 14. Without the Savings Clause, the rest of the Act would likely be unconstitutional.

27 93. Given Prop 209’s declaration that it applies prospectively only, it is “so
28 irrational or absurd as to compel the conclusion that an informed electorate” would have

1 enacted legislation that violates the constitutional prohibition on impairing existing
2 contractual obligations. *See Fann*, 251 Ariz. at 436 ¶ 36 (2021).

3 94. Accordingly, Plaintiffs seek declaratory relief that Prop 209, in its entirety, is
4 void for vagueness and an order enjoining its enforcement.

5 **SECOND CLAIM FOR RELIEF**

6 **Declaratory and Injunctive Relief (A.R.S. §§ 12-1801 *et seq.*; 12-1831 *et seq.*)** 7 **Unintelligibility Doctrine (violation of U.S. Const. amends. I, XIV; Ariz. Const. art.** 8 **2, § 4; 28 U.S.C. §§ 2201, 2202)**

8 95. Plaintiffs incorporate the allegations set forth above as if fully set forth herein.

9 96. The unintelligibility doctrine renders a statute unenforceable when it “is so
10 incomplete or unintelligible that [courts] cannot divine its purpose and intent, or how to
11 implement it . . .” *State ex rel. Brnovich v. City of Phoenix*, 249 Ariz. 239, 247 ¶ 35 (2020).

12 97. Like the void for vagueness doctrine, the unintelligibility doctrine has its roots
13 in the due process requirement of fair notice and separation-of-powers principles. *Id.*

14 98. If a law is unintelligible, courts “simply refrain from attempting to enforce”
15 the legislation “unless and until the legislature completes it.” *Id.* at 248 ¶ 35 (citing *CAVCO*
16 *Indus. V. Indus. Comm’n. of Arizona*, 129 Ariz. 429, 434 n.3 (1981)).

17 99. In this way, the “unintelligibility doctrine is perhaps the quintessential
18 example of how a court, acting with restraint, observes its constitutional role under the
19 separation of powers.” *State ex rel. Brnovich v. City of Tucson*, 242 Ariz. 588, 611 ¶ 102
20 (Gould, J., concurring). A refusal to enforce an incomplete, unfinished statute avoids the
21 forbidden judicial rewrite of the law. *Id.*

22 100. Even if the Savings Clause is not unconstitutionally vague, Prop 209 remains
23 unenforceable. It provides no standards guiding a court’s implementation of it. *See City of*
24 *Phoenix*, 249 Ariz. at 248 ¶ 36 (holding a bond provision unenforceable where the statute
25 did not require the bonding municipality to defend its law, did not explain what happens if
26 no bond is posted, and did not explain what conditions must exist to exonerate the bond).

27 101. Specifically, the Savings Clause offers no guidance about when the “right” to
28 garnish a debtor’s earnings, money, or property matures, triggering Prop 209’s provisions,

1 nor whether the Savings Clause applies differently to judgments on non-contract claims.

2 102. It also fails to speak to what procedures to follow if a debt collector
3 mistakenly attempts to collect on a debt under the prior law due to the confusion caused by
4 Prop 209's Savings Clause.

5 103. As discussed above, the Savings Clause is not severable from the remaining
6 provisions of Prop 209.

7 104. Accordingly, Plaintiffs seek declaratory relief that Prop 209, in its entirety, is
8 unenforceable because it is unintelligible, and an order enjoining its enforcement.

9 **THIRD CLAIM FOR RELIEF**

10 **Declaratory Relief (A.R.S. §§ 12-1801 *et seq.*; 12-1831 *et seq.*)**

11 105. Plaintiffs incorporate the allegations set forth above as if fully set forth herein.

12 106. When interpreting voter-approved measures, courts try to place a “reasonable
13 interpretation on ‘the intent of the electorate that adopted it.’” *State v. Estrada*, 201 Ariz.
14 247, 250 ¶ 15 (2001) (*citing Foster v. Irwin*, 196 Ariz. 230, 231 ¶ 3 (2000)).

15 107. The Savings Clause was expressly intended to apply prospectively to not
16 affect the enforcement of existing contracts or disturb substantive rights that vested before
17 the Effective Date. *See Aranda v. Indus. Comm'n of Arizona*, 198 Ariz. 467, 471 ¶ 16 (2000)
18 (citation omitted); *see also Kresos v. White*, 47 Ariz. 175, 178–79 (1936).

19 108. Therefore, the fairest reading of the Savings Clause provides that the previous
20 law applies to garnishments flowing from contracts entered into, or non-contract judgments
21 entered, before the Effective Date, regardless of when the garnishments occur.

22 109. This reading would accord with the reasonable expectations of parties who
23 entered into contracts with the understanding that the law that existed when they contracted
24 would apply to garnishment actions if a dispute arose.

25 110. Therefore, in the alternative, Plaintiffs seek declaratory relief that Prop 209's
26 provisions: (a) do not apply to contracts entered into before the Effective Date; (b) do not
27 apply to post-judgment enforcement actions occurring after the Effective Date where the
28 underlying contracts were entered into before the Effective Date, regardless of when the

1 underlying judgment was entered; and (c) do not apply to non-contract judgments where
2 the underlying harm accrued before the Effective Date; but (d) do apply to both contracts
3 entered into and non-contract judgments entered after the Effective Date. Thus, Prop 209
4 requires a bifurcated application for completing the mandatory documents for post-
5 judgment enforcement actions depending on their relation to the Effective Date.

6 **REQUEST FOR RELIEF**

7 WHEREFORE, Plaintiffs pray for:

8 A. A declaration pursuant to A.R.S. § 12-1831 that Prop 209 is void for
9 vagueness under the First and Fourteenth Amendment of the U.S. Constitution and Article
10 2, Section 4 of the Arizona Constitution;

11 B. A declaration pursuant to A.R.S. § 12-1831 that Prop 209 is unenforceable
12 because it is unintelligible;

13 C. An injunction pursuant to A.R.S. § 12-1801, Arizona Rule of Civil Procedure
14 65, and other applicable law preliminarily and permanently enjoining the enforcement of
15 Prop 209;

16 D. Alternatively, a declaration pursuant to A.R.S. § 12-1831 that Prop 209's
17 provisions:

- 18 1. Do not apply to contracts entered into before the Effective Date;
- 19 2. Do not apply to post-judgment enforcement actions occurring after the
20 Effective Date where the underlying contracts were entered into before
21 the Effective Date, regardless of when the underlying judgment was
22 entered;
- 23 3. Do not apply to non-contract judgments where the underlying harm
24 accrued before the Effective Date;
- 25 4. Do apply to both contracts entered into, and non-contract judgments
26 entered after, the Effective Date; and
- 27 5. Require a bifurcated application for completing the mandatory
28 documents for post-judgment enforcement actions depending on their

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relation to the Effective Date.

E. An order awarding Plaintiffs' attorney's fees and nontaxable expenses incurred in this action under:

1. The private attorney general doctrine as established in *Arnold v. Ariz. Dep't of Health Servs.*, 160 Ariz. 593, 609 (1989), *disagreed with on other grounds by, Ansley v. Banner Health Network*, 248 Ariz. 143 (2020), because the rights sought to be vindicated here benefit a large number of people, require private enforcement, and are of societal importance;

2. A.R.S. § 12-348,

3. A.R.S. § 12-2030, and

4. any other applicable law or common law authorizing the award of attorney's fees and nontaxable expenses to Plaintiffs.

F. An order awarding Plaintiffs their taxable costs under A.R.S. §§ 12-341, 12-1840, and any other applicable law authorizing the award of taxable costs; and

A. Such other relief as the Court deems necessary, equitable, proper, and just.

DATED this 5th day of December, 2022.

SNELL & WILMER L.L.P.

By: /s/ Brett W. Johnson

Brett W. Johnson
Benjamin W. Reeves
Tracy A. Olson
Ryan Hogan
Charlene A. Warner
One East Washington Street
Suite 2700
Phoenix, Arizona 85004-2202

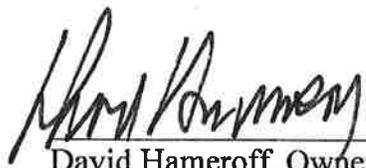
Attorneys for Plaintiffs Arizona Creditors Bar Association Inc., et. al.

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VERIFICATION

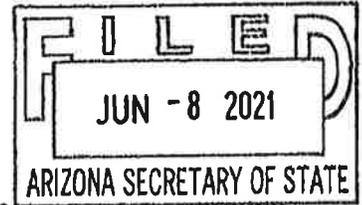
I, David Hameroff, on behalf of Hameroff Law Group, P.C., a Plaintiff in this action, have reviewed the foregoing Verified Special Action Complaint and verify under penalty of perjury that it is true and correct.

Dated: December 5, 2022



David Hameroff, Owner
Hameroff Law Group, P.C.

EXHIBIT 1



AN INITIATIVE MEASURE

AMENDING SECTIONS 12-1598.10, 33-1101, 33-1123, 33-1125, 33-1126, 33-1131 AND 44-1201, ARIZONA REVISED STATUTES; RELATING TO PREDATORY DEBT COLLECTION PROTECTION.

Be it enacted by the People of the State of Arizona:

Section 1. Section 12-1598.10, Arizona Revised Statutes, is amended to read:

12-1598.10. Continuing lien on earnings; order

A. If it appears from the answer of the garnishee that the judgment debtor was an employee of the garnishee, or that the garnishee otherwise owed earnings to the judgment debtor when the writ was served, or earnings would be owed within sixty days thereafter and there is no timely written objection to the writ or the answer of the garnishee filed, on application by the judgment creditor the court shall order that the nonexempt earnings, if any, withheld by the garnishee after service of the writ be transferred to the judgment creditor who is entitled to such monies subject to the judgment debtor's right to objection and hearing pursuant to this article. The court shall further order that the garnishment is a continuing lien against the nonexempt earnings of the judgment debtor.

B. If a timely objection is filed the court shall conduct a hearing pursuant to section 12-1598.07 and shall make the following determinations:

1. Whether the writ is valid against the judgment debtor.
2. The amount outstanding on the judgment at the time the writ was served, plus accruing costs.
3. Whether the judgment debtor was employed by the garnishee at the time the writ was served.
4. Whether earnings were owed or would be owed by the garnishee to the judgment debtor within sixty days after the service of the writ.
5. Whether the debt was, at the time of service of the writ, subject to an effective agreement for debt scheduling between the judgment debtor and a qualified debt counseling organization.

C. If the court makes an affirmative determination under subsection B, paragraph 1 of this section and subsection B, paragraph 3 or 4 of this section and determines that the debt was not, at the time of service of the writ, subject to an effective agreement between the judgment debtor and a qualified debt counseling organization, the court shall order that the nonexempt earnings, if any, withheld by the garnishee after service of the writ be transferred to the judgment creditor and further order that the garnishment is a continuing lien against the nonexempt earnings of the judgment debtor. Otherwise the court shall order the garnishee discharged from the writ.

D. A continuing lien ordered pursuant to this section is invalid and of no force and effect on the occurrence of any of the following conditions:

1. The underlying judgment is satisfied in full, is vacated or expires.
2. The judgment debtor leaves the garnishee's employ for more than sixty days or, if the judgment debtor is an employee of a school district, a charter school, the Arizona state schools for the deaf and the blind or an accommodation school and the judgment debtor is subject to an employment contract that specifies that paydays are restricted to the school year, for more than ninety days.
3. The judgment creditor releases the garnishment.
4. The proceedings are stayed by a court of competent jurisdiction, including the United States bankruptcy court.
5. The judgment debtor has not earned any nonexempt earnings for at least sixty days or, if the judgment debtor is an employee of a school district, a charter school, the Arizona state schools for the deaf and the blind or an accommodation school and the judgment debtor is subject to an employment contract that specifies that paydays are restricted to the school year, for at least ninety days.

6. The court orders that the garnishment be quashed.

E. If no objections are filed to the answer of the garnishee and an order of continuing lien is not entered within forty-five days after the filing of the answer of the garnishee, any earnings held by the garnishee shall be released to the judgment debtor and the garnishee shall be discharged from any liability on the garnishment.

F. If at the hearing the court determines that the judgment debtor is subject to the ~~twenty-five~~ TEN percent maximum disposable earnings provision under section 33-1131, subsection B and based on clear and convincing evidence that the judgment debtor or the judgment debtor's family would suffer extreme economic hardship as a result of the garnishment, the court may reduce the amount of nonexempt earnings withheld under a continuing lien ordered pursuant to this section from the ~~twenty-five~~ TEN percent to not less than ~~fifteen~~ FIVE percent.

G. A court order entered pursuant to this section if recorded does not constitute a lien against real property pursuant to section 33-961.

H. The court, sitting without a jury, shall decide all issues of fact and law.

Sec. 2. Section 33-1101, Arizona Revised Statutes, is amended to read:

33-1101. Homestead exemptions; persons entitled to hold homesteads; annual adjustment

A. Any person the age of eighteen or over, married or single, who resides within the state may hold as a homestead exempt from attachment, execution and forced sale, not exceeding ~~one hundred fifty thousand dollars~~ \$400,000 in value, any one of the following:

1. The person's interest in real property in one compact body upon which exists a dwelling house in which the person resides.

2. The person's interest in one condominium or cooperative in which the person resides.

3. A mobile home in which the person resides.

4. A mobile home in which the person resides plus the land upon which that mobile home is located.

B. Only one homestead exemption may be held by a married couple or a single person under this section. The value as specified in this section refers to the equity of a single person or married couple. If a married couple lived together in a dwelling house, a condominium or cooperative, a mobile home or a mobile home plus land on which the mobile home is located and are then divorced, the total exemption allowed for that residence to either or both persons shall not exceed ~~one hundred fifty thousand dollars~~ \$400,000 in value.

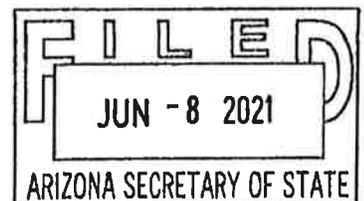
C. The homestead exemption, not exceeding the value provided for in subsection A, AS ADJUSTED BY SUBSECTION D OF THIS SECTION, automatically attaches to the person's interest in identifiable cash proceeds from the voluntary or involuntary sale of the property. The homestead exemption in identifiable cash proceeds continues for eighteen months after the date of the sale of the property or until the person establishes a new homestead with the proceeds, whichever period is shorter. Only one homestead exemption at a time may be held by a person under this section.

D. THE HOMESTEAD EXEMPTION PROVIDED BY THIS SECTION SHALL BE ADJUSTED ANNUALLY BEGINNING ON JANUARY 1, 2024 AND THEREAFTER ON JANUARY 1 OF EACH SUCCESSIVE YEAR BY THE INCREASE IN THE COST OF LIVING. THE INCREASE IN THE COST OF LIVING SHALL BE MEASURED BY THE PERCENTAGE INCREASE AS OF AUGUST OF THE IMMEDIATELY PRECEDING YEAR OVER THE LEVEL AS OF AUGUST OF THE PREVIOUS YEAR OF THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, UNITED STATES CITY AVERAGE FOR ALL ITEMS) OR ITS SUCCESSOR INDEX AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, OR ITS SUCCESSOR AGENCY, WITH THE AMOUNT OF THE EXEMPTION ROUNDED UP TO THE NEAREST \$100.

Sec. 3. Section 33-1123, Arizona Revised Statutes, is amended to read:

33-1123. Household furniture, furnishings and appliances; annual adjustment

A. Household furniture and furnishings, household goods, including consumer electronic devices, and household appliances personally used by the debtor or a dependent of the debtor and not otherwise specifically prescribed in this chapter are exempt from process provided their aggregate fair market value does not exceed ~~six thousand dollars~~ \$15,000.



B. THE EXEMPTION PROVIDED BY THIS SECTION SHALL BE ADJUSTED ANNUALLY BEGINNING ON JANUARY 1, 2024 AND THEREAFTER ON JANUARY 1 OF EACH SUCCESSIVE YEAR BY THE INCREASE IN THE COST OF LIVING. THE INCREASE IN THE COST OF LIVING SHALL BE MEASURED BY THE PERCENTAGE INCREASE AS OF AUGUST OF THE IMMEDIATELY PRECEDING YEAR OVER THE LEVEL AS OF AUGUST OF THE PREVIOUS YEAR OF THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, UNITED STATES CITY AVERAGE FOR ALL ITEMS) OR ITS SUCCESSOR INDEX AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, OR ITS SUCCESSOR AGENCY, WITH THE AMOUNT OF THE EXEMPTION ROUNDED UP TO THE NEAREST \$100.

Sec. 4. Section 33-1125, Arizona Revised Statutes, is amended to read:

33-1125. Personal items

The following property of a debtor used primarily for personal, family or household purposes is exempt from process:

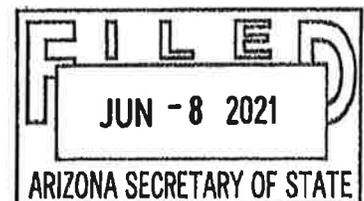
1. All wearing apparel of not more than a fair market value of five hundred dollars.
2. All musical instruments provided for the debtor's individual or family use of not more than an aggregate fair market value of four hundred dollars.
3. Horses, milk cows and poultry of not more than an aggregate fair market value of one thousand dollars.
4. All engagement and wedding rings of not more than an aggregate fair market value of two thousand dollars.
5. The library of a debtor, including books, manuals, published materials and personal documents of not more than an aggregate fair market value of two hundred fifty dollars.
6. One watch of not more than a fair market value of two hundred fifty dollars.
7. One typewriter, one computer, one bicycle, one sewing machine, a family bible or a lot in any burial ground of not more than an aggregate fair market value of two thousand dollars.
8. Equity in one motor vehicle of not more than ~~six thousand dollars~~ \$15,000. If the debtor or debtor's dependent has a physical disability, the equity in the motor vehicle shall not exceed ~~twelve thousand dollars~~ \$25,000. THE EXEMPTION PRESCRIBED IN THIS PARAGRAPH SHALL BE ADJUSTED ANNUALLY BEGINNING ON JANUARY 1, 2024 AND THEREAFTER ON JANUARY 1 OF EACH SUCCESSIVE YEAR BY THE INCREASE IN THE COST OF LIVING. THE INCREASE IN THE COST OF LIVING SHALL BE MEASURED BY THE PERCENTAGE INCREASE AS OF AUGUST OF THE IMMEDIATELY PRECEDING YEAR OVER THE LEVEL AS OF AUGUST OF THE PREVIOUS YEAR OF THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, UNITED STATES CITY AVERAGE FOR ALL ITEMS) OR ITS SUCCESSOR INDEX AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, OR ITS SUCCESSOR AGENCY, WITH THE AMOUNT OF THE EXEMPTION ROUNDED UP TO THE NEAREST \$100.
9. Professionally prescribed prostheses for the debtor or a dependent of the debtor, including a wheelchair or motorized mobility device.
10. All firearms of not more than an aggregate fair market value of two thousand dollars.
11. All domestic animals or household pets.

Sec. 5. Section 33-1126, Arizona Revised Statutes, is amended to read:

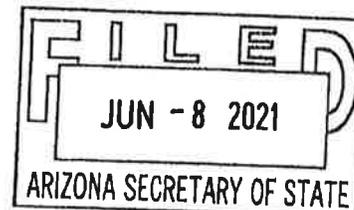
33-1126. Money, benefits or proceeds; exception

A. The following property of a debtor is exempt from execution, attachment or sale on any process issued from any court:

1. All money received by or payable to a surviving spouse or child on the life of a deceased spouse, parent or legal guardian, not exceeding twenty thousand dollars.
2. The earnings of the minor child of a debtor or the proceeds of these earnings by reason of any liability of the debtor not contracted for the special benefit of the minor child.



3. All monies received by or payable to a person entitled to receive child support or spousal maintenance pursuant to a court order.
4. All money, proceeds or benefits of any kind to be paid in a lump sum or to be rendered on a periodic or installment basis to the insured or any beneficiary under any policy of health, accident or disability insurance or any similar plan or program of benefits in use by any employer, except for premiums payable on the policy or debt of the insured secured by a pledge, and except for collection of any debt or obligation for which the insured or beneficiary has been paid under the plan or policy and except for payment of amounts ordered for support of a person from proceeds and benefits furnished in lieu of earnings that would have been subject to that order and subject to any exemption applicable to earnings so replaced.
5. All money arising from any claim for the destruction of, or damage to, exempt property and all proceeds or benefits of any kind arising from fire or other insurance on any property exempt under this article.
6. The cash surrender value of life insurance policies where for a continuous unexpired period of two years the policies have been owned by a debtor. The policy shall have named as beneficiary the debtor's surviving spouse, child, parent, brother or sister. The policy may have named as beneficiary any other family member who is a dependent, in the proportion that the policy names any such beneficiary, except that, subject to the statute of limitations, the amount of any premium that is recoverable or avoidable by a creditor pursuant to title 44, chapter 8, article 1, with interest thereon, is not exempt. The exemption provided by this paragraph does not apply to a claim for the payment of a debt of the insured or beneficiary that is secured by a pledge or assignment of the cash value of the insurance policy or the proceeds of the policy. For the purposes of this paragraph, "dependent" means a family member who is dependent on the insured debtor for not less than half support.
7. An annuity contract where for a continuous unexpired period of two years that contract has been owned by a debtor and has named as beneficiary the debtor, the debtor's surviving spouse, child, parent, brother or sister, or any other dependent family member, except that, subject to the statute of limitations, the amount of any premium, payment or deposit with respect to that contract is recoverable or avoidable by a creditor pursuant to title 44, chapter 8, article 1 is not exempt. The exemption provided by this paragraph does not apply to a claim for a payment of a debt of the annuitant or beneficiary that is secured by a pledge or assignment of the contract or its proceeds. For the purposes of this paragraph, "dependent" means a family member who is dependent on the debtor for not less than half support.
8. Any claim for damages recoverable by any person by reason of any levy on or sale under execution of that person's exempt personal property or by reason of the wrongful taking or detention of that property by any person, and the judgment recovered for damages.
9. A total of ~~three hundred dollars~~ \$5,000 held in a single account in any one financial institution as defined by section 6-101. The property declared exempt by this paragraph is not exempt from normal service charges assessed against the account by the financial institution at which the account is carried. THE EXEMPTION PRESCRIBED IN THIS PARAGRAPH SHALL BE ADJUSTED ANNUALLY BEGINNING ON JANUARY 1, 2024 AND THEREAFTER ON JANUARY 1 OF EACH SUCCESSIVE YEAR BY THE INCREASE IN THE COST OF LIVING. THE INCREASE IN THE COST OF LIVING SHALL BE MEASURED BY THE PERCENTAGE INCREASE AS OF AUGUST OF THE IMMEDIATELY PRECEDING YEAR OVER THE LEVEL AS OF AUGUST OF THE PREVIOUS YEAR OF THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, UNITED STATES CITY AVERAGE FOR ALL ITEMS) OR ITS SUCCESSOR INDEX AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, OR ITS SUCCESSOR AGENCY, WITH THE AMOUNT OF THE EXEMPTION ROUNDED UP TO THE NEAREST \$100.
10. An interest in a college savings plan under section 529 of the internal revenue code of 1986, either as the owner or as the beneficiary. This does not include money contributed to the plan within two years before a debtor files for bankruptcy.
 - B. Any money or other assets payable to a participant in or beneficiary of, or any interest of any participant or beneficiary in, a retirement plan under section 401(a), 403(a), 403(b), 408, 408A or 409 or a deferred compensation plan under section 457 of the United States internal revenue code of 1986, as amended, whether the beneficiary's interest arises by inheritance, designation, appointment or otherwise, is exempt from all claims of creditors of the beneficiary or participant. This subsection does not apply to any of the following:
 1. An alternate payee under a qualified domestic relations order, as defined in section 414(p) of the United States internal revenue code of 1986, as amended. The interest of any and all alternate payees is exempt from any and all claims of any creditor of the alternate payee.



2. Amounts contributed within one hundred twenty days before a debtor files for bankruptcy.

3. The assets of bankruptcy proceedings filed before July 1, 1987.

C. Any person eighteen years of age or over, married or single, who resides within this state and who does not exercise the homestead exemption under article 1 of this chapter may claim as a personal property homestead exempt from all process prepaid rent, including security deposits as provided in section 33-1321, subsection A, for the claimant's residence, not exceeding two thousand dollars.

D. This section does not exempt property from orders that are the result of a judgment for arrearages of child support or for a child support debt.

Sec. 6. Section 33-1131, Arizona Revised Statutes, is amended to read:

33-1131. Definition; wages; salary; compensation

A. For the purposes of this section, "disposable earnings" means that remaining portion of a debtor's wages, salary or compensation for his personal services, including bonuses and commissions, or otherwise, and includes payments pursuant to a pension or retirement program or deferred compensation plan, after deducting from such earnings those amounts required by law to be withheld.

B. Except as provided in subsection C, the maximum part of the disposable earnings of a debtor for any workweek ~~which~~ THAT is subject to process may not exceed ~~twenty-five per cent~~ TEN PERCENT of disposable earnings for that week or the amount by which disposable earnings for that week exceed ~~thirty~~ SIXTY times the APPLICABLE minimum hourly wage ~~prescribed by federal law~~ in effect at the time the earnings are payable, whichever is less. THE APPLICABLE MINIMUM HOURLY WAGE IS THE MINIMUM WAGE REQUIRED BY FEDERAL, STATE OR LOCAL LAW, WHICHEVER IS HIGHEST.

C. The exemptions provided in subsection B do not apply in the case of any order for the support of any person. In such case, one-half of the disposable earnings of a debtor for any pay period is exempt from process.

D. The exemptions provided in this section do not apply in the case of any order of any court of bankruptcy under chapter XIII of the federal bankruptcy act or any debt due for any state or federal tax.

Sec. 7. Section 44-1201, Arizona Revised Statutes, is amended to read:

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

A. Interest on any loan, indebtedness or other obligation shall be AS FOLLOWS:

1. THE MAXIMUM INTEREST RATE ON MEDICAL DEBT SHALL BE THE LESSER OF THE FOLLOWING:

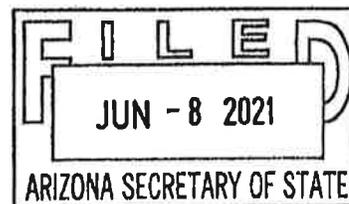
(a) THE ANNUAL RATE EQUAL TO THE WEEKLY AVERAGE ONE-YEAR CONSTANT MATURITY TREASURY YIELD, AS PUBLISHED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, FOR THE CALENDAR WEEK PRECEDING THE DATE WHEN THE CONSUMER WAS FIRST PROVIDED WITH A BILL, OR

(b) THREE PERCENT A YEAR.

THE MAXIMUM INTEREST RATE PROVIDED PURSUANT TO THIS PARAGRAPH ALSO APPLIES TO ANY JUDGMENTS ON MEDICAL DEBT.

2. FOR ANY LOAN, INDEBTEDNESS OR OBLIGATION OTHER THAN MEDICAL DEBT, INTEREST SHALL BE at the rate of ten per cent per annum, unless a different rate is contracted for in writing, in which event any rate of interest may be agreed to. Interest on any judgment, OTHER THAN A JUDGMENT ON MEDICAL DEBT, that is based on a written agreement evidencing a loan, indebtedness or obligation that bears a rate of interest not in excess of the maximum permitted by law shall be at the rate of interest provided in the agreement and shall be specified in the judgment.

B. Unless specifically provided for in statute or a different rate is contracted for in writing, interest on any judgment OTHER THAN A JUDGMENT ON MEDICAL DEBT shall be at the lesser of ten per cent per annum or at a rate per annum that is equal to one per cent plus the prime rate as published by the board of governors of the federal reserve system in statistical release H.15 or any publication that may supersede it on the date that the judgment is entered. The judgment shall state the applicable interest rate and it shall not change after it is entered.



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

1. If instituted by a city or town, at the rate prescribed by section 9-409.
2. If instituted by a county, at the rate prescribed by section 11-269.04.
3. If instituted by the department of transportation, at the rate prescribed by section 28-7101.
4. If instituted by a county flood control district, a power district or an agricultural improvement district, at the rate prescribed by section 48-3628.

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

1. Prejudgment interest for any unliquidated, future, punitive or exemplary damages that are found by the trier of fact.
2. Interest for any future, punitive or exemplary damages that are found by the trier of fact.

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

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

G. FOR THE PURPOSES OF THIS SECTION:

1. "HEALTH CARE SERVICES" MEANS SERVICES PROVIDED AT OR BY ANY OF THE FOLLOWING:

(a) HEALTH CARE INSTITUTIONS AS DEFINED IN SECTION 36-401.

(b) PRIVATE OFFICES OR CLINICS OF HEALTH CARE PROVIDERS LICENSED UNDER TITLE 32, CHAPTERS 7, 11, 13, 15, 15.1, 16, 17, 18, 19, 19.1, 25, 28, 33, 34, or 35.

(c) AMBULANCES OR AMBULANCE SERVICES AS DEFINED IN SECTION 36-2201.

2. "MEDICAL DEBT" MEANS A LOAN, INDEBTEDNESS OR OTHER OBLIGATION ARISING DIRECTLY FROM THE RECEIPT OF HEALTH CARE SERVICES OR OF MEDICAL PRODUCTS OR DEVICES.

Sec. 8. Conflicts with federal law

This act shall not be interpreted or applied so as to create any power or duty in conflict with federal law.

Sec. 9. Severability

If a provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Sec. 10. Saving clause

This act applies prospectively only. Accordingly, it does not affect rights and duties that matured before the effective date of this act, contracts entered into before the effective date of this act or the interest rate on judgments that are based on a written agreement entered into before the effective date of this act.

Sec. 11. Legal defense

The People of Arizona desire that this initiative, if approved by the voters, be defended if it is challenged in court. They therefore declare that the political committee registered to circulate petitions and campaign in support of the adoption of the initiative, or any one or more of its officers, has standing to defend this initiative on behalf of and as the agent of the People of Arizona in any legal action brought to challenge the validity of this initiative.

Sec. 12. Short title

This act may be cited as the "Predatory Debt Collection Protection Act."

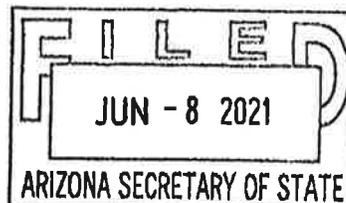


EXHIBIT 2

1 Brett W. Johnson (#021527)
Benjamin W. Reeves (#025708)
2 Tracy A. Olson (#034616)
Ryan Hogan (#036169)
3 Charlene A. Warner (#037169)
SNELL & WILMER L.L.P.
4 One East Washington Street
Suite 2700
5 Phoenix, Arizona 85004-2202
Telephone: 602.382.6000
6 bwjohnson@swlaw.com
breeves@swlaw.com
7 tolson@swlaw.com
rhogan@swlaw.com
8 cwarner@swlaw.com

9 *Attorneys for Plaintiffs Arizona Creditors
Bar Association Inc., et. al.*

10
11 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
12 **IN AND FOR THE COUNTY OF MARICOPA**

13 ARIZONA CREDITORS BAR
ASSOCIATION INC., an Arizona
14 corporation; PROTECT OUR ARIZONA
PAC, an Arizona political action
15 committee; ABSOLUTE RESOLUTIONS
INVESTMENTS, LLC, an Arizona limited
16 liability company; HAMEROFF LAW
GROUP, P.C., an Arizona corporation;
17 DESERT RIDGE COMMUNITY
ASSOCIATION, an Arizona non-profit
18 corporation; AUGUSTA RANCH
COMMUNITY MASTER
19 ASSOCIATION, an Arizona non-profit
corporation; BAUHINIA, LLC, an South
20 Dakota limited liability company; and
CASH TIME TITLE LOANS, INC., an
21 Arizona corporation,

22 **Plaintiffs,**

23 **v.**

24 **STATE OF ARIZONA,**

25 **Defendant.**

No.

**DECLARATION OF DAVID E.
HAMEROFF, HAMEROFF LAW
GROUP, P.C.**

1 I, David E. Hameroff, declare as follows:

2 1. I am over 18 years of age, of sound mind, and capable of making this
3 declaration. I have personal knowledge of the matters set forth herein. If called as a witness
4 to testify as to the matters set forth here, I could and would testify competently with respect
5 thereto.

6 2. I am a practicing debt-collection attorney in good standing with the State of
7 Arizona and have been practicing collection law for over 40 years.

8 3. I obtained my Bachelor's Degree in 1976 and my law degree in 1980, both
9 from the University of Arizona.

10 4. I was admitted to the Arizona Bar in 1981.

11 5. I am the founder and owner of Hameroff Law Group, P.C., an Arizona debt
12 collection firm representing debt buyers, hospitals, medical providers, and financial
13 institutions in recovering their outstanding debts.

14 6. Hameroff Law Group has steadily grown from a small solo practice to a full-
15 service collection law firm with up to 24 employees dedicated to the practice of collecting
16 in Arizona.

17 7. I served on the Rules Committee for Limited Jurisdiction Courts in 2012 and
18 2013. I have co-taught Contracts and Civil Procedure at the Limited Jurisdiction Courts
19 New Judge Orientation since 2008.

20 8. I am extremely proud of my years of work as a collection attorney and, as
21 such, hold myself to the highest standards for effective and ethical client representation.

22 9. My firm manages thousands of debt collection accounts at various stages in
23 the process, including hundreds of garnishment actions per year.

24 10. As the owner of a relatively small collection firm, the Predatory Debt
25 Collection Protection Act ("Prop 209") will almost certainly have devastating effects on my
26 business and my employees when it goes into effect on December 5, 2022 (the "Effective
27 Date").

28

1 11. While Prop 209’s Savings Clause advertises that Prop 209 will apply
2 prospectively only, the Savings Clause engenders more confusion than clarity for those of
3 us who regularly practice in the debt collection industry.

4 12. I fear that the drafters’ unfamiliarity with the debt collection industry has led
5 to a Savings Clause that gives conflicting and irreconcilable guidance to debt collectors on
6 certain types of garnishments.

7 13. Specifically, the Savings Clause creates substantial confusion in
8 circumstances (a) where the underlying contract and the judgment are entered before the
9 Effective Date, but the garnishment does not begin until after the Effective Date; (b) where
10 the underlying contract is entered into before the Effective Date, but the judgment is not
11 entered and the garnishment does not begin until after the Effective Date; and (c) where the
12 underlying claim is based on a non-contract claim (e.g., tort claim), the judgment is entered
13 before the Effective Date, but the garnishment does not begin until after the Effective Date.

14 14. It is unclear to me which subpart of the Savings Clause—“contracts entered
15 into before the effective date,”—or “rights and duties that matured before the effective date
16 of this act”—applies to any of these types of garnishments.

17 15. For these first two circumstances, Prop 209 was advertised (and its plain
18 language dictates) as only applying to contracts entered into after Prop 209’s Effective Date,
19 and because these garnishments arise out of pre-existing contractual debt, then the second
20 subpart of the Savings Clause reasonably applies.

21 16. The right to pursue a garnishment action is secured as soon as the creditor
22 obtains a judgment. Because of this, the often skimmed over first subpart of the Savings
23 Clause becomes important. The rights and duties associated with garnishment actions can
24 mature at some point after the Effective Date even though the debt itself arises out of a
25 contract from before the Effective Date.

26 17. Shortly after Prop 209 passed, on November 16, 2022, the Administrative
27 Office of the Courts (“AOC”) reached out to me about joining a workgroup to develop new
28

1 self-service forms currently used in debt-collection proceedings that will be impacted by
2 Prop 209. A true and accurate copy of that correspondence is attached as **Attachment A**.

3 18. In response to my email to members of the Committee, Judge Charles
4 Adornetto advised that the judges he had spoken with were of the opinion that: (1) Prop 209
5 changes the calculations for garnishments for all existing judgments, not just those for
6 medical debt; (2) Prop 209 would apply to garnishments of any existing judgments applied
7 for after the Effective Date; and (3) the Savings Clause would also not apply to garnishment
8 rates on tort judgments. A true and accurate copy of that correspondence is attached as
9 **Attachment B**.

10 19. Since then, the AOC has informed the working group that it will interpret
11 Prop 209 to apply to garnishments with an Order of Continuing Lien (not the underlying
12 judgment, the date of service, or the date of the underlying contract) entered after the
13 Effective Date, conflicting with my own interpretation, other interpretations from
14 experienced collection attorneys, and the apparent intent of the voters.

15 20. I reached out to Judge Gerald Williams, who is the Chair of the Maricopa
16 County Justice Courts Best Practices Committee, to discuss how the Savings Clause of Prop
17 209 applies to garnishment proceedings that are already underway. A true and accurate
18 summary of our correspondence is attached as **Attachment C**.

19 21. Judge Williams did not agree that all garnishment actions involving contracts
20 entered into before the Effective Date would be subject to existing law; instead, he advised
21 that he interpreted the Savings Clause to mean that existing law would apply to either money
22 judgments entered before the Effective Date, or for writs of garnishment that were filed
23 before the Effective Date. *Id.*

24 22. The Courts have now confirmed our fears of inconsistent application. On or
25 before December 1, 2022, the Arizona Judicial Branch published the following guidance
26 regarding Prop 209's applicability to garnishments:

27 The proposition was **unclear** on when the changes to the garnishment rates
28 would take effect, but if a debtor was being garnished on December 5, 2022,

1 the previous rates would be continued. If a Writ of Garnishment is filed on
2 or after December 5, 2022, most courts will likely impose the new lower
3 rates; other courts may impose the higher garnishment rates for contracts
4 entered into before December 5, 2022.

5 *See* **Attachment D** (Arizona Judicial Branch, Prop 209 Information Sheet, dated December
6 1, 2022) (emphasis added).

7 23. Then, on or before December 3, 2022, the Arizona Judicial Branch updated
8 the above guidance, advising collection attorneys that the applicable garnishment rates are
9 subject to the varied interpretations of judges *and debtors*:

10 If a garnishment was in place prior to December 5, 2022, the previous rates
11 of garnishment would be continued. If a Writ of Garnishment is filed on or
12 after December 5, 2022, a judicial officer may impose the new lower rates
13 based on their reading of Proposition 209; another judicial officer may
14 impose the higher garnishment rates for contracts entered into before
15 December 5, 2022, based on their interpretation.

16 A debtor can file an objection to a writ of garnishment and ask for the lowest
17 garnishment rate.

18 *See* **Attachment E** (Arizona Judicial Branch, Prop 209 Information Sheet, dated December
19 3, 2022).

20 24. These conflicting interpretations underscore the confusing and internally
21 inconsistent “guidance” offered by Prop 209’s Savings Clause.

22 25. It is imperative that this confusion is cleared up immediately. The fact that
23 my firm and I have to guess which garnishment actions can safely proceed under preexisting
24 law creates a high risk of potential liability.

25 26. Indeed, depending on its interpretation, Prop 209 could create massive
26 professional and personal liability for me and my firm under the Fair Debt Collection
27 Practices Act (“FDCPA”) and other related consumer protection laws.

28 27. The FDCPA provides for penalties against debt collectors who violate any of
its requirements. This imposes a significant amount of risk of liability on collection
attorneys if they violate any aspect of the law, such as garnishing wages at incorrect rates.

1 28. In almost every situation, the FDCPA provides for strict liability for damages
2 for any violation of its requirements, including but not limited to technical and unintentional
3 violations of the FDCPA. Even if my firm prevails in those suits, the FDCPA does not allow
4 my firm to recover attorneys' fees and costs.

5 29. Arizona collection attorneys should not have to guess and receive penalties
6 on an *ad hoc* basis due to varied interpretations of Prop 209's Savings Clause from different
7 justice court and superior court judges.

8 30. Given the volume of filings my firm handles on a monthly basis, if we
9 implement a firmwide interpretation of Prop 209 and even a handful of judges disagree, our
10 firm is exposed to tremendous liability claims, including potential class action lawsuits.
11 Even a slip up on a standard form could lead to ruinous effects depending on how many
12 consumers it reaches.

13 31. When personal liability claims are entered against me for unknowingly
14 misapplying Prop 209, my professional reputation as a collections attorney will take an
15 immediate, irreparable hit.

16 32. Such claims would also lead to a devastating series of events, including but
17 not limited to a loss of clients, a barrage of ethical complaints, and drastic increases in
18 malpractice insurance premiums, that present a direct threat to my livelihood and the
19 livelihoods of my employees.

20 33. Ultimately, I could be forced out of business, which would be devastating to
21 me and my employees. And, in a worst-case scenario, this string of events could affect my
22 ability to practice law.

23 34. I am proud of the legal debt collection practice I have built in Arizona. The
24 passage of Prop 209 threatens everything I have spent the last four decades of my
25 professional career building if we are wrong about its application.

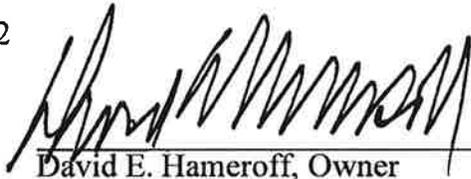
26 35. I am certain other debt collection firms and practitioners are similarly
27 concerned about the ways in which Prop 209 will reverberate throughout the debt collection
28 industry.

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36. Simply, Prop 209 transforms once routine proceedings into extremely high stakes, career-ending cases with enormous potential liability on the line due to the incompatible interpretations within the Savings Clause.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 5th, 2022



David E. Hameroff, Owner
HAMEROFF LAW GROUP, P.C.

ATTACHMENT A

David E. Hameroff

From: Graber, Julie <JGraber@courts.az.gov>
Sent: Wednesday, November 09, 2022 8:21 AM
To: David E. Hameroff; Logvin, Eric; Brian@recoveryatty.com
Subject: Impact of Prop 209 on AZ Supreme Court forms

Good morning—

My name is Julie Graber and I work at the Arizona Supreme Court. I am the lead for Self-Service Center forms on the Judicial Branch website. I got your information from Susan Pickard, who I believe you've worked with in the past to update some of our garnishment forms.

I am reaching out to see if you would be willing to be part of a small workgroup looking at the impact of the passing of Prop 209 on existing forms, especially garnishment. I would like to set up a meeting for next week. Could you please let me know if you are interested and if you are available?

Please let me know. Also please let me know if you would recommend others to help with this project. Thank you.

Julie Graber

Court Programs Unit
Arizona Supreme Court, AOC
1501 W. Washington St.
Phoenix AZ 85007
Phone: (602) 452-3250
Fax: (602) 452-3480
JGraber@courts.az.gov

ATTACHMENT B

David E. Hameroff

From: Adornetto, Charles <CAornetto@courts.az.gov>
Sent: Wednesday, November 16, 2022 11:34 AM
To: David E. Hameroff; Graber, Julie
Cc: Logvin, Eric; Morrow, Jim; Mathes, Marretta; Garcia, Liana; Graber, Julie
Subject: Re: Impact of Prop 209 on forms

Thank you Mr. Hammeroff. The judges I have spoken to have agreed that Sec. 10 clearly applies to interest rates for contracts for medical debt entered into after the effective date. However, we concluded Prop 209 would apply to garnishments of any existing judgments applied for after the effective date.

Prop 209 changes the calculations for garnishments on all judgments, not just those for medical debt. The savings clause provides as follows:

This act applies prospectively only. Accordingly, it does not affect rights and duties that matured before the effective date of this act, contracts entered into before the effective date of this act or the interest rate on judgments that are based on a written agreement entered into before the effective date of this act.

Note that this language talks about both contracts AND existing judgments. If it was not meant to apply to a judgment on a contract before the effective date, then the additional language regarding the interest rates on existing judgments is surplusage. The rules of statutory interpretation disfavor surplusage. The addition of the language regarding existing judgments must have been considered essential, which disfavors the conclusion that the savings clause applies to both contracts and judgments prior to the effective date. Otherwise, the drafters could simply have included "garnishment rates" in addition to "interest rate on judgments."

The question then becomes whether garnishing at the higher rates is a "right or duty" that matured before the effective date. We would agree that, if a contract had the foresight to include language that a debtor be garnished at the highest rate permitted by law at the time of contracting, then that right may have matured. I don't think many contracts include that language.

The Leg Council simply says the following:

Proposition 209 would only apply to contracts and agreements entered into on or after the effective date of this measure.

Again, we all agree with that. It says nothing about garnishment rates or existing judgments.

All that being said, the AOC provides the forms for garnishments. If they agree with your interpretation, they will have to provide two sets of garnishment forms with the two different calculations to be determined on whether the contract was entered into before or after the effective date.

Which begs another question your interpretation raises: what if the garnishment is not based on a contract? The savings clause does not say "or tort" before the effective date. Prop 209 reduces the garnishment rate on all judgments; the savings clause refers only to interest rates on contracts for medical debt and interest rates on existing judgments.

See you on Friday.

Charles J. Adornetto

MCJC Judicial Education Officer

Cell: 602-509-5932

Fax: 602-372-9145

From: David E. Hameroff <dhameroff@hamerlaw.com>

Sent: Wednesday, November 16, 2022 10:36 AM

To: Graber, Julie <JGraber@courts.az.gov>

Cc: Adornetto, Charles <CAcornetto@courts.az.gov>; Logvin, Eric <eric@recoveryatty.com>

Subject: RE: Impact of Prop 209 on forms

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Julie:

One of the main issues, and I think it is a legal issue, that I have raised a few times in my emails to you is when the new exemptions/garnishment definitions contained in the Act go into effect.

I have raised Section 10 numerous times, and then there is the Arizona Legislative Council analysis that seems to think that the terms of the Act only apply prospectively. I am not a constitutional scholar to be sure, so when I read Section 10 and what the Leg Council says about the effective date of the Act, I read it literally, i.e. that if a creditor and a consumer enter into a contract, for example, this month, up until the Governor certifies the election, then the old rules apply.

Who is the organization/Judges/Administrators who the AOC looks to for the interpretation of the Act?

Regardless of the effective date, there are going to be two sets of forms that will be used, so we are hoping to contribute to the new forms, but it is important that everyone at least look at the "effective date" issue soon.

I know that Eric Logvin spoke w/ Judge Charles Adornetto, and Eric reported that the Judge thought that if an OCL was signed before the effective date of the Act, then the "old rules" would apply, so that is at least one interpretation, but I have to believe that there are going to

be numerous inconsistent interpretations by stakeholders. I would very much like to learn where the AOC is getting their direction.

In fairness to Judge Adornetto, I am including him on this email in case Eric didn't fully understand the Judge's thoughts on the "effective date" issue. And, of course, am including Eric as well. Things will be confusing enough without me misstating what others have said about the "effective date".

David E. Hameroff, Attorney
Admitted in Arizona and Utah only

HLG

HAMEROFF LAW GROUP, P.C.
dhameroff@hamerlaw.com

HAMEROFF LAW GROUP, P.C.

Arizona, New Mexico, and Utah Mailing Address:

135 West Council Street, Suite G

Tucson, Arizona 85701-1001

Colorado Mailing Address:

PO Box 440679

Aurora, CO 80044-0679

520-792-4700 / 520-792-2910 (fax)

888-792-4700 (outside Tucson)

Website: www.arizonadebtcollectors.com

President, Arizona Creditors Bar Association

Member: NCBA, Receivables Management Association, Pima County Bar Association, Certified Individual with RMAi

THIS COMMUNICATION IS FROM A DEBT COLLECTOR AND IS AN ATTEMPT TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.

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From: Graber, Julie [mailto:JGraber@courts.az.gov]

Sent: Monday, November 14, 2022 11:44 AM

To: Viola, Danielle <danielle.viola@jbazmc.maricopa.gov>; Adornetto, Charles <CAdornetto@courts.az.gov>; David E. Hameroff <dhameroff@hamerlaw.com>; Logvin, Eric <eric@recoveryatty.com>; Brian <Brian@recoveryatty.com>; garrett <garrett@recoveryatty.com>; Rhett <Rhett@jmlaw.com>; thayne <thayne@cullimorelaw.com>; Malone, Michael <mmalone@courts.az.gov>; Gaxiola, Martin <mgaxiola@courts.az.gov>; Mathes, Marretta <MMathes@courts.az.gov>; Barrett, Theresa <TBarrett@courts.az.gov>

Cc: Amber C. Russo <arusso@hamerlaw.com>; Clarich, Catherine <cclarich@courts.az.gov>

Subject: RE: Impact of Prop 209 on forms

Thanks for marking your availabilities in Doodle. I will be setting a Teams meeting shortly for **Friday, 11/18 @ 3pm**. In the meantime, I would appreciate if you could

share with me any agenda items, legal issues, or mockups to discuss so we can narrow our scope and have a productive meeting. I may also contact you directly with questions.

Thank you.

Julie Graber

Court Programs Unit
Arizona Supreme Court, AOC
1501 W. Washington St.
Phoenix AZ 85007
Phone: (602) 452-3250
Fax: (602) 452-3480
JGraber@courts.az.gov

From: Graber, Julie

Sent: Wednesday, November 09, 2022 4:27 PM

To: Viola, Danielle <danielle.viola@jbazmc.maricopa.gov>; Adornetto, Charles <CAcornetto@courts.az.gov>; David E. Hameroff <dhameroff@hamerlaw.com>; Logvin, Eric <eric@recoveryatty.com>; Brian@recoveryatty.com; Garrett M. Culver <garrett@recoveryatty.com>; Rhett Flaming-Buschman <Rhett@jmlaw.com>; thayne@cullimorelaw.com; Malone, Michael <mmalone@courts.az.gov>; Gaxiola, Martin <mgaxiola@courts.az.gov>; Mathes, Marretta <MMathes@courts.az.gov>; Barrett, Theresa (TBarrett@courts.az.gov) <TBarrett@courts.az.gov>

Cc: Amber C. Russo <arusso@hamerlaw.com>; Clarich, Catherine <cclarich@courts.az.gov>

Subject: Impact of Prop 209 on forms

Good afternoon—

Thank you to all for agreeing to take part in this small workgroup regarding the impact of Prop 209 on Self-Service Center forms on the Judicial Branch website (www.azcourts.gov). Prop 209 becomes effective when the election is certified so we don't have a lot of time to do this project.

In order to schedule our first meeting for next week, I would ask that you please indicate your availabilities on this Doodle poll by Friday, November 11.

<https://doodle.com/meeting/participate/id/e9104QJe>

I will be the point person for this workgroup so look for emails to come from me. Also please email me with questions and concerns that you might have. I will create a forms repository in SharePoint or Teams so we can take advantage of collaborative tools.

Since we won't have the opportunity to meet in person and we don't all know each other, here's information about who will be part of this group. I understand that attorneys from the bar association might not all be able to participate.

Courts

Judge Danielle Viola - MCSC

Judge Charles Adornetto - MCJC

Arizona Creditors Bar Association

David Hameroff

Eric Logvin

Brian Partridge
Garrett Culver
Rhett Flaming-Buschman
Thayne Cullimore

AOC

Michael Malone – Court Services Director
Martin Gaxiola - CFO
Marretta Mathes – Assistant Counsel
Theresa Barrett – Court Programs Manager
Cathy Clarich – Court Operations Manager

Thanks for your assistance.

Julie Graber

Court Programs Unit
Arizona Supreme Court, AOC
1501 W. Washington St.
Phoenix AZ 85007
Phone: (602) 452-3250
Fax: (602) 452-3480
JGraber@courts.az.gov

ATTACHMENT C

David E. Hameroff

From: Gerald Williams (MJC) <Gerald.Williams@JBAZMC.Maricopa.Gov>
Sent: Wednesday, November 30, 2022 9:38 PM
To: David E. Hameroff
Subject: RE: Effective Date conversation

This e-mail is an accurate summary of our conversation.

From: David E. Hameroff <dhameroff@hamerlaw.com>
Sent: Wednesday, November 30, 2022 1:10 PM
To: Gerald Williams (MJC) <Gerald.Williams@JBAZMC.Maricopa.Gov>
Subject: Effective Date conversation

Judge Williams:

Thanks for taking my call re: the impact of Prop 209, and in particular, sharing our thoughts about the “effective date” concept, which we expect to be next week.

I called you because we have taught Contracts at the JP Judicial College together for 13/14 years together, and because you are the Chair of the Maricopa County Justice Courts Best Practices Committee.

We discussed all the various dates that we think could be the “effective date”.

Date the contract/agreement was entered into
Date of Judgment
Date the Garn is filed
Date the Garn is issued (sometimes but not always the same date)
Date the Garn is served
Date the Order of Continuing Lien is signed

As I shared with you, the ACBA believes it to be the date the contract/agreement was entered into. You disagreed.

However, after a conversation regarding all the dates, and I want to summarize what I think you said correctly, which is why I am sending you this email, that you think the two legally logical effective dates would be either the Judgment Date or the date the Garnishment is filed with the Court.

I told you I wished to share your opinion with others and you said it was OK to do so. Would you please Reply to this email w/ any corrections or just confirm that what I have written is what you and I discussed.

Thanks for taking your lunch time to speak w/ me.

ATTACHMENT D



[Home](#) > [Self-Service Center](#) > [Garnishment](#)

Proposition 209 Information Sheet

Proposition 209 was adopted by voters in November 2022 and went into effect on December 5, 2022. It accomplished many changes regarding to debt collection. Review this Proposition 209 Information Sheet for important details before you use the available garnishment forms.



Garnishment of Wages

Proposition 209 would decrease the portion of a debtor's weekly disposable earnings that is subject to debt collection actions (other than support payments) to the lesser of 10% of disposable earnings, or 60 times the highest applicable federal, state or local minimum wage. (Previously, the amount of disposable earnings that was subject to debt collection actions (other than support payments) was the lesser of 25% of disposable earnings or 30 times the federal minimum wage.

The state minimum wage is higher than the federal minimum wage and can be found at: <https://www.azica.gov/labor-minimum-wage-main-page>. Currently there is one local minimum wage that is higher than the state minimum wage, and that is in Flagstaff. Thus, if you are being garnished in Flagstaff, that city's minimum wage would be used in the calculation.

Additionally, in a garnishment action, if the court determines by clear and convincing evidence that the 10% calculation on disposable earnings would cause extreme economic hardship to the debtor or the debtor's family, the court may reduce the amount to 5% of disposable income (previously reducible to 15% of disposable income).

The proposition was unclear on when the changes to the garnishment rates would take effect, but if a debtor was being garnished on December 5, 2022, the previous rates would be continued. If a Writ of Garnishment is filed on or after December 5, 2022, most courts will likely impose the new lower rates; other courts may impose the higher garnishment rates for contracts entered into before December 5, 2022.

A debtor can file an objection to a writ of garnishment and ask for the lowest garnishment rate. If the creditor does not agree to lower the rate, the debtor can present evidence of financial hardship at a court hearing to ask the court to lower the rate.



Interest Rates for Contracts for Medical Debt, Services and Equipment

Proposition 209 lowered the maximum interest rate on medical debt (an obligation arising directly from the receipt of medical products or devices or the receipt of health care services provided at or by licensed health care institutions, to the lesser of 3% or an annual rate equal to the weekly average one-year constant maturity treasury yield, as published by the Federal Reserve Board, for the calendar week preceding the date when the consumer was first presented a bill. (As the latter rate would be difficult to determine, it is very likely most creditors will use the 3% rate.)

The proposition does state that the cap on interest rates only applies to contracts entered into on or after December 5, 2022. If a debtor had a contract or a judgment prior to that date, the 3% cap will not apply.



Protections from Collections

The proposition also increased debtors' property from collections:

- The homestead exemption on a debtor's home increased from \$250,000 to \$400,000. (ARS § 33-1101)
- The exemption on a debtor's household furniture, furnishings, goods and appliances increased from \$6,000 to \$15,000. (ARS § 33-1123)
- The exemption on the debtor's equity in one motor vehicle increased from \$6,000 to \$15,000, or if the debtor has a physical disability, from \$12,000 to \$25,000. (ARS § 33-1125)

Beginning in 2024, those exemption rates will be adjusted to account for changes in the cost of living.

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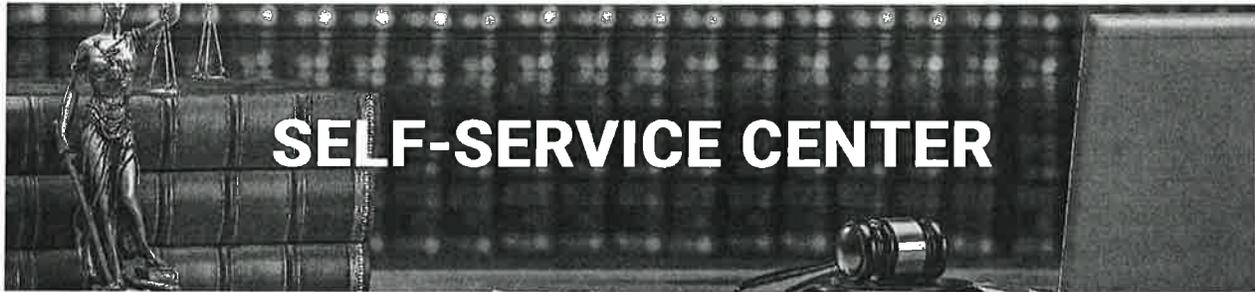
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ATTACHMENT E



Home > Self-Service Center > Garnishment

Proposition 209 Information Sheet

Proposition 209 was adopted by voters in November 2022 and went into effect on December 5, 2022. It accomplished many changes regarding to debt collection. Review this Proposition 209 Information Sheet for important details before you use the available garnishment forms.



Garnishment of Earnings

Proposition 209 would decrease the portion of a debtor's weekly disposable earnings that is subject to debt collection actions (other than support payments) to the lesser of 10% of disposable earnings, or 60 times the highest applicable federal, state or local minimum wage. (Previously, the amount of disposable earnings that was subject to debt collection actions (other than support payments) was the lesser of 25% of disposable earnings or 30 times the federal minimum wage.

The state minimum wage is higher than the federal minimum wage and can be found at: <https://www.azica.gov/labor-minimum-wage-main-page>. Currently there is one local minimum wage that is higher than the state minimum wage, and that is in Flagstaff. Thus, if you are being garnished in Flagstaff, that city's minimum wage would be used in the calculation.

Additionally, in a garnishment action, if the court determines by clear and convincing evidence that the 10% calculation on disposable earnings would cause extreme economic hardship to the debtor or the debtor's family, the court may reduce the amount to 5% of disposable income (previously reducible to 15% of disposable income).

If a garnishment was in place prior to December 5, 2022, the previous rates of garnishment would be continued. If a Writ of Garnishment is filed on or after December 5, 2022, a judicial officer may impose the new lower rates based on their reading of Proposition 209; another judicial officer may impose the higher garnishment rates for contracts entered into before December 5, 2022, based on their interpretation.

A debtor can file an objection to a writ of garnishment and ask for the lowest garnishment rate.

Interest Rates for Contracts for Medical Debt, Services and Equipment

Proposition 209 lowered the maximum interest rate on medical debt (an obligation arising directly from the receipt of medical products or devices or the receipt of health care services provided at or by licensed health care institutions, to the lesser of 3% or an annual rate equal to the weekly average one-year constant maturity treasury yield, as published by the Federal Reserve Board, for the calendar week



preceding the date when the consumer was first presented a bill. (As the latter rate would be difficult to determine, it is very likely most creditors will use the 3% rate.)

Proposition 209 does contain a savings clause, so the cap on interest rates only applies to contracts entered into on or after December 5, 2022. If a contract or a judgment was entered prior to that date and specified a different interest rate, the 3% cap will not apply.



Protections from Collections

The proposition also increased debtors' property from collections:

- The homestead exemption on a debtor's home increased from \$250,000 to \$400,000. (ARS § 33-1101)
- The exemption on a debtor's household furniture, furnishings, goods and appliances increased from \$6,000 to \$15,000. (ARS § 33-1123)
- The exemption on the debtor's equity in one motor vehicle increased from \$6,000 to \$15,000, or if the debtor has a physical disability, from \$12,000 to \$25,000. (ARS § 33-1125)

Beginning in 2024, those exemption rates will be adjusted to account for changes in the cost of living.

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EXHIBIT 3

State of Arizona



Campaign Finance Report

Arizonans Fed Up with Failing Healthcare (Healthcare Rising AZ)

Committee #: 100082

Jurisdiction: Arizona Secretary of State

Treasurer: Jimenez, Suzanne

401 West Baseline Road, Suite 205, Tempe, AZ 85283

Phone: (480) 550-5165

Email: james@bartonmendezsoto.com

Candidate Name: Healthcare Rising AZ (SEIU-UHW)

2022 Quarter 1

Election Cycle: 2022
Date Filed: April 15, 2022
Reporting Period: January 1, 2022-March 31, 2022
Jurisdiction: Arizona Secretary of State

Summary of Finances

Cash Balance at Beginning of Reporting Period:	\$73,502.33
Total Cash Receipts this Reporting Period:	\$1,632,402.64
Total Cash Disbursements this Reporting Period:	\$1,665,645.64
Cash Balance at End of Reporting Period:	\$40,259.33

Report ID: 227986

100082 Arizonans Fed Up with Failing Healthcare (Healthcare Rising AZ)

Jurisdiction: Arizona Secretary of State

Quarter 1

Covers 01/01/2022 to 03/31/2022

Filed on 04/15/2022

Summary of Activity

Income	Schedule	This Period			Total to Date
		Cash	Other	Total	
Personal and Family Contributions	C1	\$0.00	\$0.00	\$0.00	\$0.00
Individual Contributions	C2	\$0.00	\$0.00	\$0.00	\$0.00
Contributions from Political Committees	C3a,b,c	\$0.00	\$0.00	\$0.00	\$500,000.00
Business Contributions	C4a,b,c	\$1,632,402.64	\$200,762.03	\$1,833,164.67	\$5,377,473.13
Small Contributions	C5	\$0.00	\$0.00	\$0.00	\$0.00
CCEC Funding and Matching	C6	\$0.00	\$0.00	\$0.00	\$0.00
Qualifying Contributions	C7	\$0.00	\$0.00	\$0.00	\$0.00
Loans Made to this Committee	L1	\$0.00	\$0.00	\$0.00	\$0.00
Other Receipts, including Interest and Dividends	R1	\$0.00	\$0.00	\$0.00	\$0.00
Transfers from Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Cash Surplus from Previous Committee	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Income		\$1,632,402.64	\$200,762.03	\$1,833,164.67	\$5,877,473.13

Expenditures	Schedule	This Period			Total to Date
		Cash	Other	Total	
Operating Expenses	E1	\$1,665,645.64	\$0.00	\$1,665,645.64	\$5,192,036.46
Independent & Ballot Measure Expenditures	E2a,b,c	\$0.00	\$0.00	\$0.00	\$16,597.57
Contributions to Committees/Businesses	E3a -E3f	\$0.00	\$0.00	\$0.00	\$0.00
Small Expenses	E4	\$0.00	\$0.00	\$0.00	\$0.00
Transfers to Other Committees	T1	\$0.00	\$0.00	\$0.00	\$0.00
Loans Made by This Committee	L2	\$0.00	\$0.00	\$0.00	\$0.00
Disposal of Surplus Cash	S1	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenditures		\$1,665,645.64	\$0.00	\$1,665,645.64	\$5,208,634.03
Bill Payments for Previous Expenditures	D1	\$0.00		\$0.00	\$0.00
Total Cash Disbursed		\$1,665,645.64			

100082 Arizonans Fed Up with Failing Healthcare (Healthcare Rising AZ)

Jurisdiction: Arizona Secretary of State

Quarter 1

Covers 01/01/2022 to 03/31/2022

Schedule C4c - Contributions from Labor Organizations

	Date	Amount	Cycle To Date
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Field Canvassing Expenses	01/01/2022	\$500.00 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Database Expenses	01/01/2022	\$325.80 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Field Canvassing Expenses	01/01/2022	\$235.56 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Field Canvassing Expenses	01/01/2022	\$128.75 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Database Expenses	01/01/2022	\$81.46 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Database Expenses	01/04/2022	\$325.80 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Staff Time	01/09/2022	\$13,490.93 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Contributions from Labor Organizations	01/12/2022	\$816,201.32 Cash	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Staff Time	01/23/2022	\$19,425.09 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Legal & Treasury Expenses	02/02/2022	\$6,250.00 Goods/Services	\$1,833,164.67

100082 Arizonans Fed Up with Failing Healthcare (Healthcare Rising AZ)

Jurisdiction: Arizona Secretary of State

Quarter 1

Covers 01/01/2022 to 03/31/2022

Schedule C4c - Contributions from Labor Organizations

	Date	Amount	Cycle To Date
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Staff Time	02/06/2022	\$23,865.88 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	02/07/2022	\$19.78 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	02/07/2022	\$17.93 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	02/07/2022	\$13.16 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	02/07/2022	\$7.76 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	02/07/2022	\$6.59 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	02/07/2022	\$6.50 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	02/07/2022	\$6.50 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	02/07/2022	\$6.36 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	02/07/2022	\$6.28 Goods/Services	\$1,833,164.67

100082 Arizonans Fed Up with Failing Healthcare (Healthcare Rising AZ)

Jurisdiction: Arizona Secretary of State

Quarter 1

Covers 01/01/2022 to 03/31/2022

Schedule C4c - Contributions from Labor Organizations

		Date	Amount	Cycle To Date
Name:	SEIU United Healthcare Workers	02/07/2022	\$6.23	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	02/07/2022	\$6.23	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	02/07/2022	\$6.12	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	02/07/2022	\$6.12	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	02/07/2022	\$5.00	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Food & Beverage Expenses			
Name:	SEIU United Healthcare Workers	02/07/2022	\$5.00	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Food & Beverage Expenses			
Name:	SEIU United Healthcare Workers	02/07/2022	\$5.00	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Food & Beverage Expenses			
Name:	SEIU United Healthcare Workers	02/07/2022	\$5.00	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Food & Beverage Expenses			
Name:	SEIU United Healthcare Workers	02/07/2022	\$5.00	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Food & Beverage Expenses			
Name:	SEIU United Healthcare Workers	02/07/2022	\$4.65	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Food & Beverage Expenses			

100082 Arizonans Fed Up with Failing Healthcare (Healthcare Rising AZ)

Jurisdiction: Arizona Secretary of State

Quarter 1

Covers 01/01/2022 to 03/31/2022

Schedule C4c - Contributions from Labor Organizations

		Date	Amount	Cycle To Date
Name:	SEIU United Healthcare Workers	02/08/2022	\$7,500.00	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Campaign Consulting			
Name:	SEIU United Healthcare Workers	02/11/2022	\$816,201.32	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Cash	
Trans. Type:	Contributions from Labor Organizations			
Name:	SEIU United Healthcare Workers	02/14/2022	\$21.42	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	02/14/2022	\$19.98	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	02/14/2022	\$13.45	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	02/14/2022	\$8.86	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Office Expenses			
Name:	SEIU United Healthcare Workers	02/14/2022	\$5.14	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	02/14/2022	\$4.76	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	02/14/2022	\$3.79	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Food & Beverage Expenses			
Name:	SEIU United Healthcare Workers	02/14/2022	\$2.72	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			

100082 Arizonans Fed Up with Failing Healthcare (Healthcare Rising AZ)

Jurisdiction: Arizona Secretary of State

Quarter 1

Covers 01/01/2022 to 03/31/2022

Schedule C4c - Contributions from Labor Organizations

		Date	Amount	Cycle To Date
Name:	SEIU United Healthcare Workers	02/14/2022	\$2.56	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	02/20/2022	\$25,067.28	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Staff Time			
Name:	SEIU United Healthcare Workers	02/22/2022	\$325.80	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Campaign Communication			
Name:	SEIU United Healthcare Workers	02/22/2022	\$83.88	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Campaign Communication			
Name:	SEIU United Healthcare Workers	02/24/2022	\$6,250.00	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Legal & Treasury Expenses			
Name:	SEIU United Healthcare Workers	02/25/2022	\$1,706.25	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Advertising Consulting Fees & Expenses			
Name:	SEIU United Healthcare Workers	03/01/2022	\$7,500.00	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Campaign Consulting			
Name:	SEIU United Healthcare Workers	03/01/2022	\$650.00	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Field Canvassing Expenses			
Name:	SEIU United Healthcare Workers	03/01/2022	\$537.57	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Field Canvassing Expenses			
Name:	SEIU United Healthcare Workers	03/01/2022	\$29.02	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Field Canvassing Expenses			

100082 Arizonans Fed Up with Failing Healthcare (Healthcare Rising AZ)

Quarter 1

Jurisdiction: Arizona Secretary of State

Covers 01/01/2022 to 03/31/2022

Schedule C4c - Contributions from Labor Organizations

		Date	Amount	Cycle To Date
Name:	SEIU United Healthcare Workers	03/04/2022	\$325.80	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Database Expenses			
Name:	SEIU United Healthcare Workers	03/04/2022	\$81.46	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Database Expenses			
Name:	SEIU United Healthcare Workers	03/06/2022	\$27,996.60	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Staff Time			
Name:	SEIU United Healthcare Workers	03/07/2022	\$2,888.00	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Legal & Treasury Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$977.00	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Legal & Treasury Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$600.10	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Legal & Treasury Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$32.31	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$17.82	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$17.04	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$11.02	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612		Goods/Services	
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			

Schedule C4c - Contributions from Labor Organizations

		Date	Amount	Cycle To Date
Name:	SEIU United Healthcare Workers	03/07/2022	\$8.44 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$7.81 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$7.62 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$7.29 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$7.21 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$7.19 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$7.18 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$7.18 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$7.10 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$7.04 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			

100082 Arizonans Fed Up with Failing Healthcare (Healthcare Rising AZ)

Jurisdiction: Arizona Secretary of State

Quarter 1

Covers 01/01/2022 to 03/31/2022

Schedule C4c - Contributions from Labor Organizations

	Date	Amount	Cycle To Date
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	03/07/2022	\$7.04 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	03/07/2022	\$6.26 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	03/07/2022	\$6.25 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Food & Beverage Expenses	03/07/2022	\$5.00 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Food & Beverage Expenses	03/07/2022	\$5.00 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Food & Beverage Expenses	03/07/2022	\$5.00 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Food & Beverage Expenses	03/07/2022	\$5.00 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Food & Beverage Expenses	03/07/2022	\$5.00 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Food & Beverage Expenses	03/07/2022	\$5.00 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Food & Beverage Expenses	03/07/2022	\$5.00 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Food & Beverage Expenses	03/07/2022	\$5.00 Goods/Services	\$1,833,164.67

100082 Arizonans Fed Up with Failing Healthcare (Healthcare Rising AZ)

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Jurisdiction: Arizona Secretary of State

Covers 01/01/2022 to 03/31/2022

Schedule C4c - Contributions from Labor Organizations

		Date	Amount	Cycle To Date
Name:	SEIU United Healthcare Workers	03/07/2022	\$5.00 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Food & Beverage Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$5.00 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Food & Beverage Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$4.11 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/07/2022	\$4.11 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/09/2022	\$517.87 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Office Expenses			
Name:	SEIU United Healthcare Workers	03/09/2022	\$325.80 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Database Expenses			
Name:	SEIU United Healthcare Workers	03/09/2022	\$81.46 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Database Expenses			
Name:	SEIU United Healthcare Workers	03/09/2022	\$25.00 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Field Canvassing Expenses			
Name:	SEIU United Healthcare Workers	03/17/2022	\$5,000.00 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Campaign Consulting			
Name:	SEIU United Healthcare Workers	03/20/2022	\$28,710.63 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Staff Time			

100082 Arizonans Fed Up with Failing Healthcare (Healthcare Rising AZ)

Jurisdiction: Arizona Secretary of State

Quarter 1

Covers 01/01/2022 to 03/31/2022

Schedule C4c - Contributions from Labor Organizations

	Date	Amount	Cycle To Date
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Field Canvassing Expenses	03/21/2022	\$750.00 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	03/21/2022	\$33.75 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	03/21/2022	\$23.94 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	03/21/2022	\$22.50 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	03/21/2022	\$8.66 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	03/21/2022	\$8.00 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	03/21/2022	\$7.45 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	03/21/2022	\$7.28 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	03/21/2022	\$7.16 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	03/21/2022	\$7.16 Goods/Services	\$1,833,164.67

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Quarter 1

Covers 01/01/2022 to 03/31/2022

Schedule C4c - Contributions from Labor Organizations

		Date	Amount	Cycle To Date
Name:	SEIU United Healthcare Workers	03/21/2022	\$6.20 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/21/2022	\$5.09 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/21/2022	\$4.15 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Food & Beverage Expenses			
Name:	SEIU United Healthcare Workers	03/21/2022	\$3.58 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Food & Beverage Expenses			
Name:	SEIU United Healthcare Workers	03/21/2022	\$3.57 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/21/2022	\$3.04 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/21/2022	\$2.55 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Travel Expenses			
Name:	SEIU United Healthcare Workers	03/22/2022	\$6,250.00 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Legal & Treasury Expenses			
Name:	SEIU United Healthcare Workers	03/22/2022	\$750.00 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Field Canvassing Expenses			
Name:	SEIU United Healthcare Workers	03/22/2022	\$347.50 Goods/Services	\$1,833,164.67
Address:	560 Thomas L Berkley Way, Oakland, CA 94612			
Trans. Type:	Labor Org In-Kind Contribution (later)			
Memo:	Field Canvassing Expenses			

100082 Arizonans Fed Up with Failing Healthcare (Healthcare Rising AZ)

Jurisdiction: Arizona Secretary of State

Quarter 1

Covers 01/01/2022 to 03/31/2022

Schedule C4c - Contributions from Labor Organizations

	Date	Amount	Cycle To Date
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Field Canvassing Expenses	03/22/2022	\$274.35 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Field Canvassing Expenses	03/22/2022	\$37.50 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Field Canvassing Expenses	03/22/2022	\$12.50 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	03/28/2022	\$16.20 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Travel Expenses	03/28/2022	\$10.71 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Field Canvassing Expenses	03/29/2022	\$638.02 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Field Canvassing Expenses	03/29/2022	\$440.37 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Advertising Consulting Fees & Expenses	03/30/2022	\$7,050.00 Goods/Services	\$1,833,164.67
Name: SEIU United Healthcare Workers Address: 560 Thomas L Berkley Way, Oakland, CA 94612 Trans. Type: Labor Org In-Kind Contribution (later) Memo: Field Canvassing Expenses	03/30/2022	\$1,769.10 Goods/Services	\$1,833,164.67
Total of Contributions from Labor Orgs		\$1,833,164.67	
Total of Refunds Given		\$0.00	
Net Total of Contributions from Labor Orgs		\$1,833,164.67	

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Jurisdiction: Arizona Secretary of State

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Covers 01/01/2022 to 03/31/2022

Schedule E1 - Operating expenses

		Date	Amount	Cycle To Date
Name:	The Brae	01/06/2022	\$1,800.00	\$1,800.00
Address:	11693 San Vicente Blvd, # 299, Los Angeles, CA 90049		Cash	
Memo:	Tax Preparation Services			
Name:	Fieldworks, LLC	01/13/2022	\$816,201.32	\$5,103,966.46
Address:	PO Box 9897, Washington, DC 20016		Cash	
Memo:	Signature Gathering Fees & Expenses			
Name:	Radar Strategies	01/14/2022	\$10,000.00	\$35,000.00
Address:	124 W McDowell Rd, Phoenix, AZ 85003		Cash	
Memo:	Campaign Consulting			
Name:	Fieldworks, LLC	02/28/2022	\$816,201.32	\$5,103,966.46
Address:	PO Box 9897, Washington, DC 20016		Cash	
Memo:	Signature Gathering Fees & Expenses			
Name:	Radar Strategies	02/28/2022	\$5,000.00	\$35,000.00
Address:	124 W McDowell Rd, Phoenix, AZ 85003		Cash	
Memo:	Campaign Consulting			
Name:	French, Martha	03/04/2022	\$43.00	\$43.00
Address:	7939 W Colter St, Glendale, AZ 85303		Cash	
Memo:	Notary Fee			
Name:	GMMB, Inc.	03/29/2022	\$5,000.00	\$5,000.00
Address:	PO Box 1008, Phoenix, AZ 85001		Cash	
Memo:	Campaign Consulting			
Name:	Grand Canyon Institute	03/29/2022	\$7,000.00	\$7,000.00
Address:	PO Box 1008, Phoenix, AZ 85001		Cash	
Memo:	Research Consulting			
Name:	Taylor, Jeff	03/29/2022	\$4,400.00	\$7,450.00
Address:	2006 W Townley Ave, Phoenix, AZ 85021		Cash	
Memo:	Campaign Consulting			
Total of Operating Expenses			\$1,665,645.64	
Total of Refunds, Rebates, and Credits Received			\$0.00	
Net Total of Operating Expenses			\$1,665,645.64	

EXHIBIT 4

1 Brett W. Johnson (#021527)
Benjamin W. Reeves (#025708)
2 Tracy A. Olson (#034616)
Ryan Hogan (#036169)
3 Charlene A. Warner (#037169)
SNELL & WILMER L.L.P.
4 One East Washington Street
Suite 2700
5 Phoenix, Arizona 85004-2202
Telephone: 602.382.6000
6 bwjohnson@swlaw.com
breeves@swlaw.com
7 tolson@swlaw.com
rhogan@swlaw.com
8 cwarner@swlaw.com

9 *Attorneys for Plaintiffs Arizona Creditors*
10 *Bar Association Inc., et. al.*

11 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
12 **IN AND FOR THE COUNTY OF MARICOPA**

13 ARIZONA CREDITORS BAR
ASSOCIATION INC., an Arizona
14 corporation; PROTECT OUR ARIZONA
PAC, an Arizona political action
15 committee; ABSOLUTE RESOLUTIONS
INVESTMENTS, LLC, an Arizona limited
16 liability company; HAMEROFF LAW
GROUP, P.C., an Arizona corporation;
17 DESERT RIDGE COMMUNITY
ASSOCIATION, an Arizona non-profit
18 corporation; AUGUSTA RANCH
COMMUNITY MASTER
19 ASSOCIATION, an Arizona non-profit
corporation; BAUHINIA, LLC, a South
20 Dakota limited liability company; and
CASH TIME TITLE LOANS, INC., an
21 Arizona corporation,

22 Plaintiffs,

23 v.

24 STATE OF ARIZONA,

25 Defendant.
26
27
28

No.

**DECLARATION OF ERIC LOGVIN,
ARIZONA CREDITORS BAR
ASSOCIATION**

1 I, Eric Logvin, declare as follows:

2 1. I am over 18 years of age, of sound mind, and capable of making this
3 declaration. I have personal knowledge of the matters set forth herein. If called as a witness
4 to testify as to the matters set forth here, I could and would testify competently with respect
5 thereto.

6 2. I am a practicing collection attorney in good standing with the State of
7 Arizona. I have been practicing collection law for over a decade.

8 3. Additionally, I am the Managing Partner and Majority Shareholder at the Law
9 Office of James R. Vaughan, P.C, a small collection firm that provides legal services to
10 creditors. My firm represents banks, credit unions, auto lenders, fintech lenders, landlords,
11 judgment creditors, and debt buyers in state and federal court.

12 4. I am the President-Elect of the Arizona Creditors Bar Association (“ACBA”),
13 which my firm was a founding member of in 2010. The ACBA currently has approximately
14 65 active members, nearly all of whom are Arizona collection attorneys.

15 5. In this role, I am in routine contact with the member firms and attorneys of
16 ACBA and their concerns related to our practice.

17 6. I have also been active in the National Creditor Bar Association since before
18 graduating from law school and am now a co-chair of the State Creditor Bar Association
19 Committee.

20 7. With over ten years of experience with collection law, I have become
21 intimately familiar with the industry.

22 8. The average collection law firm in Arizona works hundreds of debt collection
23 claims at a time, per client, per month at various stages in the debt collection process.

24 9. Most lawsuits initiated by ACBA members are against individual consumers
25 who either did not pay for a loan or did not honor an agreement to pay for something of
26 value.

27 10. These lawsuits are relatively straightforward, and the average collection law
28 firm handles them in large quantities.

1 11. In a given month, even a smaller size firm will mail hundreds of letters, file
2 hundreds of lawsuits, and process hundreds of applications for default judgment.

3 12. For example, the Law Office of James R. Vaughan, P.C. regularly: (i) mails
4 approximately 700 letters, (ii) files approximately 500 lawsuits, (iii) handles the service of
5 process of approximately 450 complaints, (iv) files approximately 400 Applications for
6 Entry of Default, (v) files approximately 400 Motions for Entry of Default Judgment,
7 (vi) processes approximately 400 Default Judgments, (vii) mails approximately 400 post-
8 judgment demand letters, (viii) files approximately 300 earnings garnishments for
9 judgments entered between 2006 and 2022, (ix) files approximately 250 Applications for
10 Continuing Liens, (x) file approximately 50 non-earnings garnishments, (xi) files
11 approximately 40 Judgments Against Garnishees, (xii) files approximately 200 post-
12 judgment subpoenas for discovery, (xiii) reviews approximately 150 subpoena responses,
13 and (xiv) files dozens of Writs of General Execution on property. Additionally, the law
14 office usually prepares around 50 stipulations to judgment, 50 post-judgment payment
15 agreements, and attends 20 hearings per month.

16 13. In 2022, the law office has approximately 900 funding garnishments
17 averaging two transactions per month, 400 in process, and 200 that have been prepared, but
18 not yet filed.

19 14. I believe that this workload is representative of many other ACBA member
20 firms. Some are larger and some are smaller, but those who practice this type of law will
21 have dozens, hundreds, or even thousands of similar letters and filings per month, across
22 the list of categories in Paragraph 12

23 15. All of these tasks require active and meaningful attorney involvement, layers
24 of compliance, written standard operating procedures, tight management structures, and the
25 ability to quickly adjust the workflow based on client needs.

26 16. Certain types of garnishments called earnings garnishments or wage
27 garnishments allow a judgment creditor to intercept some of a judgment debtor's wages, a
28 process which typically takes around 75 days. This garnishment process begins once the

1 creditor establishes its claim and obtains a final judgment in the underlying action.

2 17. A writ of garnishment may be issued on any valid judgment, and thus active
3 garnishments can be based upon judgments entered more than a decade ago, with the
4 underlying contract necessarily having been entered into, and defaulted upon, prior to that.

5 18. Due to its substantial impact on the garnishment process, the debt collection
6 industry has become increasingly concerned with the “Protection from Predatory Debt
7 Collection Act,” also known as “Prop 209.”

8 19. Prop 209 creates a significant number of industry-wide problems with respect
9 to garnishments.

10 20. Although Prop 209’s Savings Clause was simplistically pitched as applying
11 to only contracts executed after Prop 209’s effective date, the industry has become
12 increasingly confused regarding the full scope of the Savings Clause.

13 21. Specifically, multiple experienced voices in the industry are currently unsure
14 whether at least three types of garnishment actions fall under the first subpart (“rights and
15 duties that matured before the effective date”) or the second subpart (“contracts entered into
16 before the effective date”):

- 17 a. The underlying contract and the judgment are entered before the
18 Effective Date, but the garnishment begins after the Effective Date;
- 19 b. The underlying contract is entered into before the Effective Date, but
20 the judgment is not entered and the garnishment begins after the
21 Effective Date; and
- 22 c. The underlying claim is not based on a contract (such as a tort action),
23 the judgment is entered before the Effective Date, but the garnishment
24 begins after the Effective Date.

25 22. If these types of garnishments fall under the second subpart, this would result
26 in a bifurcated system of boilerplate garnishment forms, which debt collectors (and
27 judgment creditors in general) could implement.

28 23. However, if the first subpart applies, disagreement exists about whether Prop

1 209 implicates garnishments begun after the Effective Date that are based on contracts
2 entered into before the Effective Date and, if so, at what point during the garnishment the
3 “right” to garnish a debtor’s wages has matured—at the underlying judgment, when the
4 garnishment application is filed, when the writ is issued, when the writ is served, when the
5 judgment against garnishee or order of continuing lien is entered, when each pay periods’
6 nonexempt earnings statements are calculated, or at some other point.

7 24. The Administrative Office of the Courts (“AOC”) and other judicial officers,
8 have disagreed about the point at which Prop 209 applies, which only stokes the confusion.

9 25. For the thousands of garnishments currently in existence, it would be
10 impractical for debt collectors or attorneys to make any mid-stream change to the
11 garnishment process without enormous amounts of preparation time, education to
12 employers acting as garnishees, training, form recalibration, and publicity.

13 26. For instance, if the right to garnish matures at any point other than the date on
14 which the underlying contract is entered into, this would cause immense harm to anyone
15 who signed a contract before the Effective Date with the understanding that the previous
16 law would apply.

17 27. This chaos could only increase if courts determine that the garnishment right
18 matures at some point after the garnishment is already in progress. For instance, once the
19 judgment creditor receives the garnishee’s answer and the time to object to the garnishment
20 has run, it can apply to the court for an order of continuing lien. Once the court enters an
21 order of continuing lien, the earnings garnishment continues until something causes it to
22 end without additional judicial involvement. Withholding begins well before the Order of
23 Continuing Lien is entered. Thus, the AOC’s interpretation of the Savings Clause raises
24 problems for everyone involved in garnishments.

25 28. Worse, depending on its interpretation, Prop 209 creates a high risk of
26 potential liability for the debt collection industry under the Fair Debt Collection Practices
27 Act (“FDCPA”), a consumer protection law that provides certain procedures governing how
28 a debt collector interacts with consumers. If violated, the FDCPA can render a collection

1 attorney personally liable to the indebted consumer. While the potential for lawyer personal
2 liability to the opposing party in a conflict is extraordinarily rare in the world of practicing
3 attorneys, it is a well-known risk to attorneys who practice in debt collection.

4 29. Specifically, the FDCPA allows strict liability for thousands of dollars in
5 penalties against debt collectors who violate any of its requirements, no matter how trivial.
6 This imposes a significant amount of risk of liability on collection attorneys if they violate
7 any aspect of the law, such as garnishing wages at improper rates.

8 30. Each violation of the FDCPA incurs strict liability penalties of \$1,000 even if
9 the violation causes no actual damages to a consumer, plus thousands of dollars in attorney's
10 fees and court costs. Increased statutory penalties and punitive damages may also be
11 available depending on the claim and if a class action is successful.

12 31. Collection law firms are constantly scrutinized for 100% compliance with the
13 FDCPA and are regularly threatened with liability for FDCPA violations.

14 32. Further, collection attorneys must have policies and procedures, staff testing,
15 and compliance checkpoints related to several other non-FDCPA consumer protection laws,
16 such as the Fair Credit Reporting Act, the Servicemembers Civil Relief Act, and the Dodd-
17 Frank Act.

18 33. Importantly, conduct that complied with the law when it happened can
19 subsequently be found by a court to violate the FDCPA. This is especially problematic when
20 various courts are making *ad hoc* rulings throughout the state that necessarily deprive debt
21 collection attorneys of the chance to devise uniform and compliant practices.

22 34. For instance, in 2021, the Eleventh Circuit held that a standard practice by
23 many debt collection firms—transmitting a consumer's private data to a commercial mail
24 vendor to generate debt collection letters—violated the FDCPA, sparking a flood of
25 “industry-disrupting” litigation by consumers. *Hunstein v. Preferred Collection & Mgmt.*
26 *Services, Inc.*, 17 F.4th 1016 (11th Cir. 2021), *reh'g en banc granted, opinion vacated*, 17
27 F.4th 1103 (11th Cir. 2021), *and on reh'g en banc*, 48 F.4th 1236 (11th Cir. 2022); *see also*
28 Anna Adams and Gregory Marshall, *Hunstein v. Preferred Collection & Management*

1 *Services, Inc.— Eleventh Circuit Panel Doubles Down Pending En Banc Rehearing*
2 *Petition*, JDSupra (Nov. 3, 2021);¹ Joseph Cioffi and Nicole Serratore, *Understanding the*
3 *Hunstein Decision’s Impact on Debt Collection*, Reuters (Oct. 28, 2022) (recognizing that
4 *Hunstein* “has left the debt collection world on pins and needles for a year wondering if a
5 ministerial part of their business practice was suddenly a violation of the” FDCPA).²

6 35. Because of their experience wading through the aftermath of *Hunstein*,
7 ACBA’s members are rightly concerned that a court’s interpretation of Prop 209 could
8 impose a similar floodgate of consumer litigation against tens of thousands of active
9 accounts.

10 36. And given the lack of certainty regarding when Prop 209 affects
11 garnishments, debt collection firms are likely to make inconsistent arguments about its
12 application, which will result in inconsistent decisions made in every Justice and Superior
13 Court across the State.

14 37. If one court determines that an industry standard practice violates Prop 209,
15 the resulting potential liability will likely devastate every debt collector who, as a result,
16 faces many individual and class action claims.

17 38. At the very least, accusations of unscrupulous conduct under the FDCPA will
18 cause irreparable damage to members’ reputations. Moreover, industry members are almost
19 certain to lose clients, who will have fee awards entered against them for inadvertent
20 FDCPA violations by their attorneys.

21 39. Such claims could also prevent debt collectors from renewing or obtaining
22 malpractice insurance due to sharp premium increases, driving up costs to unsustainable
23 levels.

24 40. In the worst-case scenario, many in the industry will be run out of business
25 with their families’ livelihoods destroyed, their client’s prospects of recovery dashed, and

26
27 ¹ <https://www.jdsupra.com/legalnews/hunstein-v-preferred-collection-5299701/>

28 ² <https://www.reuters.com/legal/transactional/understanding-hunstein-decisions-impact-debt-collection-2022-10-28/>

1 lingering personal liability that stretches beyond their corporate or LLC protections due to
2 the FDCPA. I am personally aware of multiple small firms, including the Law Office of
3 James R. Vaughan, P.C., who are rightly and gravely concerned about this possibility.

4 41. The results would also be catastrophic to consumers—and therefore our
5 State’s economy—as creditors will be unlikely to lend money (or will do so at a premium)
6 if they cannot find anyone daring enough to risk their livelihood trying to collect unpaid
7 debts in Arizona.

8 42. Because Prop 209 poses a considerable and imminent risk of harm to ACBA’s
9 members, the ACBA has, and will continue, to divert significant time, money, and other
10 resources toward educating its members about the implementation of and associated
11 liability risks created by Prop 209.

12 43. However, in the absence of clear guidance, there is only so much the ACBA
13 can do before our members will face the harsh consequences of unintentional
14 noncompliance.

15 I declare under penalty of perjury that the foregoing is true and correct.

16 Executed on December 4, 2022



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18
19 Eric Logvin, President-Elect
**ARIZONA CREDITORS BAR
ASSOCIATION**

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EXHIBIT 5



ARIZONA 2022 GENERAL ELECTION PUBLICITY PAMPHLET

NOVEMBER 8, 2022

WHAT'S ON MY BALLOT?



NO MATTER HOW YOU VOTE, YOUR VOTE COUNTS!

209 PROPOSITION

AN INITIATIVE MEASURE

AMENDING SECTIONS 12-1598.10, 33-1101, 33-1123, 33-1125, 33-1126, 33-1131 AND 44-1201, ARIZONA REVISED STATUTES; RELATING TO PREDATORY DEBT COLLECTION PROTECTION.

Be it enacted by the People of the State of Arizona:

Section 1. Section 12-1598.10, Arizona Revised Statutes, is amended to read:

12-1598.10. Continuing lien on earnings; order

A. If it appears from the answer of the garnishee that the judgment debtor was an employee of the garnishee, or that the garnishee otherwise owed earnings to the judgment debtor when the writ was served, or earnings would be owed within sixty days thereafter and there is no timely written objection to the writ or the answer of the garnishee filed, on application by the judgment creditor the court shall order that the nonexempt earnings, if any, withheld by the garnishee after service of the writ be transferred to the judgment creditor who is entitled to such monies subject to the judgment debtor's right to objection and hearing pursuant to this article. The court shall further order that the garnishment is a continuing lien against the nonexempt earnings of the judgment debtor.

B. If a timely objection is filed the court shall conduct a hearing pursuant to section 12-1598.07 and shall make the following determinations:

1. Whether the writ is valid against the judgment debtor.
2. The amount outstanding on the judgment at the time the writ was served, plus accruing costs.
3. Whether the judgment debtor was employed by the garnishee at the time the writ was served.
4. Whether earnings were owed or would be owed by the garnishee to the judgment debtor within sixty days after the service of the writ.
5. Whether the debt was, at the time of service of the writ, subject to an effective agreement for debt scheduling between the judgment debtor and a qualified debt counseling organization.

C. If the court makes an affirmative determination under subsection B, paragraph 1 of this section and subsection B, paragraph 3 or 4 of this section and determines that the debt was not, at the time of service of the writ, subject to an effective agreement between the judgment debtor and a qualified debt counseling organization, the court shall order that the nonexempt earnings, if any, withheld by the garnishee after service of the writ be transferred to the judgment creditor and further order that the garnishment is a continuing lien against the nonexempt earnings of the judgment debtor. Otherwise the court shall order the garnishee discharged from the writ.

D. A continuing lien ordered pursuant to this section is invalid and of no force and effect on the occurrence of any of the following conditions:

1. The underlying judgment is satisfied in full, is vacated or expires.
2. The judgment debtor leaves the garnishee's employ for more than sixty days or, if the judgment debtor is an employee of a school district, a charter school, the Arizona state schools for the deaf and the blind or an accommodation school and the judgment debtor is subject to an employment contract that specifies that paydays are restricted to the school year, for more than ninety days.
3. The judgment creditor releases the garnishment.
4. The proceedings are stayed by a court of competent jurisdiction, including the United States bankruptcy court.
5. The judgment debtor has not earned any nonexempt earnings for at least sixty days or, if the judgment debtor is an employee of a school district, a charter school, the Arizona state schools for the deaf and the blind or an accommodation school and the judgment debtor is subject to an employment contract that specifies that paydays are restricted to the school year, for at least ninety days.
6. The court orders that the garnishment be quashed.

E. If no objections are filed to the answer of the garnishee and an order of continuing lien is not entered within forty-five days

after the filing of the answer of the garnishee, any earnings held by the garnishee shall be released to the judgment debtor and the garnishee shall be discharged from any liability on the garnishment.

F. If at the hearing the court determines that the judgment debtor is subject to the ~~twenty-five~~ TEN percent maximum disposable earnings provision under section 33-1131, subsection B and based on clear and convincing evidence that the judgment debtor or the judgment debtor's family would suffer extreme economic hardship as a result of the garnishment, the court may reduce the amount of nonexempt earnings withheld under a continuing lien ordered pursuant to this section from the ~~twenty-five~~ TEN percent to not less than ~~fifteen~~ FIVE percent.

G. A court order entered pursuant to this section if recorded does not constitute a lien against real property pursuant to section 33-961.

H. The court, sitting without a jury, shall decide all issues of fact and law.

Sec. 2. Section 33-1101, Arizona Revised Statutes, is amended to read:

33-1101. Homestead exemptions; persons entitled to hold homesteads; annual adjustment

A. Any person the age of eighteen or over, married or single, who resides within the state may hold as a homestead exempt from attachment, execution and forced sale, not exceeding ~~one hundred fifty thousand dollars~~ \$400,000 in value, any one of the following:

1. The person's interest in real property in one compact body upon which exists a dwelling house in which the person resides.
2. The person's interest in one condominium or cooperative in which the person resides.
3. A mobile home in which the person resides.
4. A mobile home in which the person resides plus the land upon which that mobile home is located.

B. Only one homestead exemption may be held by a married couple or a single person under this section. The value as specified in this section refers to the equity of a single person or married couple. If a married couple lived together in a dwelling house, a condominium or cooperative, a mobile home or a mobile home plus land on which the mobile home is located and are then divorced, the total exemption allowed for that residence to either or both persons shall not exceed ~~one hundred fifty thousand dollars~~ \$400,000 in value.

C. The homestead exemption, not exceeding the value provided for in subsection A, AS ADJUSTED BY SUBSECTION D OF THIS SECTION, automatically attaches to the person's interest in identifiable cash proceeds from the voluntary or involuntary sale of the property. The homestead exemption in identifiable cash proceeds continues for eighteen months after the date of the sale of the property or until the person establishes a new homestead with the proceeds, whichever period is shorter. Only one homestead exemption at a time may be held by a person under this section.

D. THE HOMESTEAD EXEMPTION PROVIDED BY THIS SECTION SHALL BE ADJUSTED ANNUALLY BEGINNING ON JANUARY 1, 2024 AND THEREAFTER ON JANUARY 1 OF EACH SUCCESSIVE YEAR BY THE INCREASE IN THE COST OF LIVING. THE INCREASE IN THE COST OF LIVING SHALL BE MEASURED BY THE PERCENTAGE INCREASE AS OF AUGUST OF THE IMMEDIATELY PRECEDING YEAR OVER THE LEVEL AS OF AUGUST OF THE PREVIOUS YEAR OF THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, UNITED STATES CITY AVERAGE FOR ALL ITEMS) OR ITS SUCCESSOR INDEX AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, OR ITS SUCCESSOR AGENCY, WITH THE AMOUNT OF THE EXEMPTION ROUNDED UP TO THE NEAREST \$100.

Sec. 3. Section 33-1123, Arizona Revised Statutes, is amended to read:

33-1123. Household furniture, furnishings and appliances; annual adjustment

A. Household furniture and furnishings, household goods, including consumer electronic devices, and household appliances personally used by the debtor or a dependent of the debtor and not otherwise specifically prescribed in this chapter are exempt from process provided their aggregate fair market value does not exceed ~~six thousand dollars~~ \$15,000.

B. THE EXEMPTION PROVIDED BY THIS SECTION SHALL BE ADJUSTED ANNUALLY BEGINNING ON JANUARY 1, 2024 AND THEREAFTER ON JANUARY 1 OF EACH SUCCESSIVE YEAR BY THE INCREASE IN THE COST OF LIVING. THE INCREASE IN THE COST OF LIVING SHALL BE MEASURED BY THE PERCENTAGE INCREASE AS OF AUGUST OF THE IMMEDIATELY PRECEDING YEAR OVER THE LEVEL AS OF AUGUST OF THE PREVIOUS YEAR OF THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, UNITED STATES CITY AVERAGE FOR ALL ITEMS) OR ITS SUCCESSOR INDEX AS PUBLISHED BY THE UNITED STATES DEPARTMENT

NOVEMBER 8, 2022 ★ GENERAL ELECTION

OF LABOR, BUREAU OF LABOR STATISTICS, OR ITS SUCCESSOR AGENCY, WITH THE AMOUNT OF THE EXEMPTION ROUNDED UP TO THE NEAREST \$100.

Sec. 4. Section 33-1125, Arizona Revised Statutes, is amended to read:

33-1125. Personal items

The following property of a debtor used primarily for personal, family or household purposes is exempt from process:

1. All wearing apparel of not more than a fair market value of five hundred dollars.
2. All musical instruments provided for the debtor's individual or family use of not more than an aggregate fair market value of four hundred dollars.
3. Horses, milk cows and poultry of not more than an aggregate fair market value of one thousand dollars.
4. All engagement and wedding rings of not more than an aggregate fair market value of two thousand dollars.
5. The library of a debtor, including books, manuals, published materials and personal documents of not more than an aggregate fair market value of two hundred fifty dollars.
6. One watch of not more than a fair market value of two hundred fifty dollars.
7. One typewriter, one computer, one bicycle, one sewing machine, a family bible or a lot in any burial ground of not more than an aggregate fair market value of two thousand dollars.
8. Equity in one motor vehicle of not more than ~~six thousand dollars~~ \$15,000. If the debtor or debtor's dependent has a physical disability, the equity in the motor vehicle shall not exceed ~~twelve thousand dollars~~ \$25,000. THE EXEMPTION PRESCRIBED IN THIS PARAGRAPH SHALL BE ADJUSTED ANNUALLY BEGINNING ON JANUARY 1, 2024 AND THEREAFTER ON JANUARY 1 OF EACH SUCCESSIVE YEAR BY THE INCREASE IN THE COST OF LIVING. THE INCREASE IN THE COST OF LIVING SHALL BE MEASURED BY THE PERCENTAGE INCREASE AS OF AUGUST OF THE IMMEDIATELY PRECEDING YEAR OVER THE LEVEL AS OF AUGUST OF THE PREVIOUS YEAR OF THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, UNITED STATES CITY AVERAGE FOR ALL ITEMS) OR ITS SUCCESSOR INDEX AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, OR ITS SUCCESSOR AGENCY, WITH THE AMOUNT OF THE EXEMPTION ROUNDED UP TO THE NEAREST \$100.
9. Professionally prescribed prostheses for the debtor or a dependent of the debtor, including a wheelchair or motorized mobility device.
10. All firearms of not more than an aggregate fair market value of two thousand dollars.
11. All domestic animals or household pets.

Sec. 5. Section 33-1126, Arizona Revised Statutes, is amended to read:

33-1126. Money, benefits or proceeds: exception

A. The following property of a debtor is exempt from execution, attachment or sale on any process issued from any court:

1. All money received by or payable to a surviving spouse or child on the life of a deceased spouse, parent or legal guardian, not exceeding twenty thousand dollars.
2. The earnings of the minor child of a debtor or the proceeds of these earnings by reason of any liability of the debtor not contracted for the special benefit of the minor child.
3. All monies received by or payable to a person entitled to receive child support or spousal maintenance pursuant to a court order.
4. All money, proceeds or benefits of any kind to be paid in a lump sum or to be rendered on a periodic or installment basis to the insured or any beneficiary under any policy of health, accident or disability insurance or any similar plan or program of benefits in use by any employer, except for premiums payable on the policy or debt of the insured secured by a pledge, and except for collection of any debt or obligation for which the insured or beneficiary has been paid under the plan or policy and except for payment of amounts ordered for support of a person from proceeds and benefits furnished in lieu of earnings that would have been subject to that order and subject to any exemption applicable to earnings so replaced.
5. All money arising from any claim for the destruction of, or damage to, exempt property and all proceeds or benefits of any kind arising from fire or other insurance on any property exempt under this article.

6. The cash surrender value of life insurance policies where for a continuous unexpired period of two years the policies have been owned by a debtor. The policy shall have named as beneficiary the debtor's surviving spouse, child, parent, brother or sister. The policy may have named as beneficiary any other family member who is a dependent, in the proportion that the policy names any such beneficiary, except that, subject to the statute of limitations, the amount of any premium that is recoverable or avoidable by a creditor pursuant to title 44, chapter 8, article 1, with interest thereon, is not exempt. The exemption provided by this paragraph does not apply to a claim for the payment of a debt of the insured or beneficiary that is secured by a pledge or assignment of the cash value of the insurance policy or the proceeds of the policy. For the purposes of this paragraph, "dependent" means a family member who is dependent on the insured debtor for not less than half support.

7. An annuity contract where for a continuous unexpired period of two years that contract has been owned by a debtor and has named as beneficiary the debtor, the debtor's surviving spouse, child, parent, brother or sister, or any other dependent family member, except that, subject to the statute of limitations, the amount of any premium, payment or deposit with respect to that contract is recoverable or avoidable by a creditor pursuant to title 44, chapter 8, article 1 is not exempt. The exemption provided by this paragraph does not apply to a claim for a payment of a debt of the annuitant or beneficiary that is secured by a pledge or assignment of the contract or its proceeds. For the purposes of this paragraph, "dependent" means a family member who is dependent on the debtor for not less than half support.

8. Any claim for damages recoverable by any person by reason of any levy on or sale under execution of that person's exempt personal property or by reason of the wrongful taking or detention of that property by any person, and the judgment recovered for damages.

9. A total of ~~three hundred dollars~~ \$5,000 held in a single account in any one financial institution as defined by section 6-101. The property declared exempt by this paragraph is not exempt from normal service charges assessed against the account by the financial institution at which the account is carried. THE EXEMPTION PRESCRIBED IN THIS PARAGRAPH SHALL BE ADJUSTED ANNUALLY BEGINNING ON JANUARY 1, 2024 AND THEREAFTER ON JANUARY 1 OF EACH SUCCESSIVE YEAR BY THE INCREASE IN THE COST OF LIVING. THE INCREASE IN THE COST OF LIVING SHALL BE MEASURED BY THE PERCENTAGE INCREASE AS OF AUGUST OF THE IMMEDIATELY PRECEDING YEAR OVER THE LEVEL AS OF AUGUST OF THE PREVIOUS YEAR OF THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, UNITED STATES CITY AVERAGE FOR ALL ITEMS) OR ITS SUCCESSOR INDEX AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, OR ITS SUCCESSOR AGENCY, WITH THE AMOUNT OF THE EXEMPTION ROUNDED UP TO THE NEAREST \$100.

10. An interest in a college savings plan under section 529 of the internal revenue code of 1986, either as the owner or as the beneficiary. This does not include money contributed to the plan within two years before a debtor files for bankruptcy.

B. Any money or other assets payable to a participant in or beneficiary of, or any interest of any participant or beneficiary in, a retirement plan under section 401(a), 403(a), 403(b), 408, 408A or 409 or a deferred compensation plan under section 457 of the United States internal revenue code of 1986, as amended, whether the beneficiary's interest arises by inheritance, designation, appointment or otherwise, is exempt from all claims of creditors of the beneficiary or participant. This subsection does not apply to any of the following:

1. An alternate payee under a qualified domestic relations order, as defined in section 414(p) of the United States internal revenue code of 1986, as amended. The interest of any and all alternate payees is exempt from any and all claims of any creditor of the alternate payee.

2. Amounts contributed within one hundred twenty days before a debtor files for bankruptcy.

3. The assets of bankruptcy proceedings filed before July 1, 1987.

C. Any person eighteen years of age or over, married or single, who resides within this state and who does not exercise the homestead exemption under article 1 of this chapter may claim as a personal property homestead exempt from all process prepaid rent, including security deposits as provided in section 33-1321, subsection A, for the claimant's residence, not exceeding two thousand dollars.

D. This section does not exempt property from orders that are the result of a judgment for arrearages of child support or for a child support debt.

Sec. 6. Section 33-1131, Arizona Revised Statutes, is amended to read:

33-1131. Definition: wages; salary; compensation

A. For the purposes of this section, "disposable earnings" means that remaining portion of a debtor's wages, salary or compensation for his personal services, including bonuses and commissions, or otherwise, and includes payments pursuant to a pension or retirement program or deferred compensation plan, after deducting from such earnings those amounts required by

law to be withheld.

B. Except as provided in subsection C, the maximum part of the disposable earnings of a debtor for any workweek ~~which~~ THAT is subject to process may not exceed ~~twenty-five per cent~~ TEN PERCENT of disposable earnings for that week or the amount by which disposable earnings for that week exceed ~~thirty~~ SIXTY times the APPLICABLE minimum hourly wage ~~prescribed by federal law~~ in effect at the time the earnings are payable, whichever is less. THE APPLICABLE MINIMUM HOURLY WAGE IS THE MINIMUM WAGE REQUIRED BY FEDERAL, STATE OR LOCAL LAW, WHICHEVER IS HIGHEST.

C. The exemptions provided in subsection B do not apply in the case of any order for the support of any person. In such case, one-half of the disposable earnings of a debtor for any pay period is exempt from process.

D. The exemptions provided in this section do not apply in the case of any order of any court of bankruptcy under chapter XIII of the federal bankruptcy act or any debt due for any state or federal tax.

Sec. 7. Section 44-1201, Arizona Revised Statutes, is amended to read:

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

A. Interest on any loan, indebtedness or other obligation shall be AS FOLLOWS:

1. THE MAXIMUM INTEREST RATE ON MEDICAL DEBT SHALL BE THE LESSER OF THE FOLLOWING:

(a) THE ANNUAL RATE EQUAL TO THE WEEKLY AVERAGE ONE-YEAR CONSTANT MATURITY TREASURY YIELD, AS PUBLISHED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, FOR THE CALENDAR WEEK PRECEDING THE DATE WHEN THE CONSUMER WAS FIRST PROVIDED WITH A BILL, OR

(b) THREE PERCENT A YEAR.

THE MAXIMUM INTEREST RATE PROVIDED PURSUANT TO THIS PARAGRAPH ALSO APPLIES TO ANY JUDGMENTS ON MEDICAL DEBT.

2. FOR ANY LOAN, INDEBTEDNESS OR OBLIGATION OTHER THAN MEDICAL DEBT, INTEREST SHALL BE at the rate of ten per cent per annum, unless a different rate is contracted for in writing, in which event any rate of interest may be agreed to. Interest on any judgment, OTHER THAN A JUDGMENT ON MEDICAL DEBT, that is based on a written agreement evidencing a loan, indebtedness or obligation that bears a rate of interest not in excess of the maximum permitted by law shall be at the rate of interest provided in the agreement and shall be specified in the judgment.

B. Unless specifically provided for in statute or a different rate is contracted for in writing, interest on any judgment OTHER THAN A JUDGMENT ON MEDICAL DEBT shall be at the lesser of ten per cent per annum or at a rate per annum that is equal to one per cent plus the prime rate as published by the board of governors of the federal reserve system in statistical release H.15 or any publication that may supersede it on the date that the judgment is entered. The judgment shall state the applicable interest rate and it shall not change after it is entered.

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

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

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

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

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

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

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

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

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

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

G. FOR THE PURPOSES OF THIS SECTION:

1. "HEALTH CARE SERVICES" MEANS SERVICES PROVIDED AT OR BY ANY OF THE FOLLOWING:

(a) HEALTH CARE INSTITUTIONS AS DEFINED IN SECTION 36-401.

(b) PRIVATE OFFICES OR CLINICS OF HEALTH CARE PROVIDERS LICENSED UNDER TITLE 32, CHAPTERS 7, 11, 13, 15, 15.1, 16, 17, 18, 19, 19.1, 25, 28, 33, 34, or 35.

(c) AMBULANCES OR AMBULANCE SERVICES AS DEFINED IN SECTION 36-2201.

2. “MEDICAL DEBT” MEANS A LOAN, INDEBTEDNESS OR OTHER OBLIGATION ARISING DIRECTLY FROM THE RECEIPT OF HEALTH CARE SERVICES OR OF MEDICAL PRODUCTS OR DEVICES.

Sec. 8. Conflicts with federal law

This act shall not be interpreted or applied so as to create any power or duty in conflict with federal law.

Sec. 9. Severability

If a provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Sec. 10. Saving clause

This act applies prospectively only. Accordingly, it does not affect rights and duties that matured before the effective date of this act, contracts entered into before the effective date of this act or the interest rate on judgments that are based on a written agreement entered into before the effective date of this act.

Sec. 11. Legal defense

The People of Arizona desire that this initiative, if approved by the voters, be defended if it is challenged in court. They therefore declare that the political committee registered to circulate petitions and campaign in support of the adoption of the initiative, or any one or more of its officers, has standing to defend this initiative on behalf of and as the agent of the People of Arizona in any legal action brought to challenge the validity of this initiative.

Sec. 12. Short title

This act may be cited as the “Predatory Debt Collection Protection Act.”

ANALYSIS BY LEGISLATIVE COUNCIL

Proposition 209 would increase the following debt collection exemptions (and would also provide that the exemption amounts would be increased annually based on the change in the United States Department of Labor consumer price index):

1. The homestead exemption on a debtor’s home would increase from \$250,000 to \$400,000.
2. The exemption on a debtor’s household furniture, furnishings, goods and appliances would increase from \$6,000 to \$15,000.
3. The exemption on the debtor’s equity in one motor vehicle would increase from \$6,000 to \$15,000, or if the debtor has a physical disability, from \$12,000 to \$25,000.
4. The exemption on a debtor’s single account in one financial institution would increase from \$300 to \$5,000.

Proposition 209 would decrease the portion of a debtor’s weekly disposable earnings that is subject to debt collection actions (other than support payments) to the lesser of 10% of the disposable earnings or sixty times the highest applicable federal, state or local minimum wage. Currently the amount of disposable earnings that is subject to debt collection actions (other than support payments) is the lesser of 25% of the disposable earnings or thirty times the federal minimum wage. Additionally, in a garnishment action, if the court determines by clear and convincing evidence that the 10% calculation on disposable earnings would cause extreme economic hardship to the debtor or the debtor’s family, the court may reduce the amount to 5% of disposable income. Currently, the court may reduce the amount to 15% of disposable income.

Proposition 209 would lower the maximum interest rate on medical debt (an obligation arising directly from the receipt of medical products or devices or the receipt of health care services provided at or by licensed health care institutions, the offices or clinics of most licensed health care providers or ambulance services) from the current rate of 10% per year (unless a different rate is contracted for in writing) to the lesser of 3% or an annual rate equal to the weekly average one-year constant maturity treasury yield, as published by the Federal Reserve Board, for the calendar week preceding the date when the consumer was first provided with a bill. The new maximum rate would also apply to judgments on medical debt.

Proposition 209 would only apply to contracts and agreements entered into on or after the effective date of this measure. The proponents’ political committee would have standing to defend the measure in any legal challenge.

Notice: Pursuant to Proposition 105 (1998), these measures cannot be changed in the future if approved on the ballot except by a three-fourths vote of the members of each house of the legislature and if the change furthers the purpose of the original ballot measure, by an initiative petition or by referring the change to the ballot.

JOINT LEGISLATIVE BUDGET COMMITTEE FISCAL ANALYSIS
PROPOSITION 209 (I-05)

A.R.S. § 19-123(E) requires the Joint Legislative Budget Committee Staff to prepare a summary of 300 words or less on the fiscal impact of voter-initiated ballot measures. Proposition 209 would a) lower the interest rate cap on medical debt, b) increase the amount of equity in a person's home that is protected from certain creditors, including tax liens from state and local governments c) increase the dollar value of personal property and assets exempt from the claims of creditors, and d) increase the amount of earnings that is exempt from the claims of creditors.

The proposition is not generally expected to have a direct impact on the state's General Fund revenues. The increase of the amount of equity protected from creditors under the measure, however, could adversely affect the ability to collect tax liens, which may reduce state and local tax revenues relative to current law. The amount of the potential state and local tax revenue loss cannot be determined in advance.

ARGUMENTS “FOR” PROPOSITION 209

Arizona families are drowning in medical debt.
My family is one of them.

Having worked as a nurse for decades, I thought I knew how to navigate our health care system – but I was wrong.

This year, I learned the hard way that having health insurance doesn't protect you from medical debt when I got a hospital bill for \$48,410.

Even families that have done everything right can end up with bills that they can't afford to pay.

My experience has made me passionate about fixing this problem – so other families don't have to face what we've faced. If you care about protecting Arizona families, there are two things you can do to help: join Health Care Rising- <https://www.healthcarerisingaz.org> and vote Yes on Prop. 209.

Arizona law already sets limits to protect some family homes and cars from seizure for debt, but rising housing prices and vehicle costs have made those limits out of touch with everyday Arizona families.

That's why I am working to pass Prop. 209, which will increase the protected value of a person's primary home to match Arizona's median home value. The measure protects household goods and bank accounts, plus family vehicles, and adjusts the amounts annually for inflation.

To help Arizonans avoid being trapped by debt, the initiative adds protection against wage garnishment and limits the interest rate on medical debt to 3%.

Please protect Arizona Families.

Join me in voting Yes on Prop. 209.

Sherri Brown, RN, MSN/Ed, Cave Creek
Sponsored by Healthcare Rising Arizona

The Predatory Debt Collection Protection Act

What It Does
Why It Matters

Too many Arizona families are suffering because of emergency medical debt and predatory debt collection practices. No Arizona family should lose their home or car, or struggle to put food on the table because of a medical emergency or accident or be trapped into an unending cycle of debt by unfair interest rates on medical care.

Prop. 209, the Predatory Debt Collection Act, is a simple, straightforward measure that will protect Arizona families from the worst abuses of predatory debt collectors. Here is what it does:

PROTECT ARIZONANS' HOMES WITH A LONG OVERDUE INCREASE IN THE HOMESTEAD EXEMPTION

Arizona's home values have skyrocketed, but the amount of equity that is protected from creditors has simply not kept up. Prop. 209 will increase that exemption to \$400,000 and tie it to the cost of living, which will save the homes of thousands of Arizonans.

PROTECT BASIC ASSETS AND BELONGINGS FROM SEIZURE

Prop. 209 shields Arizonans' assets and belongings from creditors by protecting up to \$5,000 held in a bank account, \$15,000 in household goods, and vehicles worth up to \$15,000 (or up to \$25,000 for disabled drivers). The bill would adjust all these amounts for inflation, so consumer protections keep up with the cost of living.

TO BE CONTINUED

Diane Watson
Tucson, Arizona

Diane Watson, Tucson
Sponsored by Healthcare Rising Arizona

The Predatory Debt Collection Protection Act

LIMIT OUTRAGEOUS INTEREST RATES ON MEDICAL DEBT

One of the primary reasons that people fall into a hopeless cycle of unending debt is the outrageous interest rates charged on medical debt – often from surprise medical bills even when you are insured. Prop. 209 will limit interest rates on medical debt to 3%.

PLACE A REASONABLE LIMIT ON WAGE GARNISHMENT

Arizona families need to be able to keep a roof over their head and food on their table. Prop. 209 prevents creditors from garnishing more than 10% of wages.

SEE THE FULL TEXT OF PROP. 209 AND LEARN MORE AT healthcarerisingaz.org

Diane Watson
Tucson, Arizona

Diane Watson, Tucson
Sponsored by Healthcare Rising Arizona

The Arizona Faith Network supports a Yes vote on Prop. 209 to fight back against medical debt and the predatory practices of debt collections in our state.

Many faiths speak in a single voice on this issue: trapping individuals and families in debt with outrageous interest rates is immoral. No Arizona family should lose their home or car, or struggle to put food on the table, due to accidents and medical emergencies.

Prop. 209 shows compassion to our neighbors by protecting Arizonans from becoming stuck in a cycle of unending debt by unfair interest rates.

Right now, medical debt collectors can jack up interest rates to 10% a year, every year, keeping families trapped in an unending debt that increases even as they continue making payments. Debt collectors can take away a family's home or car and garnish wages, all of which makes it harder for Arizona families to get out of debt, and even just to get by.

A Yes Vote on Prop. 209 protects our neighbors by limiting the interest rate on medical debt and better protecting people's paychecks from garnishment.

As leaders of faith, we support this effort and hope that you will join us in voting yes.

Blessings,
Rev. Katie Sexton-Wood
Executive Director

Katie Sexton, Reverend, Arizona Faith Network, Phoenix
Sponsored by Healthcare Rising Arizona

This happened to me.
It could happen to you.

Sometimes it's hard to look at a measure on the ballot and understand the impact it will have on real people. That's why I wanted to share my story.

In February 2021 I was diagnosed with Myalgic Encephalomyelitis, Lumbar stenosis, and bursitis of the hips, costly and incurable chronic conditions which needed emergency treatment. I have insurance, and like most people thought that would protect me. Wrong.

Finding in-network doctors where I live was difficult; the closest was two hours away. I continue to add more debt, recently having to pay \$3600 for a motorized wheelchair, (which the insurance company won't apply to my \$8,700 deductible) on top \$1,800 of monthly out-of-pocket bills. I haven't been able to go back to work due to the severity of this disease so I'm barely scraping by. And thanks to the sky-high interest rates, my debt just keeps growing, and the hole keeps getting deeper.

I want to pay off my medical bills and be debt-free, but predatory debt collection makes it impossible. This law would put a cap on ridiculous interest rates for medical debt and limit the amount that debt collectors can garnish from paychecks. If these changes had been in place when I needed medical treatment, it would have been much easier to pay off my debt.

There are so many Arizona families in similar situations to mine —good people stuck in medical debt who are struggling to get back on our feet. Please help people avoid this struggle in the future by voting YES on the Predatory Debt Collection Protection Act. Nobody should lose everything because they are ill.

Lea Goin, Overgaard

Lea Goin, Overgaard
Sponsored by Healthcare Rising Arizona

A MESSAGE FROM ARIZONA VETERANS

We are veterans of the United States Armed Forces working together to pass the Predatory Debt Collection Protection Act.

Too many Arizona families are suffering because of predatory debt collection practices, and unfortunately, this has a significant impact on our fellow veterans. No veteran should lose their home or car, or struggle to put food on the table just because they had a bill they couldn't fully pay.

The Predatory Debt Collection Protection Act protects veterans - and all Arizonans - by increasing the protected value of people's homes, increasing the protected value of household goods and bank accounts, and increasing the protected value of vehicles - with all these amounts adjusted annually for inflation. It also limits wage garnishments and caps the interest rate for medical debt. This will help Arizonans avoid being trapped by debt.

Politicians talk a good game about supporting veterans, but too often we don't see results. The Predatory Debt Collection Protection Act would make a real difference in the lives of many Arizona veterans who proudly served and sacrificed for their nation. We ask you to honor their services by joining us in voting YES on Prop. 209.

Ricky J. Spann, Veteran, LTC US ARMY, Litchfield Park, AZ
William C. Ford, Veteran, Buckeye, AZ
Quenterious Parnell, Veteran, Tucson, AZ
Gerald Bittle, Veteran, Phoenix, AZ
Dana Allmond, Veteran, Marana, AZ
Sarah Tyree, Veteran, Surprise, AZ
Aaron Marquez, Veteran, Phoenix, AZ

Ricky Spann, Veteran, Litchfield Park; William Ford, Veteran, Buckeye; Quenterious Parnell, Veteran, Tucson; Gerald Bittle, Veteran, Phoenix; Dana Allmond, Veteran, Marana; Sarah Tyree, Veteran, Surprise; and Aaron Marquez, Veteran, Phoenix
Sponsored by Healthcare Rising Arizona

A Statement from Arizona Healthcare Workers

Over the last two years, healthcare workers like us have seen Arizonans through some of the toughest times. It was tough

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for us, but we know it was even tougher for you, our patients. We have seen your everyday bravery in the face of sometimes impossible decisions, and your determination and humanity.

What is especially heartbreaking for us is seeing far too many Arizona families make the decision not to treat their health issues because of the fear of medical debt. No family or individual should have to worry about losing everything they've built and saved for when faced with a medical emergency.

That's why we're supporting the Predatory Debt Collection Protection Act, to protect more of people's homes, cars, and hard-earned paychecks from debt collectors who jack up interest rates and get people trapped in an endless debt cycle.

Let's give Arizonans peace of mind to take care of their health without the fear of predatory debt collection.

Brooke Steeves
EMT
Chandler, AZ

Ann Schleppe
Medical Social Worker
Sun City, AZ

Diane Watson
LVN
Tucson, AZ

Richard Frankie Olivas RT(R)
Registered Radiologic Technologist
Tucson, AZ

Kelly Richardson
RAD Tech
Tucson, AZ

Tracy Steeves
BSN, RN
Chandler, AZ

Brooke Steeves, EMT, Chandler; Ann Schleppe, Medical Social Worker, Sun City; Diane Watson, LVN, Tucson; Richard Frankie Olivas, Registered Radiologic Technologist, Tucson; Kelly Richardson, RAD Tech, Tucson; and Tracy Steeves, BSN, RN, Chandler
Sponsored by Healthcare Rising Arizona

ARIZONANS NEED PROTECTION FROM PREDATORY DEBT COLLECTION

HERE ARE THE FACTS:

FACT: Medical debt is the largest source of bankruptcy in the country.

FACT: Arizona home values have skyrocketed but home value protection hasn't kept up.

FACT: Nearly 1 in 3 Arizonans have debt in collections.

FACT: Outrageous wage garnishment rates mean less money for people to take care of their families.

FACT: Extreme high interest on medical debt punishes people for taking care of their health.

FACT: Inadequate debt protections hurt all Arizonans.

FACT: Arizonans shouldn't worry about becoming homeless if they are forced to file for bankruptcy.

FACT: Arizonans need more than \$300 in the bank to pay their bills – but the state won't protect more from creditors.

FACT: Anyone can have an unexpected health issue – which means everyone needs lower interest rates on medical debt.

That is why I am supporting The Predatory Debt Collection Protection Act.

Julio Morera
Tempe, AZ

Julio Morera, Tempe
Sponsored by Healthcare Rising Arizona

Prop. 209: Absolutely Vital for Financially Vulnerable Seniors

As many Arizona senior citizens will tell you, entering retirement age doesn't retire financial insecurity.

Many seniors are on fixed incomes. Even with excellent financial planning, emergencies come up and can create big problems for seniors.

And when it comes to healthcare, Medicare covers a lot...depending on your plan. And paying for prescription drugs remain an area of worry for many seniors as they age.

Imagine finally being able to settle down in the home you've worked a lifetime to secure just to have one extreme bill go to collections and put you out on the curb with your vehicle repossessed. For many of us, this is a nightmare scenario.

We believe that after you have worked hard your entire life, at the very least, your basic assets should be protected from crippling debt, whether medical or otherwise.

That is why Prop. 209 is so important for Arizona's seniors. Our Yes vote means we can spend more time thinking about plans with our families and where we can go in our retired years instead of worrying whether we can even make ends meet. Prop. 209 provides desperately needed peace of mind at a time in life that is most important. Please join us in voting to protect Arizona's seniors this November!

Diane Klock, Gold Canyon, AZ
Ann Schleppe, Sun City, AZ
Diane Watson, Tucson, AZ
Rebecca Pakebusch, Phoenix, AZ
Terri Streich, Glendale, AZ
Carmen Arias, Phoenix, AZ
Fred Aneas, Flagstaff, AZ
Jonathan C. McIntire, Flagstaff, AZ
Charlene McIntire, Flagstaff, AZ
Erika Hunt, Chandler, AZ

Diane Klock, Senior/Retired, Gold Canyon; Ann Schleppe, Senior/Retired, Sun City; Diane Watson, Senior/Retired, Tucson; Rebecca Pakebusch, Senior/Retired, Phoenix; Terri Streich, Senior/Retired, Glendale; Carmen Arias, Senior/Retired, Phoenix; Fred Aneas, Senior/Retired; Flagstaff; Jonathan McIntire, Senior/Retired, Flagstaff; Charlene McIntire, Senior/Retired, Flagstaff; and Erika Hunt, Senior/Retired, Chandler
Sponsored by Healthcare Rising Arizona

From Every Corner of Arizona, From Every Walk of Life
The Organizations We Trust Say

YES on Prop. 209!

The Predatory Debt Collection Protection Act is proudly endorsed by:

(Partial list)

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- > Southwest Fair Housing Council
- > Arizona Education Association
- > Center for Economic Integrity
- > Arizona Faith Network
- > YWCA Southern Arizona
- > Phoenix Workers Alliance
- > Our Voice, Our Vote
- > Arizona Student's Association
- > Arizona Jews for Justice
- > Rural Arizona Action
- > Unite Here! Local 11
- > Arizona Building and Construction Trades Council
- > Southwest Conference United Church of Christ
- > Case Action
- > People's Defense Initiative
- > Workers United
- > Be A Hero Fund
- > Wildfire
- > Southern Arizona AIDS Foundation
- > Southwest Regional Council of Carpenters
- > Living United for Change in Arizona (LUCHA)

See the entire list and learn more at <https://www.healthcarerisingaz.org/>

Julie St. John, Tucson

Sponsored by Healthcare Rising Arizona

As small business owners, we're voting YES on Prop. 209!

We are the owners of five small Arizona businesses, and we ask you to join us in supporting the Predatory Debt Collection Protection Act.

Small business owners are struggling more than ever before, having been disproportionately impacted by the pandemic. Additionally, self-employed small business owners are at high risk of suffering from unfair medical debt because of a lack of insurance coverage, or high deductibles. One medical bill could force them to close their doors. That doesn't just hurt them and their families: it hurts the state's economic recovery from the crisis.

Voting Yes on this ballot measure is an important way to support the small business owners who form the backbone of Arizona's economy. This ballot measure will protect Arizonans from becoming stuck in a cycle of unending medical debt

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

ARIZONA'S GENERAL ELECTION GUIDE

by unfair interest rates. Please vote Yes to keep our small businesses, state economy, and communities strong.

Romeo Barrientos, Owner, The Fifth Scents, Phoenix; Samantha Hurtado, Owner, Sammy Jo Designs Studio, Gilbert; Rondi J. Habern, CPA, MBA, Owner, Adams, Habern & Grey, CPAs, PLLC, Tempe; Lizzie Makalisa, Director, Primary Lead Teacher, Heartprints Montessori, Tempe; and Victoria Brand, Owner, Mustang Mall LLC, Pearce

Sponsored by Healthcare Rising Arizona

A Teacher's Story

By Judith Robbins, Phoenix

I am a proud public-school educator and went into the field to make a difference in the lives of children and their families. My life's work has been to educate and care for our next generation, because I believe that education is the great equalizer - the foundation for making our country and world a better place.

My colleagues and I knew that we were never going to be rich from our profession, but we did expect to make a comfortable living, and to be able to afford the medical care we needed in the future.

When my friend and fellow teacher got pregnant with twins, she didn't expect to be in financial jeopardy due to the birth of her children. But when she gave birth, she incurred \$70,000 in high interest hospital bills for neonatal care. This forced her and her husband to file for bankruptcy. It took years before they were able to get out from under that financial burden, and to finally purchase their first home. Insurance companies had them over a barrel when charging the high interest rates on these debts. This is an untenable way to start a family.

I go to work every day and do my best to make sure other people's children are supported, so they can learn and thrive. But at home, I'm worried about providing the basics for my family because of the potential of an overwhelming medical debt.

Judith Robbins, High School Special Education Teacher, Phoenix

Sponsored by Healthcare Rising Arizona

Unexpected healthcare bills are a major source of stress and anxiety for too many Arizonans, and become even more so when that debt is bought by a predatory collection agency. Why are they called predatory? These unscrupulous agencies buy debt for just a fraction of what is owed and can then come after people and demand payment in full. This initiative will tighten up existing consumer protections, so that these collectors can't harass, threaten, and ruin the lives of hardworking Arizonans.

The Arizona Democratic Party is committed to fighting for a brighter future for all Arizonans. We are committed to critical issues like healthcare, education, and the economy. As Democrats, but primarily as Arizonans, we have always been proud to stand with working people. That is why we support the Predatory Debt Collection Protection Act.

Democrats fight for working families because we know they are the backbone of America. We cannot stand idly by while the lives of our fellow Arizonans can be too easily ruined by debt collectors. Your Yes vote for the Predatory Debt Collection Protection Act will provide real, immediate protection by strengthening existing laws to safeguard Arizonans from the worst abuses by debt collection agencies. By modernizing our laws we can ensure that more Arizonans can stay in their homes and with their family. This measure will also limit wage garnishments and lower the interest rate on medical debt - keeping more people out of a cycle of debt.

PLEASE VOTE YES ON PROP. 209

Raquel Terán, Chair, Arizona Democratic Party, Phoenix

Sponsored by Healthcare Rising Arizona

These Republicans are Voting YES on Prop. 209!

We are proud, lifelong Republicans. We love our state, we love our nation, and we believe in the American principle that every citizen should have the opportunity to succeed based on their hard work. It pains us to see so many hardworking Arizonans denied that right through no fault of their own.

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

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That is why we're writing to express our support for the Predatory Debt Collection Protection Act ballot initiative.

Our state's laws on medical debt leave the average Arizonan at risk of having their finances completely destroyed. Everyday citizens in our state have their homes taken by collections, their wages garnished, and sometimes even have to declare bankruptcy because of unavoidable healthcare bills. These are people who work hard and follow the rules, but they are being punished for the simple act of getting sick or injured. It needs to stop.

The idea that the courts and the big banks can take away money earned by Arizonans is completely unethical. The Predatory Debt Collection Protection Act will ensure that the people of Arizona do not have their rights taken away by lenders who are gaming an unfair, rigged system. We encourage all Arizonans to vote in favor of this initiative and help make sure that the government doesn't let medical issues take money out of the hands of hardworking, good citizens.

Craig Schleppe, Sun City; Robin Burgeson, Fountain Hills; and Christine J Drey, Surprise

Sponsored by Healthcare Rising Arizona

As doctors, we want our patients to get the best possible medical care. The care we know they need to stay healthy and live vibrant lives that enrich our communities.

Whether it's a cancer diagnosis or a car accident, a medical emergency upends people's worlds. When tragedy strikes, our patients and their families need to be able to focus on recovery, to give them the best possible chance to rebuild their bodies and their lives.

But concern over medical debt and predatory debt collection gets in the way of that, making patients worry about what they could lose and adding stress that can impede recovery.

Our patients shouldn't worry that they might lose their family home or lose the car they need to get to their job because of their chemotherapy treatments.

The Predatory Debt Collection Protection Act keeps medical debt interest rates under control and protects more of people's property from seizure for debt, which means patients can focus on their health when they need to the most.

Our patients, and all Arizonans, deserve that. Please Vote Yes on Prop. 209

Eve Shapiro, MD, MPH, Tucson; Marlene Bluestein, MD, Tucson; and Anthony Camilli, MD, Tucson

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Faith Leaders Support Prop. 209

We come from different faith traditions, but all of our faiths call us to protect the vulnerable and help those who need it most. The Predatory Debt Collection Protection Act does just that. Too many Arizonans - over 15% - have an unpaid medical bill in collections, and medical debt is a leading cause of bankruptcy in the United States. People shouldn't lose their house, car, or paycheck just because they got sick and had a medical bill they couldn't pay. As faith leaders we proudly extend our support to the Predatory Debt Collection Protection Act.

Rev. Dr. Williams M. Lyons, Conference Minister & CEO, Southwest Conference United Church of Christ, Peoria; Reverend Senator Stephanie Stahl Hamilton, Tucson; Rev. Katie Sexton, Executive Director, Arizona Faith Network, Phoenix; Reverend Susan Valiquette, Phoenix; Rev. Mathew Funke Crary, UU Congregation of Amado, Amado; Rev. William G. Utke, Desert Garden UCC, Sun City; Ernest Otto, Shadow Rock, UCC, Peoria; and Johnny Martin, Voting Rights Organizer, Arizona Faith Network, Phoenix

Sponsored by Healthcare Rising Arizona

If you don't have a home, it's hard to have a future.

No one should lose their home because of emergency medical debt and predatory debt collection practices.

At the Southwest Fair Housing Council, our mission is to provide comprehensive services to achieve and preserve equal access to housing for all people. We support Prop. 209 because we passionately believe that people should have peace of mind that their home is better protected from debt collectors. And Prop. 209 will do just that.

Increasing the homestead exemption over time and recognizing that 60% of bankruptcies are due to medical debt is a step in the right direction to give Arizonans the autonomy and dignity that they deserve. This commonsense update to existing laws is the right choice for our state.

We urge you to protect Arizonans' homes by voting Yes on Prop. 209.

Jay Young, Executive Director, Southwest Fair Housing Council, Tucson
Sponsored by Healthcare Rising Arizona

The Center for Economic Integrity is a Tucson-based grassroots organization dedicated to building economically strong communities for all. We strongly oppose unfair corporate and government practices that hurt regular people, and we always work and advocate for policies that help people and strengthen protections. This is why we were honored to be among the first groups to endorse the Predatory Debt Collection Protection Act.

The Center supports this initiative because debt collection in Arizona is a serious problem for working families. Too many are at risk of losing their property, paycheck, car, or even their home to predatory debt collectors, but now we can fight back.

Our best option is to put this issue in front of the voters here in Arizona. We believe voters will stand up for working Arizonans, and pass the Predatory Debt Collection Protection Act.

Debt collection is an economic justice issue that the Center has been working on for years. It is important to limit wage garnishments and to protect checking account balances for working families. Protections for assets such as cars and homes are also crucial.

Please join the Center for Economic Integrity in supporting the Predatory Debt Collection Protection Act.

Griffith Kelly, Executive Director, The Center for Economic Integrity, Tucson
Sponsored by Healthcare Rising Arizona

Prop. 209 is ESPECIALLY Important for Rural Arizonans

Rural Arizona Action supports policies and ideas that center the needs of rural communities. We are a stronger and more vibrant state when we work together to protect our neighbors by realizing that not all Arizonans live in the “Great State of Maricopa.”

Rural Arizonans see firsthand the beauty of Arizona’s landscapes, the wealth of history provided by our historic towns and cities, and the independent spirit that comes from choosing to live away from the big metropolises.

But it also often means dealing with higher medical bills.

For many people in our rural communities, a medical emergency can mean that an air ambulance is the only way to get life-saving care. And when collections can go after your \$25,000 air ambulance ride debt and tack on 10% interest compounded annually, it can spell devastation for anyone.

Prop. 209 will dramatically reduce the amount of interest that collections can charge on medical debt—and yes, that will include debt that comes from ambulance rides, both air and ground. This means that more rural Arizonans can rest assured that our homes and vehicles are protected in case of a medical emergency.

Prop. 209 is fair and important.

It’s commonsense reform.

It will have a meaningful impact on our rural communities.

Join Rural Arizona Action is voting YES on 209 this November.

Natali Fierros Bock, Co-Executive Director, Rural Arizona Action, Coolidge and Pablo Correa, Co-Executive Director, Rural Arizona Action, Coolidge
Sponsored by Healthcare Rising Arizona

Statement from Arizona Education Association (AEA) in support of the Predatory Debt Collection Protection Act

AEA is more than 20,000 people—educators, students, activists, workers, parents, neighbors, and friends. We hear the stories of our members across the state: Educators dipping into their own paychecks to provide materials for their students; workers going the extra mile, getting in early, and staying late to create the best educational environment they can; and parents putting in late hours to help with their children’s homework.

The last thing our members need to be worried about is if one surprise medical bill could mean financial catastrophe.

We support Prop. 209 because financial hardship negatively impacts everyone involved with a child’s learning experience. Teachers, already forced to do more with less, can’t take the extra hit from a medical bill that insurance won’t cover. Families evicted from their homes can’t create a stable learning environment for their kids. Students bearing financial stress at home have a harder time keeping up with their peers.

Prop. 209 stands in the gap to better protect Arizona’s educators and families from having their lives turned upside down from predatory debt collection practices. AEA requests that you stand with our students and educators and vote yes on the Predatory Debt Collection Protection Act in November.

Joseph Thomas, President, Arizona Education Association, Gilbert
Sponsored by Healthcare Rising Arizona

Let’s protect people who work hard and play by the rules!

UNITE HERE Local 11 is a hospitality workers union with 30,000 members in Southern California and Arizona. Our members work hard to keep our country moving - including being on the front line throughout the pandemic. Hardworking Arizonans should not be at risk of losing everything just because they have a medical bill they can’t afford - yet that is the situation too many working people find themselves in.

This is why we are proud to support Prop. 209, the Predatory Debt Collection Protection Act.

Prop. 209 will help working Arizonans by updating existing Arizona law to protect people from losing everything to debt collectors. Despite working hard and playing by the rules, many of our members are among the nearly one in six Arizonans who have a medical bill that is past due. While there are laws on the books meant to protect people from losing everything to debt collectors, the fact is that those laws are now out of date. Prop. 209 solves that problem by increasing protections and attaching a cost-of-living adjustment tied to inflation - so we won’t have to re-address this problem in the future.

Prop. 209 not only increases protections for Arizonans’ homes, household property, cars, and bank accounts, but also limits the interest rate on medical debt to 3%. Right now, debt collectors can charge an outrageous 10% annual interest rate on medical debt - locking too many hard-working people into a cycle of debt.

Please join UNITE HERE in supporting the Predatory Debt Collection Protection Act.

Brendan Walsh, Director, UNITE HERE! Local 11, Phoenix
Sponsored by Healthcare Rising Arizona

As a small business owner, I’m proud to create jobs and support our local economy. I’m voting YES on the Predatory Debt Collection Protection Act to make sure paychecks are going to my employees, not lining the pockets of predatory debt collection companies.

Right now, debt collectors can take up to 25% of someone’s income and seize the property they need to live their lives, such as a laptop, cell phone, or car. For my employees struggling with debt, these companies are taking dollars right out of their pockets and making it harder to put food on the table for their families. I’ve had employees come to me asking for extra shifts because they can’t make ends meet. After all, one missed payment or unexpected medical expense can grow into a huge debt that makes it even harder to earn a living. People have had to quit because their vehicle was taken and they couldn’t drive to work.

Spelling, grammar and punctuation were reproduced as submitted in the “for” and “against” arguments.

These predatory debt collection practices are disgraceful. Fortunately, Arizonans can do something about it. We need to pass the Predatory Debt Collection Protection Act so that working Arizonans can be confident that when they show up to work, they can take home enough of their wages to get by. This bill doesn't say that people don't have to pay their bills, it just limits outrageous interest rates on medical debt and protects more wages from debt collectors. If you believe in the value and dignity of hard work, please vote YES on this measure.

Michelle Hernandez, Hair-Makeup-Beauty Professional, Tucson
Sponsored by Healthcare Rising Arizona

Dear Fellow Arizonans,

We became nurses because we care about people. We make sure you get the medicine you need, we comfort you when you're scared, we sit with you and hold your hand when there is no one else to be with you. We care.

And because we care, we are united in saying that no one should have the worst day of their life made even worse by having to worry about predatory debt collection on top of their medical concerns.

Listening to someone's concerns about their health is part of our job, and we can offer knowledge and comfort to make things easier. But hearing a patient worry about losing their home, car, or paycheck to unfair debt collection is heartbreaking, because until now there was nothing we could do to help.

The Predatory Debt Collection Protection Act changes that, by giving us the power to limit predatory debt collection and especially put the brakes on spiraling medical debt. Limiting the interest rate on medical debt and improving protections against seizure of assets and wages means that one accident or diagnosis can't take everything away from our patients and their families.

Help us pass this and give our patients one less thing to worry about during their toughest times.

Pamela Sylvis, RN, Phoenix; September Lee Hiller, LPN, Surprise; Lisa Adams, RN, Tolleson; Margaret Baca, RN (Retired), Casa Grande; Caralee Isbell, Travel Nurse, Phoenix; and Nympha M. Njeri, RN, Phoenix
Sponsored by Healthcare Rising Arizona

ARIZONANS NEED PROTECTION FROM PREDATORY DEBT COLLECTION

HERE ARE MORE FACTS:

FACT: Having debt shouldn't mean you lose your car – Arizonans need their assets protected from predatory debt collection practices.

FACT: The cost of housing is only going up and Arizonans can't afford to have 25% of their paycheck taken from them. Capping wage garnishment rates will allow Arizonans to keep food on the table.

FACT: Arizona isn't doing enough to protect its residents from predatory debt collection practices. We need change now.

FACT: High interest rates can keep people in perpetual debt. Capping the medical debt interest rate will protect more Arizonans from predatory debt collection practices.

FACT: You can't pay your [bills/rent/mortgage] if you can't take home your paycheck. Arizonans need protection from unreasonable wage garnishment.

That is why we(I) are (am) supporting The Predatory Debt Collection Protection Act.

Eric Kramer, Pinetop
Sponsored by Healthcare Rising Arizona

Please Vote YES on the Predatory Debt Collection Protection Act

The Arizona Public Health Association urges you to vote Yes on Proposition 209, the Predatory Debt Collection Protection

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Act.

Why would a nonprofit organization dedicated to improving public health be interested in a voter initiative about debt collection?

It's simple. Because families need to earn have a living wage and enough money and resources to provide a sturdy environment and make healthier choices. In fact, having adequate resources is the number one determinant of the health status of a family.

Proposition 209 doesn't give people in debt a 'free pass'. Far from it. But it does level the playing field so people will have an opportunity to pay back their debts without spiraling into poverty.

The Predatory Debt Collection Protection Act brings Arizona more in line with the recommendations provided by the National Consumer Law Center, enabling people in debt to pay off what they owe without losing their ability to meet their daily living needs.

For example, it limits the amount of wage income that can be garnished to 10% or less of disposable earnings so that families don't get pushed below the federal poverty level. Right now, 25% of a person's wages can be garnished, even if it sends them under the poverty limit.

It also limits interest rates on medical debt to 3% so families don't get trapped in an unending cycle by sky-high interest rates.

Working and middle-class families will also be protected from predatory debt collectors taking their homes and cars because it includes common-sense updates to state law that account for the rising costs of homes and cars. For example, it increases the "homestead exemption" to \$400,000 so that people don't lose their home.

Please do the right thing. Vote Yes on Proposition 209.

Will Humble, Executive Director, Arizona Public Health Association, Phoenix
Sponsored by Arizona Public Health Association

HEALTHCARE RISING ARIZONA MEMBERS SUPPORT THE PREDATORY DEBT COLLECTION PROTECTION ACT

We are contributing members of Healthcare Rising Arizona, a non-partisan, grassroots organization fighting to fix the healthcare system in our state. We're a coalition of patients and caregivers; family, friends, and neighbors, all dedicated to improving the standard of healthcare and living in Arizona when our state and federal government won't do it for us.

One of the most urgent issues across our membership and within our communities is medical debt. Every week, emergencies or accidents lead to Arizonans losing their cars, homes, and wages to predatory debt collectors, forcing working families to make difficult decisions about paying their debts or paying for necessities like food or medicine. Fellow Healthcare Rising members have fallen into debt from giving birth, cancer treatments, car accidents, and more, putting their assets at risk.

Arizona's current consumer protections are not enough to keep families from losing everything to these predatory debt collection practices. The Predatory Debt Collection Protection Act would change that by:

- Increasing the protected values of people's homes and vehicles
- Increasing the protected value of household goods and bank accounts
- Limiting wage garnishment
- Limiting the interest rate on medical debt.

These reasonable, common-sense solutions will make a huge impact on working families, and it shows: Since we launched our campaign, we've set up at libraries, churches, parks, and even our own yards to collect signatures for the Predatory Debt Collection Protection Act — quadrupling our membership to over 1,000 members in just over a year and expanding our reach across the state.

This campaign is just the start of our work to improve the lives and health of all Arizonans. Visit healthcarerisingaz.org to learn more - and join our movement.

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

Jessica Baez-Staggers, Surprise; Caralee Isbell, Phoenix; Kay Kuever, Tucson; and Erika Hunt, Chandler
Sponsored by Healthcare Rising Arizona

I'm Voting Yes on Prop. 209 to Protect my Financial Future

As students, we have a lot to worry about: will we be able to pay off our student loans? Will we be able to find a good job when we graduate? What about the cost of housing? One thing we shouldn't have to worry about is having our financial futures crippled by medical debt.

Right now, debt collectors can take up to 25% of your paycheck – how can we start our lives when they're barely leaving us enough to pay rent? It doesn't have to be this way. The Predatory Debt Collection Protection Act will ensure that students like us - and all Arizonans - are no longer vulnerable to the devastating impact of predatory debt collection and a seemingly never-ending cycle of debt.

We are lucky to be young and healthy, but we also know that could change in a heartbeat. It's simply wrong that sickness or injury could dramatically impact someone's life. But right now, predatory debt collectors can impose outrageous interest rates that mean you can never catch up, even if you pay regularly. They can seize your car and your paycheck. Stopping these abuses is exactly what the Predatory Debt Collection Protection Act does. And that's something we need for the future of all

Andrea Soto, Phoenix; Chloe E Woods, Chandler; Nina Fawcett, Scottsdale; Alberto Plantillas, Tempe; Trevor Malzewski, Chandler; Arielle Salazar, Casa Grande; Valeria Celeste Coronado, Sahuarita; Michael Smock, Flagstaff; Matthew Yatsayte, Tempe; and Veronica Duran, Flagstaff
Sponsored by Healthcare Rising Arizona

Raising a Family is Challenging Enough

Medical Debt Can Make It Impossible

As parents, we want the best for our children - and a big part of that is knowing that they are protected should something go wrong. That is why we support the Predatory Debt Collection Protection Act. We are raising our children to be prepared for a difficult world, and to be active and responsible citizens. But we also know that anything can happen, and if the worst happens, we want them to be protected.

The reality of our broken health care system is that medical debt can happen to any family. But no one should have their lives ruined by it, and our current legal protections from the devastating practices of predatory debt collectors are woefully inadequate. Families should have the peace of mind to know that if one of them gets sick or injured, they won't be saddled with astronomical interest rates or face outlandish wage garnishments or the repossession of their property.

That is exactly the peace of mind that passing the Predatory Debt Collection Protection Act will deliver. It will give all Arizona families one less thing to worry about, and provide us the safeguards we deserve. Please join us in voting "yes."

Kathrine Villa, Tombstone; Jessica Staggers, Surprise; Eric Staggers, Surprise; Lisa Adams, Tolleson; Aaron Abbott, Phoenix; Elisa Parks, Green Valley; Brianna Westbrook, Phoenix; James Dennis, Tempe; Natacha Chavez, Phoenix; Margaret Baca, Casa Grande; and Ted Hiserodt, Phoenix
Sponsored by Healthcare Rising Arizona

A Message from Congresswoman Ann Kirkpatrick

Because I hate to see working-class families get squeezed, I have given my strong support to the Predatory Debt Collection Protection Act.

Back in 1979, the top 1% of earners in our country took home 7.3% of the income. By 2019, they were taking home 13.2%. Meanwhile, the bottom 90% of earners went from making 69.8% of earnings in 1979 to just taking home 60.9% in 2019. But even as working families struggle to live paycheck to paycheck, many industries continue to squeeze them unmercifully. The debt collection industry is one of them.

Today, one in six Arizonans has a medical bill past due. Most people who declare bankruptcy do so because of medical

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debts. I think most Arizonans agree with me that people shouldn't have to worry about losing their home or car if they get sick or they are struggling to pay large medical bills.

The Predatory Debt Collection Protection Act levels the playing field. It protects Arizonans by:

- Increasing the protected value of people's homes,
- Increasing the protected value of household goods and bank accounts,
- Increasing the protected value of vehicles
- ...with all these amounts adjusted annually for inflation.

It also limits wage garnishments and caps the interest rate for medical debt, helping Arizonans avoid being trapped by an inescapable cycle of debt.

I hope you will join me in voting Yes.

Regards,

Congresswoman Ann Kirkpatrick

Ann Kirkpatrick, Congresswoman, D-AZ 2nd District, Tucson
Sponsored by Healthcare Rising Arizona

Our Voice, Our Vote Arizona encourages you to join us in voting yes on Prop. 209. As an organization that is committed to advocating for progressive sustainable public policies that address the issues in our communities, we are happy to support this people-positive initiative.

Prop. 209 updates our existing laws to better protect Arizonans' assets from collections, our wages from garnishment, and our dignity from medical debt. This initiative is simple but powerful.

Here's why this matters:

60% of all bankruptcies are a result of medical debt.

30% of Arizonans have debt in collections, that number jumps to 45% in communities of color.

Housing prices and inflation in Arizona continue to rise with no clear end in sight.

Now is the time to protect ourselves from predatory debt collection companies who want to capitalize on our worst days. Prop. 209 gives us an extra layer of protection from collections during these trying times.

If you want to ensure that more of your home, paycheck, and bank account are protected, then vote yes on Prop. 209.

Roy Tatem Jr., Senior Political Director, Our Voice, Our Vote, Chandler
Sponsored by Healthcare Rising Arizona

Real Stories of Arizonans Struggling with Medical Debt

Elizabeth Gorski, Prescott

In 2004, I suffered a serious accident. I was in a coma for 5 days and had many surgeries for multiple broken bones. I was also diagnosed with a blood clotting disorder. I recovered, but it came at a steep cost. I didn't know it at the time of my emergency treatment, but my doctor wasn't in-network for my insurance. I ended up with \$50,000 + of medical debt, even though I thought I was covered. Since then, it's been impossible to pay off my debt. I have a job, but debt collectors take a quarter of my paycheck, which doesn't even leave me with enough for rent, gas, and groceries. I'm barely scraping by, and thanks to the sky-high interest rates, my debt just keeps growing.

At the time of my accident, I was 15. I was only a passenger in the car. I don't believe I deserve to struggle in debt forever for an accident.

There are so many Arizona families in similar situations to mine —good people stuck in medical debt who are struggling to get back on our feet. Please help people avoid this struggle in the future by voting YES on the Predatory Debt Collection Protection Act.

Elizabeth Gorski, Prescott

Sponsored by Healthcare Rising Arizona

Based in Tucson, the Southern Arizona AIDS Foundation aims to promote health, well-being, and social justice for those living with HIV, LGBTQ+ individuals, and communities marginalized by society.

We are proud to serve those in need - especially the most vulnerable and stigmatized among us - and it is that value that brings us to support the Predatory Debt Collection Protection Act. We know that far too many Arizonans are just one medical bill away from significant debt - which can lead to a cycle of poverty, and even cost someone their home. Right now, it is far too easy for debt collectors to prey on the most vulnerable members of our community. The Predatory Debt Collection Protection Act will provide a much-needed bulwark against those threats. It will help people stay in their homes and protect their property and income, so that one large medical bill is not financially ruinous.

Predatory debt collection practices can impact anyone - but they are most dangerous to the most vulnerable and stigmatized members of our community. The Southern Arizona AIDS Foundation will always work to support those who need it the most. That is why we ask you to join us in supporting the Predatory Debt Collection Protection Act.

Celia Robidoux, Interim Director of HIV and LGBTQ+ Services, Tucson

Sponsored by Healthcare Rising Arizona

As a teacher, the real reward of my job is seeing my students learn and take on new challenges—it's never been about the money. That said, despite having a job with health insurance, I could be faced with the unexpected, like sky high medical debt that could wipe out my finances and put my home and future in jeopardy. I see this as an even greater threat to many of the students and families I work with.

Recently, a family at my school was in a terrible car crash that left them hospitalized with serious injuries. This is a working-class family; I fear for their financial future when the large hospital bills inevitably show up. They should be focused on healing their bodies and dealing with the trauma that comes with such a tragedy, not dealing with the added financial stresses of paying off exorbitant hospital bills.

I go to work every day and do my best to make sure other people's children are supported so they can learn and thrive. Educators know that students from stable home environments learn best—families can't provide stability when riddled with long term financial debt. It's time to improve protections for Arizona families, especially when it comes to medical debt.

I'm voting Yes on Prop. 209. It's more than earned my vote and I hope it can earn yours, too.

Wes Oswald, Tucson

Sponsored by Healthcare Rising Arizona

Prop. 209: Absolutely Vital for Financially Vulnerable Seniors

As many Arizona senior citizens will tell you, entering retirement age doesn't retire financial insecurity.

Many seniors are on fixed incomes. Even with excellent financial planning, emergencies come up and can create big problems for seniors.

When it comes to healthcare, Medicare covers a lot...depending on your plan. And paying for prescription drugs remain an area of worry for many seniors as they age.

Imagine finally being able to settle down in the home you've worked a lifetime to secure just to have one extreme bill go to collections and put you out on the curb with your vehicle repossessed. For many of us, this is a nightmare scenario.

We believe that after you have worked hard your entire life, at the very least, your basic assets should be protected from crippling debt, whether medical or otherwise.

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That is why Prop. 209 is so important for Arizona's seniors. Our Yes vote means we can spend more time thinking about spending time with our families and where we can go in our retired years instead of worrying about whether we can even make ends meet. Prop. 209 provides desperately needed peace of mind at a time in life that is most important. Please join us in voting to protect Arizona's seniors this November!

Chris Hawkins, Tucson

Sponsored by Healthcare Rising Arizona

The Arizona Students Association urges you to join us in voting yes on Prop. 209.

The price of pursuing a college degree is higher than ever. This means that students are constantly forced to do the math on whether to make their tuition payments or leave school to cover unexpected costs. Just one medical emergency can be the dealbreaker for so many Arizona students and their families and the interest accrued on medical debt can take a college degree off the table entirely.

Prop. 209 makes sense for students and their families. It will increase protections for our families' homes, cars, and bank accounts. Most importantly, it will cap the interest that can be charged on medical debt, saving students and their families a world of financial hurt.

Good for students and good for Arizona. That's why we're voting Yes.

Cesar Aguilar, Executive Director, Arizona Students' Association, Tempe

Sponsored by Healthcare Rising Arizona

It's Time for a Change

As a retired teacher with Medicare and some retirement benefits, my husband and I are fortunate to be relatively healthy. However, we have seen how so many others in our community have experienced devastating health problems which result in catastrophic medical debt.

Under our current laws, medical debt is treated the same as any other type of debt. This makes no sense. Why should someone who experienced a medical emergency be treated the same way as someone who bought a fancy car they couldn't afford? Moreover, the interest rate on medical debt feels criminal—10% compounded annually. Good luck avoiding bankruptcy with those kinds of rates.

Arizonans deserve to have protection from predatory medical debt collection, which Prop. 209 will provide. With Prop. 209, medical debt will finally be defined, and the maximum interest rate dramatically reduced. We support Prop. 209 because it clarifies and codifies the difference between medical debt collection and other debt collection.

Barbara Smith, Tucson

Sponsored by Healthcare Rising Arizona

Let's Protect Arizona Families

Year after year, Arizona families work hard, do everything right, and still get landed with life-altering medical bills, even with good health insurance.

Now we have an opportunity to push back against this abusive system, and finally put a real check against the predatory debt collection policies that land so many families into a cycle of collections that they can never break free of.

Passing Prop. 209 will provide three critical updates to our current debt protection laws:

- Update existing exemptions for people's homes, cars, household goods, and bank accounts.
- Adjust the percentage of wages that can be garnished from a workers' paychecks from 25% (the federal *maximum* allowed) to no more than 10%.

- Limit the interest rate that collections can go after on medical debt from 10% compounded annually to no more than 3%. This would include air and ground ambulance rides.

The problems facing Arizona families and workers right now are large and complicated. The solution that we can vote on is short and simple. Pass Prop. 209 to update our existing laws and better protect people's lives from being ruined by outrageous medical bills and unfair collections practices.

Andrew Hudson, Co-Director, Phoenix Workers Alliance, Tempe

Sponsored by Healthcare Rising Arizona

Part of being a public-school teacher is caring about the world my students enter. When I was growing up, we knew that even if times were tough there were fair laws to make sure that families could weather tough financial times. I don't see those same kinds of protections when I look at my students' future.

Dealing with everyday issues like inflation is hard enough for a family. But now, having good health insurance is no promise that you're protected from massive medical debt. Having parents with good jobs doesn't mean that a single illness or accident can't knock them off their feet.

Our kids should be focused on growing their minds and exploring their world; they shouldn't have to bear the stress of wondering if they'll have a roof over their head or enough food to set on the table. Unfortunately, this is a reality for too many students in Arizona.

If you're like me, and you want the best for our students and their families, then vote yes on Prop. 209. This law will strengthen the financial safety nets that are currently letting too many families fall through the cracks. Most importantly, this law will take aim at medical debt, a source of major stress for many of us, by dramatically reducing the interest rates.

If Prop. 209 passes, I will breathe a little easier knowing that our students and their parents have a fighting chance against big debt collectors and can spend more time focusing on what matters: learning, growing, and being a family.

Katherine Villa, Tombstone

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Real Stories of Arizonans Struggling with Medical Debt: Marianna Habern, Cornville

When you are facing medical issues like a surgery, the last thing you are thinking about are the possible complications of our dysfunctional healthcare system. When I had my surgery in June of 2021, everything was supposed to be in-network. It wasn't, and I am still receiving bills a year later!

I was fortunate - my mother is well off enough that she was able to help me pay the bills when the debt collectors started calling. But so many Arizonans aren't so fortunate - and the experience of being hounded by a debt collector is an incredibly frightening one. None of us want to be in debt - but when bills just keep coming and coming, what is the alternative?

Medical treatment should not be so overwhelmingly expensive that we are unable to get needed care - and when we do, we should not be stuck paying bills and interest for years afterwards! This law would limit the amount that debt collectors can garnish from paychecks and would put a cap on interest rates for medical debt. If these changes had been in place when I needed medical treatment, it would have been much easier to pay off my debt.

The system is broken - and designed to destroy the lives of people who have done nothing wrong. Prop. 209 will go a long way to bringing more fairness and balance for Arizonans who desperately need it. Please vote Yes on Prop. 209.

Marianna Habern, Cornville

Sponsored by Healthcare Rising Arizona

What you can keep in Arizona if you get sick and debt forces you into bankruptcy.

--Up to \$150,000 equity in your home. (There are virtually no liveable houses under \$150,000 in the Phoenix area.)

--Up to \$6,000 equity in your car. (For that, you can have a 2009 Chevy or a 2008 Maxima)

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--\$500 in clothes. (Goes a long way at a thrift store, not very far for new clothing.)

--\$500 for pets and/or livestock. (A rescue shelter dog would be OK, but you probably couldn't keep a horse.)

The Legislature hasn't updated these laws in many years. Vote for the Predatory Debt Collection Protection Act, p209

Eric Kramer, Pinetop

As social workers, we protect the vulnerable

So does Prop. 209

As social workers, we work every day to help members in vulnerable communities work through challenges they face. One of the greatest challenges we see is the intersection of their health, the health care bureaucracy, and personal finances. Health issues on their own are tough enough, but adding on the financial stress of a large medical bill? This is where problems can suddenly feel insurmountable.

Finances are one of the most common stressors we discuss with families as they navigate their health care journey. We see firsthand the impossible decisions patients must make as they try to balance supporting their family and keeping themselves well. Helping people make good decisions through this process is difficult. Sometimes the current system leaves no good answers for those with medical bills in collections, and many can face long-term debt, eviction, wage garnishment, or bankruptcy.

Prop. 209's commonsense updates to bankruptcy exemptions and medical debt collection will do a great deal to protect community members from these poverty traps by changing the way greed-motivated debt collectors can go after families.

Keeping people housed with enough money in their paychecks to put food on the table will greatly benefit the health outcomes for Arizona families. And the impact of dramatically reducing the interest rates that debt collectors can charge on medical debt? Life-changing for the communities we serve.

Support healthy, protected communities. Join Arizona social workers by voting YES on Prop. 209.

Ann Schleppe, Sun City and Yareli Lopez, Phoenix *Sponsored by Healthcare Rising Arizona*

As a retired public-school teacher, I loved my job and I'm proud of what I accomplished. I chose to dedicate my life to educating and caring for the next generation, because I genuinely believe that education is the silver bullet – a foundation for making our world a better place.

When I decided to become a teacher, I knew I wasn't going into a profession where I'd get rich. But that was okay. It was a good satisfying job with health insurance that allowed us to live comfortably. But now, as I get older, I am faced with the unexpected: sky-high medical debt that could wipe us out and put our home and our future in jeopardy.

Interest on these bills is outrageous and not payable on my income – and I am by no means alone in that. It's time to improve protections for Arizona families with medical debt.

Connie Lindquist, Sun City West *Sponsored by Healthcare Rising Arizona*

Prop. 209 will protect Arizona families from the worst abuses of predatory debt collectors. Your YES vote will:

INCREASE THE HOMESTEAD EXEMPTION

Arizona's home values have skyrocketed, but the amount of equity that is protected from creditors has not. Prop. 209 will provide a long-overdue increase of that exemption to \$400,000 to save the homes of thousands of Arizonans.

PROTECT BASIC ASSETS AND BELONGINGS FROM SEIZURE

Prop. 209 will protect up to \$5,000 held in a bank account, \$15,000 in household goods, and vehicles worth up to \$15,000 (or up to \$25,000 for disabled drivers) and adjust all these amounts for inflation, so consumer protections keep up with the cost of living.

LIMIT OUTRAGEOUS INTEREST RATES ON MEDICAL DEBT

Outrageous interest rates charged on medical debt are a leading cause of Arizonans falling into a hopeless debt spiral, through no fault of their own, even with insurance. Prop. 209 will limit interest rates on medical debt to 3%.

PLACE A REASONABLE LIMIT ON WAGE GARNISHMENT

Arizona families need to be able to keep a roof over their head and food on their table. Prop. 209 prevents creditors from garnishing more than 10% of wages.

VOTE YES TO PROTECT ARIZONA FAMILIES FROM HAVING A HEALTH TRAGEDY RESULT IN BIGGER TRAGEDIES.

TO LEARN MORE AND SEE THE FULL TEXT OF PROP. 209 , SEE healthcarerisingaz.org

Alison Porter, Co-Founder, Neighbors Forward AZ, Tempe
Sponsored by Healthcare Rising Arizona

Why you should vote for the AZ Predatory Debt Collection Protection Act.

Too many Arizona families are suffering because of emergency medical debt and predatory debt collection practices. NO Arizona family should lose their home or car, or struggle to put food on the table, due to medical emergencies or accidents, or be trapped into unending debt by unfair interest rates on medical care.

The Arizona Predatory Debt Collection Protection Act fixes this problem by increasing the protected value of people's primary home to better match Arizona's median home value, increasing the allowed value of protected household goods and bank accounts, and increasing the protected values of vehicles, with all these amounts adjusted annually for inflation. To help Arizonans avoid being trapped by debt, the Act limits wage garnishment for debt to no more than 10% of disposable earnings and limits the interest rate on medical debt to no more than 3%.

Some points to consider:

- A chronic disease or sudden medical emergency can cost families tens of thousands of dollars out-of-pocket even with insurance.
- More than two-thirds of all bankruptcies are tied to debt from healthcare costs.
- 18% of Arizonans have medical bills that are past due.
- Having insurance doesn't necessarily protect from medical debt. Even families that have done everything right can end up with bills that they can't afford to pay.
- 30% of Arizonans have debt in collections, higher than the national average. In Arizona communities of color, that jumps to 45%.
- Arizonans have more debt than the national average, more than \$58,000 in debt per person.
- As of March 2021, 38.5% of Arizonans reported at least one household member losing employment income since the beginning of 2020.
- Housing prices in Arizona have been rising.**

**From Healthcare Rising Arizona

Marti Baca, Member, Democrats of Casa Grande, Casa Grande
Sponsored by Democrats of Casa Grande

The Predatory Debt Collection Protection Act is a small set of common sense measures which all of us can support. Bringing an earnings garnishment from 25% (or, 15%) of a person's paycheck down to 10% could make all the difference in whether judgment debtors are able to keep a roof over their heads or food on the table. And, the judgment creditors will still be able to get paid - even if it is over a longer period of time. Increasing the exemptions for assets will also help many

Spelling, grammar and punctuation were reproduced as submitted in the "for" and "against" arguments.

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Arizonans when they fall on hard times.

And, limiting the interest rate (to 3%/yr vs the current 10%) on medical debt also makes sense. When the medical services were needed, the parties did not negotiate an interest rate like they do for a car or a mortgage.

This initiative makes sense for everyone, and may have a real impact on decreasing bankruptcies and homelessness. Please join me in voting YES on the Predatory Debt Collection Protection Act!

Paul Weich, Candidate, AZ House, LD12, Phoenix

ARGUMENTS “AGAINST” PROPOSITION 209

Prop 209 is yet another attempt by California special interests to force an anti-taxpayer agenda onto Arizonans. The misleadingly named “Predatory Debt Collection Protection Act”, which is funded almost exclusively by California unions, will limit the ability of Arizona residents to obtain credit and dramatically increase our interest rates. At a time of skyrocketing inflation and gas prices the last thing our state needs is to make the purchase of necessities such as appliances and vehicles even more expensive. If California unions want to impose measures that harm consumers, they should do so in their own state rather than trying to force Arizonans to pay the costs for extreme anti-business policies. Please vote ‘NO’ on Prop 209.

Victor Riches, President & CEO, The Goldwater Institute, Phoenix

This petition and potential ballot item seems innocuous and deals solely with medical debt protections- as it would set a cap on medical debt judgments. The ballot, however, is deceiving and will have far-reaching and unintended consequences for consumers and creditors.

As founder of RIP Medical Debt, a non-profit that has abolished medical debt in your state, and over \$7 billion in medical debt through the USA, I am quite knowledgeable about what causes the damage of medical debt, and any debt. The collection industry is consumer-friendly, not predatory- that approach does not work. It is not because of predatory collection practices consumers are unable to pay for necessities or are in hardship. They want to pay. Collection companies would rather not collect on people that cannot pay, and it is the collection industry that gave me the opportunity to forgive that \$7 billion.

Medical debt is no different than other debts of necessity. If creditors have limited means to collect the money they are owed, as this ballot mandates, there are only a few things creditors can do: 1. not allow credit and insist on cash; 2. collect quickly with limited payment plans; 3. shift costs- increase the cost to make up for the uncollectible; 4. charge customers interest; or 5. push the problem to another party (outsource the receivable function out of state).

If this ballot is allowed and passed, it will change AZ law in many detrimental ways that could inadvertently cause consumers (and patients) hardship. They will have less time to pay, greater costs of goods, services, money, and insurance, increased debt and limited access to credit, and interest charges on past dues.

The CA union (SCIU) and the entity in AZ are proposing a ballot that is potentially harmful to the ecosystem- consumers and creditors.

Craig Antico, CEO, Forgiveco PBC Inc, Fort Collins

This misleadingly-titled initiative will hurt poor and working-class Arizonans. The initiative does nothing to prevent charging predatory prices for medical care. A provider can still charge \$500 for a bandage if this passes. It just can't charge more than 3% interest per year if it offers financing to pay for that bandage. Predatory medical providers will just charge higher prices to make up for the lost interest. This initiative solves nothing.

Worse yet, by capping interest at a rate below inflation, medical providers will actually lose money if they offer financing to their patients. This means many good medical providers will have to stop offering financing to people who can't afford to pay cash up front for their treatments. Many poor and middle class Arizonans will no longer be able to afford medical care that they could get today.

The much bigger impact of this initiative will be that it makes it functionally impossible to enforce judgments against most Arizonans. This applies to ALL judgments, not just judgments for medical debt. That's great news for people who plan on defaulting on their loan payments, but for the rest of Arizonans it will make getting financing impossible or drastically more expensive. Businesses won't loan money to people who can stop repayment any time with zero legal consequences. Many Arizonans will no longer be able to afford necessary household repairs or services. If this initiative passes and your refrigerator dies, your car breaks down, or your AC goes out, you'll need to hope you have the cash to get them fixed. Financing either won't be available or will be hugely expensive.

Medical debt is a problem. This initiative does nothing to solve it. It will only make life harder for average Arizonans. Please vote against Prop 209.

Kyle Hallstrom, Phoenix

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The Tucson Metro Chamber is encouraging all Arizona voters to vote “NO” on the Predatory Debt Collection Protection Act.

This California Union-funded ballot initiative is being framed by its proponents as a way to stop predatory debt collection on medical debts and protect people from predatory debt collection practices. However, the ballot initiative is written to reduce lenders’ ability to collect on all debts, not just medical debts. Additionally, it doesn’t specifically protect consumers from predatory debt collection practices.

What this initiative truly does is limit lenders’ ability to collect on debts. It raises the level of wages protected from garnishment. It also raises the threshold of money in bank accounts protected from bank garnishments. Essentially, it makes anyone who earns less than \$50,000 per year untouchable by creditors.

Should this initiative pass, it will significantly restrict Arizonans’ ability to access credit and loans, especially for the lower half of earners. This is because lenders will have little to no ability to recoup money from people who don’t pay on their debts. The unfortunate result will make it more difficult for working families to get car loans, home loans, and personal loans. Interest rates and down payments will increase.

Removing the ability for lenders to collect on debts is bad for business, bad for the community, and bad for Arizona. This initiative will do nothing but make access to credit more difficult for all Arizonans. The timing of this initiative could not be worse considering it would increase prices on homes that are already unaffordable to many.

Vote “NO” on the Predatory Debt Collection Protection Act!

Michael Guymon, President/CEO, Tucson Metro Chamber, Tucson
Sponsored by Tucson Metro Chamber

The Greater Phoenix Chamber firmly opposes the “Predatory Debt Collection Protection Act”.

This proposed initiative, once again brought forward by a subgroup of out-of-state interests, would have devastating consequences for Arizona businesses and consumers. While the intention of the ballot initiative may be to protect consumers from unfair medical debt collection practices, the language of the measure could have unintended consequences that make it more difficult for lenders to collect on all legitimate debts.

The United States and Arizona were founded on free-market, common sense principles. This unnecessary measure grants government interference into free market practices. In arbitrarily placing limits on one sector of Arizona’s credit market, the proposal would effectively dry up a large section of our business sector, as lenders across all product lines would have less recourse for recouping their debts.

Even worse, low-income earners would be impacted most, as they often have the hardest time accessing the credit. In addition, the state would suffer from a loss in tax revenue, as businesses would be unwilling to invest in an economy where they can’t collect on debts.

The proponents of the measure and the California interests funding the initiative suggest this as a way to protect Arizonans from unfair debt collection practices. In reality, this measure just makes it more difficult for hardworking Arizonans to get car loans, home loans and other items secured by credit. The bottom line is that this measure will exacerbate the state’s existing affordability crisis and is extremely harmful for Arizona.

We urge you to join us in voting NO.

Todd Sanders
President & CEO
Greater Phoenix Chamber

Todd Sanders, President & CEO, Greater Phoenix Chamber, Phoenix
Sponsored by Greater Phoenix Chamber

As a small business owner and the wife of a Military Veteran, I recognize that most Arizonans are facing a difficult time with the current economy. The Predatory Debt Collection Protection Act claims that it will help protect the community from predatory debt collection practices and protect assets during the collection of medical debt. I encourage you to read the entire text of the initiative. The ballot initiative is written to limit the ability for creditors to collect on “all” debt and it does not have any language to prohibit collection behavior that is considered predatory. The thresholds for legal collection methods are being raised so that your neighbors will not have to repay their debts. A person earning less than \$50,000.00 per year will essentially be untouchable by creditors. If lenders cannot collect the money owed to them, they will not lend to those of us that need it at affordable rates. If this initiative were to pass, it will make it more difficult for hardworking families to get loans for vehicles and homes. The organization behind this initiative, SEIU, is a California union that wants Arizonans to embrace their politics. California policies are not good for Arizonans. Don’t be fooled by their claim that this initiative will protect Arizonans from predatory collections of medical debt. This initiative is bad for Arizonans and Arizona businesses. Please join me in voting “NO” on the Predatory Debt Collection Act.

Amber C. Russo, President, Kino Financial Co., LLC, Tucson

AGAINST - PREDATORY DEBT COLLECTION PROTECTION ACT

The Arizona Chamber of Commerce & Industry urges you to vote NO on Proposition 209.

Don’t be fooled by the empty promises and slick rhetoric of the campaign – this initiative won’t protect anyone, and it will hurt the very individuals its proponents say it will help. Despite the claims of the proponents that their scheme only applies to medical debt, it will apply to debts of all kinds.

When lenders can’t collect outstanding debts, they’ll pass their losses onto their other customers, which means higher interest rates for everyday Arizonans. At a time of sky-high inflation, do we really want even higher interest rates?

What’s worse, thousands of Arizonans will lose access to previously available financing. Left without the ability to collect on their loans, lenders will simply stop doing business with hardworking Arizonans who need access to funds the most, leaving these potential customers unable to get credit to buy a car, rent an apartment or buy a house.

Consumers should be able to get financing based on their own priorities without the government dictating the terms of their repayment. This initiative is straight out of California and eviscerates the concept of a private contract between two parties. It deserves to be rejected.

VOTE NO ON PROPOSITION 209.

Danny Seiden
President and CEO
Arizona Chamber of Commerce & Industry

Danny Seiden, President & CEO, Arizona Chamber of Commerce & Industry, Phoenix

Every election year, Arizona is the recipient of an influx of millions in out of state cash to change our laws at the ballot box. Prop 209 is a part of this effort, funded almost entirely by California unions that would, if passed, California our Arizona.

First, Prop 209 would make an individual earning less than \$50,000 a year essentially untouchable by creditors. That’s more than half of our workforce that would be entirely immune from garnishments due to debt. However, it affects more than just lower-income earners. Prop 209 also drastically decreases the amount that would be owed by those making more than \$200,000 a year – by upwards of 60%!

Additionally, Prop 209 would increase the amount of money in bank accounts that is protected from creditors. Currently, it’s capped at \$300. Under Prop 209, the cap would see a more than sixteen-fold increase to \$5,000.

The language of this measure is confusing, intentionally trying to mislead Arizona voters by its deceptive name that implies protections from predatory lenders. In reality, its provisions have much bigger and broader impacts that will result in higher

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interest rates for everyone, cause the price of goods to skyrocket, and punish those who actually borrow responsibly to reward those who don't.

Let's leave the California ideas in California, and vote NO on Prop 209.

Scot Mussi, President, Arizona Free Enterprise Club, Gilbert
Sponsored by Arizona Free Enterprise Club

Access to credit is a foundational cornerstone to a healthy and vibrant economy. Arizona consumers and businesses' ability to borrow and access credit allows a well-managed economy to function more efficiently and stimulates economic growth. Access to credit is an important driver for economic mobility.

Access to credit fuels economic growth by allowing consumers and businesses to invest and spend beyond their cash reserves. Credit allows consumers and businesses to borrow money or incur debt, and to defer repayment without having to pay for them in cash at the time of purchase. Access to credit permits consumers to purchase homes, vehicles, and critical household appliances without having to save the entire cost in advance. It allows business owners and entrepreneurs to obtain the capital needed to expand and cover day to day expenses, purchase inventory, and hire additional employees.

Unfortunately, Prop 209 is neither a sustainable nor a wise path for Arizona. By imposing a series of draconian requirements on Arizona financial services firms, Prop 209 would severely restrict the ability of Arizona consumers and businesses to access critically important lines of credit.

On behalf of the over 65 banks and credit card operators located in Arizona, and over 179,000 Arizona based financial services industry employees, The Arizona Bankers Association strongly urges Arizona voters to reject Prop 209.

Paul Hickman, President & CEO, Arizona Bankers Association, Phoenix

BALLOT FORMAT

PROPOSITION 209

PROPOSED BY INITIATIVE PETITION RELATING TO PREDATORY DEBT COLLECTION PROTECTION

OFFICIAL TITLE

AMENDING SECTIONS 12-1598.10, 33-1101, 33-1123, 33-1125, 33-1126, 33-1131, AND 44-1201, ARIZONA REVISED STATUTES; RELATING TO PREDATORY DEBT COLLECTION PROTECTION.

DESCRIPTIVE TITLE

THE LAW WOULD REDUCE MAXIMUM INTEREST RATES ON MEDICAL DEBT FROM 10% TO 3% ANNUALLY; INCREASE THE AMOUNT OF CERTAIN ASSETS EXEMPT FROM DEBT COLLECTION; ANNUALLY ADJUST EXEMPTIONS FOR INFLATION BEGINNING 2024; AND ALLOW COURTS TO REDUCE THE AMOUNT OF DISPOSABLE EARNINGS GARNISHED IN CASES OF EXTREME ECONOMIC HARDSHIP.

A “YES” vote shall have the effect of reducing maximum interest rates on medical debt from ten percent to no more than three percent per year; increasing exemptions from all debt collection for certain personal assets, including a debtor’s home, household items, motor vehicle, and bank account from debt collection; adjusting exemptions from all debt collection for inflation beginning in 2024; decreasing the amount of disposable earnings subject to garnishment to no more than ten percent of disposable earnings but allowing a court to decrease the disposable earnings subject to garnishment to five percent based on extreme economic hardship.

YES

A “NO” vote shall have the effect of retaining existing laws related to debt collection.

NO

BALLOT FORMAT PROPOSITION 209

EXHIBIT 6

ARIZONA LEGISLATIVE COUNCIL

MEMO

May 18, 2021

TO: James Barton

FROM: Michael E. Braun
Executive Director

RE: Text review; Arizona Protection from Predatory Debt Collection Act
(I-3-2022)

Pursuant to section 19-111.01, Arizona Revised Statutes, the staff of the Arizona Legislative Council has reviewed the text of the above-referenced initiative. We have limited our consideration to potential errors in the drafting of the text of the proposed language, confusing, conflicting or inconsistent provisions within the text of the proposed language and conflicts between the text of the proposed language and other state or federal laws. This review is predicated on the form and style used by our office in preparing bills and other legislative proposals for members of the Arizona Legislature and contained in the Arizona Legislative Bill Drafting Manual 2021-2022 [available electronically at: www.azleg.gov]. We have not reviewed the form of the proposed measure to determine if it complies with the required form for initiative petitions.

The information contained in this review does not constitute legal advice and no attorney/client relationship is created by providing this statutory review. We have not undertaken to perform a comprehensive analysis of the potential legal issues presented by the measure. Pursuant to section 19-111.01, subsection C, Arizona Revised Statutes, you may accept, modify or reject any recommendations contained in this review in your sole discretion.

Comments

1. In the title of the measure, the list of amended sections should not reference the title, chapter, and article in which they are placed, and the marked-up copy reflects this. Additionally, consider adding a "RELATING TO" clause to the title that contains a general statement of the single subject of the measure. See Arizona Legislative Bill Drafting Manual 2021-2022, p. 10.

2. In the ballot version of the A.R.S. sections, we note that "§" has replaced the word "section" as it appears in the official statutory versions. We have marked this throughout the edited, marked-up copy.

3. Section 33-1101. We note that this section was amended this legislative session by H.B. 2617 to change the exemption amount from \$150,000 to \$250,000 (among other amendments). If the governor approves H.B. 2617, consider updating your ballot text to include this current version of the section. Additionally, in subsection B, last sentence of the version that currently appears in your measure, the words "in value" as they appear in the official statutory version are missing; we show these words in the marked-up copy where they should appear.

4. Section 33-1123. In the section heading, we note a semicolon in the ballot version that does not appear in the official statutory version.

5. Section 33-1125. In the section heading, we note that the word "item" was capitalized in the ballot version; this word is not capitalized in the official statutory version. Additionally, in paragraph 8, it is unclear to us whether the new language that provides for an exemption adjustment applies only to the exemption set out in that paragraph or whether it applies to other, or all, paragraphs in that section. We edited the marked-up copy as if it applies only to paragraph 8 and not to any other exemptions in this section. If it is intended to apply to some of the other paragraphs, that language should be included in those paragraphs as well. If it is intended to apply to all paragraphs, consider adding that language in a new subsection B (as you did for section 33-1123).

6. Section 33-1126. In subsection A, paragraph 9, it is unclear to us whether the new language that provides for an exemption adjustment applies only to the exemption set out in that paragraph or whether it applies to other, or all, paragraphs in subsection A. We edited the marked-up copy as if it applies only to paragraph 9 and not to any other exemptions in this subsection. If it is intended to apply to some of the other paragraphs, that language should be included in those paragraphs as well. If it is intended to apply to all paragraphs in subsection A, consider adding that language in a new subsection.

7. Section 33-1131. We note that the amendment made in subsection B to the maximum amount of disposable earnings subject to process conflicts with the language of A.R.S. section 12-1598.10, subsection F. We suggest adding section 12-1598.10 to your measure and amending subsection F to reflect the change the ballot measure makes to section 33-1131, subsection B.

8. Section 44-1201. Definitions always appear alphabetically in any definitions section or subsection; accordingly, the marked-up copy shows the paragraph designations for the defined terms in subsection G as they would be numbered in an alphabetically arranged definitions subsection. Additionally, we note and reference on the marked-up copy that there are private offices or clinics licensed under title 36 as well as title 32.

9. Please see the attached edited, marked-up copy of the submitted text for our additional recommendations, which include revising section headings as needed to more clearly reflect the content of the sections. Additionally, section headings always appear in lowercase letters.

12-1598.10. Continuing lien on earnings; order

A. If it appears from the answer of the garnishee that the judgment debtor was an employee of the garnishee, or that the garnishee otherwise owed earnings to the judgment debtor when the writ was served, or earnings would be owed within sixty days thereafter and there is no timely written objection to the writ or the answer of the garnishee filed, on application by the judgment creditor the court shall order that the nonexempt earnings, if any, withheld by the garnishee after service of the writ be transferred to the judgment creditor who is entitled to such monies subject to the judgment debtor's right to objection and hearing pursuant to this article. The court shall further order that the garnishment is a continuing lien against the nonexempt earnings of the judgment debtor.

B. If a timely objection is filed the court shall conduct a hearing pursuant to section 12-1598.07 and shall make the following determinations:

1. Whether the writ is valid against the judgment debtor.
2. The amount outstanding on the judgment at the time the writ was served, plus accruing costs.
3. Whether the judgment debtor was employed by the garnishee at the time the writ was served.
4. Whether earnings were owed or would be owed by the garnishee to the judgment debtor within sixty days after the service of the writ.
5. Whether the debt was, at the time of service of the writ, subject to an effective agreement for debt scheduling between the judgment debtor and a qualified debt counseling organization.

C. If the court makes an affirmative determination under subsection B, paragraph 1 of this section and subsection B, paragraph 3 or 4 of this section and determines that the debt was not, at the time of service of the writ, subject to an effective agreement between the judgment debtor and a qualified debt counseling organization, the court shall order that the nonexempt earnings, if any, withheld by the garnishee after service of the writ be transferred to the judgment creditor and further order that the garnishment is a continuing lien against the nonexempt earnings of the judgment debtor. Otherwise the court shall order the garnishee discharged from the writ.

D. A continuing lien ordered pursuant to this section is invalid and of no force and effect on the occurrence of any of the following conditions:

1. The underlying judgment is satisfied in full, is vacated or expires.
2. The judgment debtor leaves the garnishee's employ for more than sixty days or, if the judgment debtor is an employee of a school district, a charter school, the Arizona state schools for the deaf and the blind or an accommodation school and the judgment debtor is subject to an employment contract that specifies that paydays are restricted to the school year, for more than ninety days.
3. The judgment creditor releases the garnishment.
4. The proceedings are stayed by a court of competent jurisdiction, including the United States bankruptcy court.
5. The judgment debtor has not earned any nonexempt earnings for at least sixty days or, if the judgment debtor is an employee of a school

district, a charter school, the Arizona state schools for the deaf and the blind or an accommodation school and the judgment debtor is subject to an employment contract that specifies that paydays are restricted to the school year, for at least ninety days.

6. The court orders that the garnishment be quashed.

E. If no objections are filed to the answer of the garnishee and an order of continuing lien is not entered within forty-five days after the filing of the answer of the garnishee, any earnings held by the garnishee shall be released to the judgment debtor and the garnishee shall be discharged from any liability on the garnishment.

F. If at the hearing the court determines that the judgment debtor is subject to the twenty-five percent maximum disposable earnings provision under section 33-1131, subsection B and based on clear and convincing evidence that the judgment debtor or the judgment debtor's family would suffer extreme economic hardship as a result of the garnishment, the court may reduce the amount of nonexempt earnings withheld under a continuing lien ordered pursuant to this section from the twenty-five percent to not less than fifteen percent.

G. A court order entered pursuant to this section if recorded does not constitute a lien against real property pursuant to section 33-961.

H. The court, sitting without a jury, shall decide all issues of fact and law.

Editing Key

- ~~/~~ Delete; take language out (as it is) Incorrect or unnecessary language
- ↔ Close up; print as one word
- ^ Caret; insert here or as shown (move) something
- # Insert a space #
- ~ Transpose, change, order the
- [Move text to the left
-] Move text to the right
-] [Center text [
- ↪ Run text together; No new line
- ¶ Begin a new paragraph (paragraph ends. A new idea...)
- = capitalize the word or letter indicated
- / Set in lowercase
- Show existing text as stricken

Add where shown:

Comma ^

Apostrophe v

Period @

Colon @

Hyphen ^

Quotation marks " "

Parentheses (add) (delete)

A.R.S. sections can be divided into the following division units, designated as:

- A. Subsection (capital letter followed by a period)
- 1. Paragraph (Arabic numeral followed by a period)
- (a) Subdivision (lowercase letter in parentheses)
- (i) Item (lowercase Roman numeral in parentheses)

The proper citation of an A.R.S. section that contains all of these division units is, for example, "section 15-957, subsection C, paragraph 2, subdivision (a), item (ii)".

AN INITIATIVE MEASURE

AMENDING TITLE 33, CHAPTER 8, ARTICLE 1, SECTION 33-1101, ARIZONA REVISED STATUTES; AMENDING TITLE 33, CHAPTER 8, ARTICLE 2, SECTIONS 33-1123, 33-1125, 33-1126, AND 33-1131, ARIZONA REVISED STATUTES; AMENDING TITLE 44, CHAPTER 9, ARTICLE 1, SECTION 44-1201, ARIZONA REVISED STATUTES; *relating to*

Be it enacted by the People of the State of Arizona:

Section 1. Section 33-1101, Arizona Revised Statutes, is amended to read:

33-1101. Homestead exemptions; persons entitled to hold homesteads; annual adjustment

A. Any person who is at least years of age and this age of eighteen or over, married or single, who resides within the state may hold as a homestead exempt from attachment, execution and forced sale, not exceeding ~~one hundred fifty thousand dollars~~ \$400,000 in value, any one of the following:

1. The person's interest in real property in one compact body upon on which exists a dwelling house in which the person resides.
2. The person's interest in one condominium or cooperative in which the person resides.
3. A mobile home in which the person resides.
4. A mobile home in which the person resides plus the land upon on which that mobile home is located.

B. Only one homestead exemption may be held by a married couple or a single person under this section. The value as specified in this section refers to the equity of a single person or married couple. If a married couple lived together in a dwelling house, a condominium or cooperative, a mobile home or a mobile home plus land on which the mobile home is located and are then divorced, the total exemption allowed for that residence to either or both persons shall not exceed ~~one hundred fifty thousand dollars~~ \$400,000 in value (** this is missing statutory text **)

C. The homestead exemption, not exceeding the value provided for in subsection A, of this section automatically

attaches to the person's interest in identifiable cash proceeds from the voluntary or involuntary sale of the property. The homestead exemption in identifiable cash proceeds continues for eighteen months after the date of the sale of the property or until the person establishes a new homestead with the proceeds, whichever period is shorter. Only one homestead exemption at a time may be held by a person under this section.

D. THE HOMESTEAD EXEMPTION PROVIDED BY THIS SECTION SHALL BE ADJUSTED ANNUALLY ON JANUARY 1, 2024, ^gAND ON JANUARY 1 OF EACH SUCCESSIVE YEAR, ^gBY THE INCREASE IN THE COST OF LIVING. THE INCREASE IN THE COST OF LIVING SHALL BE MEASURED BY THE PERCENTAGE INCREASE AS OF AUGUST OF THE IMMEDIATELY PRECEDING YEAR OVER THE LEVEL AS OF AUGUST OF THE PREVIOUS YEAR OF THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, UNITED STATES CITY AVERAGE FOR ALL ITEMS) OR ITS SUCCESSOR INDEX AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR ^{, bureau of labor statistics,} OR ITS SUCCESSOR AGENCY, WITH THE AMOUNT OF THE EXEMPTION ROUNDED TO THE NEAREST ^{#100} ~~ONE HUNDRED DOLLARS.~~

Sec. 2. Section 33-1123, Arizona Revised Statutes, is amended to read:

33-1123. ~~Household furniture, furnishings and appliances,~~ ^{, goods} ~~annual adjustment~~
(comma in existing section)

A. Household furniture and furnishings, household goods, including consumer electronic devices, and household appliances personally used by the debtor or a dependent of the debtor and not otherwise specifically prescribed in this chapter are exempt from process ^{if} provided ~~their~~ aggregate fair market value does not exceed ~~six thousand dollars~~ \$15,000.

B. THE EXEMPTION PROVIDED BY THIS SECTION SHALL BE ADJUSTED ANNUALLY ON JANUARY 1, 2024, ^gAND ON JANUARY 1 OF EACH SUCCESSIVE YEAR, ^gBY THE INCREASE IN THE COST OF LIVING. THE INCREASE IN THE COST OF LIVING SHALL BE MEASURED BY THE PERCENTAGE INCREASE AS OF AUGUST OF THE IMMEDIATELY PRECEDING

YEAR OVER THE LEVEL AS OF AUGUST OF THE PREVIOUS YEAR OF THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, UNITED STATES CITY AVERAGE FOR ALL ITEMS) OR ITS SUCCESSOR INDEX AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR ^{, bureau of labor statistics,} OR ITS SUCCESSOR AGENCY, WITH THE AMOUNT OF THE EXEMPTION ^{#100} ROUNDED TO THE NEAREST ONE HUNDRED DOLLARS.

Sec. 3. Section 33-1125, Arizona Revised Statutes, is amended to read:

33-1125. Personal Items ^{lowercase in existing section}

^g A. The following property of a debtor used primarily for personal, family or household purposes is exempt from process:

1. All wearing apparel of not more than a fair market value of five hundred dollars.
2. All musical instruments provided for the debtor's individual or family use of not more than an aggregate fair market value of four hundred dollars.
3. Horses, milk cows and poultry of not more than an aggregate fair market value of one thousand dollars.
4. All engagement and wedding rings of not more than an aggregate fair market value of two thousand dollars.
5. The library of a debtor, including books, manuals, published materials and personal documents of not more than an aggregate fair market value of two hundred fifty dollars.
6. One watch of not more than a fair market value of two hundred fifty dollars.
7. One typewriter, one computer, one bicycle, one sewing machine, a family bible or a lot in any burial ground of not more than an aggregate fair market value of two thousand dollars.
8. Equity in one motor vehicle of not more than ~~six thousand dollars~~ \$15,000. If the debtor or debtor's dependent has a physical disability, the equity in the motor vehicle shall not exceed ~~twelve thousand dollars~~ \$25,000. ^{2 prescribed in this paragraph} THESE EXEMPTIONS SHALL BE ADJUSTED ANNUALLY ON JANUARY 1,

2024^g AND ON JANUARY 1 OF EACH SUCCESSIVE YEAR^g BY THE INCREASE IN THE COST OF LIVING. THE INCREASE IN THE COST OF LIVING SHALL BE MEASURED BY THE PERCENTAGE INCREASE AS OF AUGUST OF THE IMMEDIATELY PRECEDING YEAR OVER THE LEVEL AS OF AUGUST OF THE PREVIOUS YEAR OF THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, UNITED STATES CITY AVERAGE FOR ALL ITEMS) OR ITS SUCCESSOR INDEX AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR^{, bureau of labor statistics,} OR ITS SUCCESSOR AGENCY, WITH THE AMOUNT OF THE EXEMPTION ROUNDED TO THE NEAREST ^{\$100} ~~ONE HUNDRED DOLLARS~~.

9. Professionally prescribed prostheses for the debtor or a dependent of the debtor, including a wheelchair or motorized mobility device.
10. All firearms of not more than an aggregate fair market value of two thousand dollars.
11. All domestic animals or household pets.

Sec. 4. Section 33-1126, Arizona Revised Statutes, is amended to read:

33-1126. ^{Monies,} ~~Money~~ benefits or proceeds; exception

A. The following property of a debtor is exempt from execution, attachment or sale on any process issued from any court:

1. All ^{monies} ~~money~~ received by or payable to a surviving spouse or child on the life of a deceased spouse, parent or legal guardian, not exceeding twenty thousand dollars.
2. The earnings of the minor child of a debtor or the proceeds of these earnings by reason of any liability of the debtor not contracted for the special benefit of the minor child.
3. All monies received by or payable to a person entitled to receive child support or spousal maintenance pursuant to a court order.
4. All ^{monies} ~~money~~ proceeds or benefits of any kind to be paid in a lump sum or to be rendered on a periodic or installment basis to the insured or any beneficiary under any policy of health, accident or disability

insurance or any similar plan or program of benefits in use by any employer, except for premiums payable on the policy or debt of the insured secured by a pledge, and except for collection of any debt or obligation for which the insured or beneficiary has been paid under the plan or policy and except for payment of amounts ordered for support of a person from proceeds and benefits furnished in lieu of earnings that would have been subject to that order and subject to any exemption applicable to earnings so replaced.

5. All money ^{monies} arising from any claim for the destruction of, or damage to, exempt property and all proceeds or benefits of any kind arising from fire or other insurance on any property exempt under this article.

6. The cash surrender value of life insurance policies where for a continuous unexpired period of two years the policies have been owned by a debtor. The policy shall have named as beneficiary the debtor's surviving spouse, child, parent, brother or sister. The policy may have named as beneficiary any other family member who is a dependent, in the proportion that the policy names any such beneficiary, except that, subject to the statute of limitations, the amount of any premium that is recoverable or avoidable by a creditor pursuant to title 44, chapter 8, article 1, with interest thereon, is not exempt. The exemption provided by this paragraph does not apply to a claim for the payment of a debt of the insured or beneficiary that is secured by a pledge or assignment of the cash value of the insurance policy or the proceeds of the policy. For the purposes of this paragraph, "dependent" means a family member who is dependent on the insured debtor for not less than half support.

7. An annuity contract where for a continuous unexpired period of two years that contract has been owned by a debtor and has named as beneficiary the debtor, the debtor's surviving spouse, child, parent, brother or sister, or any other dependent family member, except that, subject to the statute of limitations, the amount of any premium, payment or deposit with respect to that contract is recoverable or avoidable by a creditor pursuant to title 44, chapter 8, article 1 is not exempt. The

exemption provided by this paragraph does not apply to a claim for a payment of a debt of the annuitant or beneficiary that is secured by a pledge or assignment of the contract or its proceeds. For the purposes of this paragraph, "dependent" means a family member who is dependent on the debtor for not less than half support.

8. Any claim for damages recoverable by any person by reason of any levy on or sale under execution of that person's exempt personal property or by reason of the wrongful taking or detention of that property by any person, and the judgment recovered for damages.

9. A total of ~~three hundred dollars~~ \$5,000 held in a single account in any one financial institution as defined by ^{2 section} §6-101. The property declared exempt by this paragraph is not exempt from normal service charges assessed against the account by the financial institution at which the account is carried. ~~THIS~~ ^{the} EXEMPTION ^{prescribed in this paragraph} SHALL BE ADJUSTED ANNUALLY ON JANUARY 1, 2024, ^g AND ON JANUARY 1 OF EACH SUCCESSIVE YEAR ^g BY THE INCREASE IN THE COST OF LIVING. THE INCREASE IN THE COST OF LIVING SHALL BE MEASURED BY THE PERCENTAGE INCREASE AS OF AUGUST OF THE IMMEDIATELY PRECEDING YEAR OVER THE LEVEL AS OF AUGUST OF THE PREVIOUS YEAR OF THE CONSUMER PRICE INDEX (ALL URBAN CONSUMERS, UNITED STATES CITY AVERAGE FOR ALL ITEMS) OR ITS SUCCESSOR INDEX AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR ^{bureau of labor statistics,} OR ITS SUCCESSOR AGENCY, WITH THE AMOUNT OF THE EXEMPTION ROUNDED TO THE NEAREST ^{#100} ~~ONE~~ ^g HUNDRED DOLLARS.

10. An interest in a college savings plan under ^{2 section} §529 of the internal revenue code of 1986, either as the owner or as the beneficiary. This does not include money contributed to the plan within two years before a debtor files for bankruptcy.

B. Any money or other assets payable to a participant in or beneficiary of, or any interest of any participant or beneficiary in, a retirement plan under ^{2 section} §401(a), 403(a), 403(b), 408, 408A or 409 or a

deferred compensation plan under ^{2 section} §457 of the United States internal revenue code of 1986, as amended, whether the beneficiary's interest arises by inheritance, designation, appointment or otherwise, is exempt from all claims of creditors of the beneficiary or participant. This subsection does not apply to any of the following:

1. An alternate payee under a qualified domestic relations order, as defined in ^{2 section} §414(p) of the United States internal revenue code of 1986, as amended. The interest of any and all alternate payees is exempt from any and all claims of any creditor of the alternate payee.

2. Amounts contributed within one hundred twenty days before a debtor files for bankruptcy.

3. The assets of bankruptcy proceedings filed before July 1, 1987.

C. Any person ^{who is at least} eighteen years of age or over, married or single, who resides within this state and who does not exercise the homestead exemption under article 1 of this chapter may claim as a personal property homestead exempt from all process prepaid rent, including security deposits as provided in ⁷ Section 33-1321, subsection A, for the claimant's residence, not exceeding two thousand dollars.

D. This section does not exempt property from orders that are the result of a judgment for arrearages of child support or for a child support debt.

Sec. 5. Section 33-1131, Arizona Revised Statutes, is amended to read:
of disposable earnings

33-1131. Definition; wages; salary; compensation

A. For the purposes of this section, "disposable earnings" means that remaining portion of a debtor's wages, salary or compensation for ^{the debtor's} his personal services, including bonuses and commissions, or otherwise, and includes payments pursuant to a pension or retirement program or deferred compensation plan, after deducting from such earnings those amounts required by law to be withheld.

B. Except as provided in subsection C ^{of this section}, the maximum part of the disposable earnings of a debtor for any workweek ~~which~~ THAT is subject to process may not exceed ~~twenty-five per cent~~ TEN PERCENT of disposable earnings for that week or the amount by which disposable earnings for that week exceed

* See
Section
12-1598.1D,
attached

~~thirty~~ SIXTY times the APPLICABLE minimum hourly wage ~~prescribed by federal law~~ in effect at the time the earnings are payable, whichever is less. THE APPLICABLE MINIMUM WAGE IS THE MINIMUM WAGE REQUIRED BY FEDERAL, STATE ^g OR LOCAL LAW, WHICHEVER IS HIGHEST.

C. The exemptions provided in subsection B ^{of this section} do not apply in the case of any order for the support of any person. In such ^a case, one-half of the disposable earnings of a debtor for any pay period is exempt from process.

D. The exemptions provided in this section do not apply in the case of any order of any court of bankruptcy under chapter XIII of the federal bankruptcy act or any debt due for any state or federal tax.

Sec. 6. Section 44-1201, Arizona Revised Statutes, is amended to read:

44-1201. Rate of interest for loan or indebtedness; interest on judgments; ~~DEFINITIONS~~

A. Interest on any loan, indebtedness or other obligation shall be AS FOLLOWS:

1. INTEREST ON MEDICAL DEBT SHALL BE LIMITED TO THE RATE OF INTEREST EQUAL TO THE WEEKLY AVERAGE ^{one-year} ~~ONE-YEAR~~ CONSTANT MATURITY TREASURY YIELD, AS PUBLISHED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, FOR THE CALENDAR WEEK PRECEDING THE DATE WHEN THE CONSUMER WAS FIRST PROVIDED WITH ^{the medical?} ~~A~~ BILL, BUT ~~SHALL~~ NOT BE MORE THAN THREE PERCENT ^{a year} ~~PER ANNUM~~. THE MAXIMUM RATE OF INTEREST PROVIDED HERE SHALL ALSO APPLY TO ANY JUDGMENTS ON MEDICAL DEBT. ^{pursuant to this paragraph also applies}

2. INTEREST ON ANY LOAN, INDEBTEDNESS OR OBLIGATION OTHER THAN MEDICAL DEBT SHALL BE at the rate of ten ^{percent a year} ~~per cent per annum~~, unless a different rate is contracted for in writing, in which event any rate of interest may be agreed to. Interest on any judgment, OTHER THAN a JUDGMENTS ON MEDICAL DEBT, that is based on a written agreement evidencing a loan, indebtedness or obligation that bears a rate of interest not in excess of the maximum permitted by law

shall be at the rate of interest provided in the agreement and shall be specified in the judgment.

B. Unless specifically provided for in statute or a different rate is contracted for in writing, interest on any judgment OTHER THAN ^aJUDGMENTS ^gON MEDICAL DEBT shall be at the lesser of ten per cent per annum or at a rate per annum that is equal to one per cent plus the prime rate as published by the board of governors of the federal reserve system in statistical release H.15 or any publication that may supersede it on the date that the judgment is entered. The judgment shall state the applicable interest rate and it shall not change after it is entered.

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

1. If instituted by a city or town, at the rate prescribed by ^aSection 9-409.
2. If instituted by a county, at the rate prescribed by ^aSection 11-269.04.
3. If instituted by the department of transportation, at the rate prescribed by ^aSection 28-7101.
4. If instituted by a county flood control district, a power district or an agricultural improvement district, at the rate prescribed by ^aSection 48-3628.

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

1. Prejudgment interest for any unliquidated ^{damages} future, ^{damages} punitive or exemplary damages that are found by the trier of fact.
2. Interest for any ^{damages} future, ^{damages} punitive or exemplary damages that are found by the trier of fact.

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

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

G. FOR THE PURPOSES OF THIS SECTION:

2. ^g "MEDICAL DEBT" MEANS A LOAN, INDEBTEDNESS OR OTHER OBLIGATION ARISING

(change order of paragraphs)

DIRECTLY FROM THE RECEIPT OF HEALTH CARE SERVICES OR OF MEDICAL PRODUCTS OR DEVICES.

1. ^{1.2} "HEALTH CARE SERVICES" MEANS SERVICES PROVIDED AT OR BY ANY OF THE FOLLOWING: ^{A(a)} HEALTH CARE INSTITUTIONS AS DEFINED IN SECTION 36-401; ^{A(b)} PRIVATE OFFICES OR CLINICS OF HEALTH CARE PROVIDERS LICENSED UNDER TITLE 32 ^{or 360} AND

^{A(c)} AMBULANCES OR AMBULANCE SERVICES AS DEFINED IN SECTION 36-2201.

Sec. 7. Conflicts with federal law

This act shall not be interpreted or applied so as to create any power or duty in conflict with federal law.

Sec. 8. Severability

If a provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

Sec. 9. Saving clause

This act applies prospectively only. Accordingly, it does not affect rights and duties that matured before the effective date of this act, contracts entered into before the effective date of this act or the interest rate on judgments that are based on a written agreement entered into before the effective date of this act.

Sec. 10. Legal defense

The People of Arizona desire that this initiative, if approved by the voters, be defended if it is challenged in court. They therefore declare that the political committee registered to circulate petitions and campaign in support of the adoption of the initiative, or any one or more of its officers, has standing to defend this initiative on behalf of and as the agent of the People of Arizona in any legal action brought to challenge the validity of this initiative. ✓

Sec. 11. Short title

This act may be cited as ["]Arizona Protection from Predatory Debt Collection Act["]
the)_X

EXHIBIT 7

1 Brett W. Johnson (#021527)
Benjamin W. Reeves (#025708)
2 Tracy A. Olson (#034616)
Ryan Hogan (#036169)
3 Charlene A. Warner (#037169)
SNELL & WILMER L.L.P.
4 One East Washington Street
Suite 2700
5 Phoenix, Arizona 85004-2202
Telephone: 602.382.6000
6 bwjohnson@swlaw.com
breeves@swlaw.com
7 tolson@swlaw.com
rhogan@swlaw.com
8 cwarner@swlaw.com

9 *Attorneys for Plaintiffs Arizona Creditors*
10 *Bar Association Inc., et. al.*

11 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
12 **IN AND FOR THE COUNTY OF MARICOPA**

13 ARIZONA CREDITORS BAR
14 ASSOCIATION INC., an Arizona
corporation; PROTECT OUR ARIZONA
15 PAC, an Arizona political action
committee; ABSOLUTE RESOLUTIONS
16 INVESTMENTS, LLC, an Arizona limited
liability company; HAMEROFF LAW
17 GROUP, P.C., an Arizona corporation;
DESERT RIDGE COMMUNITY
18 ASSOCIATION, an Arizona non-profit
corporation; AUGUSTA RANCH
19 COMMUNITY MASTER
ASSOCIATION, an Arizona non-profit
20 corporation; BAUHINIA, LLC, a South
Dakota limited liability company; and
21 CASH TIME TITLE LOANS, INC., an
Arizona corporation,

22 Plaintiffs,

23 v.

24 STATE OF ARIZONA,

25 Defendant.

No.

**DECLARATION OF SCOTT, A.
ALLEN, CASH TIME TITLE
LOANS, INC.**

1 I, Scott A. Allen, declare as follows:

2 1. I am over 18 years of age, of sound mind, and capable of making this
3 declaration. I have personal knowledge of the matters set forth herein. If called as a witness
4 to testify as to the matters set forth here, I could and would testify competently with respect
5 thereto.

6 2. I am the President of Cash Time Title Loans, Inc., an Arizona business with
7 over 125 employees that provides consumer loans to Arizona consumers through its
8 locations in both Phoenix and Tucson.

9 3. Cash Time periodically is served with garnishments pertaining to its
10 employees who are subject to having their earnings garnished by creditors.

11 4. As a result, my business needs clear guidance in answering garnishments to
12 prevent harm that could befall ourselves and other garnishees under Prop 209.

13 5. Garnishees (*e.g.*, the judgment debtor's employer) play an important role in
14 the garnishment process.

15 6. Garnishees are responsible for answering a writ of garnishment. In a
16 garnishment of earnings, for example, this means that we have to explain (under oath) things
17 like the employee's next two paydays and the amount of the outstanding judgment stated in
18 the writ.

19 7. Garnishees also have to calculate and deliver Non-Exempt Earnings
20 Statements to the employee at the same time that they deliver the answer to the writ.

21 8. Once the court enters an Order of Continuing Lien, we need to fill out this
22 Non-Exempt Earnings Statement, withhold the applicable amount of earnings, and turn
23 those earnings over to the judgment creditor. This must generally be done each pay period
24 until the judgment is satisfied, the employee is terminated, or the garnishment ends.

25 9. When Prop 209 goes into effect on December 5, 2022, Cash Time and many
26 other employers in Arizona will be serving as garnishees in garnishments across Arizona.
27 These garnishments will be at various stages.

28 10. Prop 209's effective date is a worrisome date for us because Prop 209

1 increases the amount of earnings that are exempt from garnishment by judgment creditors.
2 This is the case for several reasons.

3 11. We cannot determine with certainty whether and at what point Prop 209 will
4 apply to garnishments that are already underway, and will have to guess at which
5 garnishments will be governed by the new exemption amounts and which garnishments will
6 be governed by the old exemption amounts. As an organization, we will have to divert
7 resources to address this issue, and even then, we may not be correct.

8 12. As to the subset of garnishments that are already underway to which Prop 209
9 applies, we will then have to determine what filings we need to update and how to update
10 them.

11 13. The filings that might need to be changed include the answer and the Non-
12 Exempt Earnings Statements that we provided to the judgment debtor earlier in the
13 garnishment.

14 14. Third, for these cases, the amount of exempt earnings would have to be
15 recalculated and provide the judgment debtor with partial or full refunds from the previously
16 withheld funds, and re-run payroll immediately.

17 15. The amount of time and money that would have to be expended adjusting
18 garnishments already in progress to the requirements of Prop 209 will be substantial and
19 will divert time and energy from our usual business activities.

20 16. Failure to make these adjustments may come with a significant penalty.
21 Employers may be exposed to liability for failing to turn over the proper amount of
22 nonexempt assets to the proper party.

23 I declare under penalty of perjury that the foregoing is true and correct.

24 Executed on December 5, 2022

25

26

27

28


Scott A. Allen, President
CASH TIME TITLE LOANS, INC.