



## Search Archives



Advanced Search

## Extras

- Announcements
- Stock Market
- Contact Us
- About Pine Bluff
- Quick Links
- Razorback Central

## Advertisers

## State News

## Payday lending bill receives silent Senate reception

By JON GAMBRELL

Tuesday, February 27, 2007 5:37 PM CST

LITTLE ROCK - A bill allowing for fining payday lenders who charge customers interest rates higher than 17 percent received a nearly silent reception in a Senate committee Tuesday, though members agreed some restrictions should be placed on the industry.

Sen. Jim Argue's "yes" vote was the only vote either way for the bill creating \$300 fines each time a customer is charged an interest rate above 17 percent, the limit in the state's constitution on consumer loans. However, opponents of payday lending have warned the state's Check Casher's Act allows some lenders to charge far higher interest rates.

"Payday lenders have preyed on low-income people in our community for a long time," said Rep. David Johnson, the bill's sponsor. The Democrat from Little Rock went onto say some lenders would go on to charge customers an "astronomical rate" \_ sometimes into the hundreds of percent.

North Little Rock Mayor Patrick Hays told the Senate's Insurance and Commerce Committee how his brother-in-law fell behind on payments to a lender when he needed money.

"This is not an avenue," Hays said. "This is a trap."

The bill passed out of the House with a 90-3 vote, but the bill received only Argue's vote in the committee while others sat silent. Afterward, Johnson said he didn't know whether he'd change the bill or bring it back to the committee. However, members not voting like Sen. Bob Johnson said some regulations could be put in place this session to require the lenders to provide better consumer education.

"It's a niche business. It's not for every person in Arkansas, but there are people out there that, quite frankly, not only desire the ability to access money in this way, but it's their only option," said Johnson, D-Bigelow. "That's the hard thing to do, to strike the right balance between what goes too far and what doesn't go far enough."

The Senate Committee on Agriculture, Forestry and Economic Development endorsed House Speaker Benny Petrus' \$20 million a year in incentives to develop and promote alternative fuels. It would provide \$16 million annually to companies for developing the fuels, while the remaining \$4 million would be split evenly between research and a weatherization program.

"I think it's a step in the right direction," Petrus said after the vote. "It shows Arkansas is serious about doing this."

The committee balked on another alternative fuel bill by Sen. Robert Thompson, D-Paragould, which would mandate all diesel fuel sold in the state after July 1, 2008, be at least 2 percent biofuel. The next year, the mandate would rise to 5 percent.

The committee declined to take the bill to a full vote.

## Advertisers

## Search the Web



- Web Directory
- Yellow Pages
- White Pages
- Meet Someone
- My Page
- City Guide
- Lottery Results
- Weather
- Movie Listings
- Maps/Directions
- Horoscope
- Greeting Cards



## State News

**Beebe says air quality reason for auto plant snubbing Ark.**

**Ark. bill would require voters to show photo ID**

**Woman ordered held in death of Madison man**

**Payday lending bill receives silent Senate reception**

**Beebe asks for \$1.5 million in federal storm aid**

- More State News

## Market Watch



In the House, a panel endorsed stiffening the penalties for some obscenity offenses. The House Judiciary Committee advanced a proposal by Rep. Shirley Walters, R-Greenwood, to allow judges and juries to fine anyone convicted of felony obscenity up to \$250,000 if the person convicted in turn received income or anything of value.

The House Public Health, Welfare and Labor Committee advanced a proposal to exempt some workers from minimum wage and overtime.

The proposal by Rep. Pam Adcock, D-Little Rock, would exempt employees of newspapers with circulation less than 4,000, babysitters, employees who provide companionship services for the elderly in the home and workers who make wreaths at home from the overtime and minimum wage rules.

Denise Oxley, counsel for the state Department of Labor, said state rules and regulation already mirror federal laws exempting those workers from minimum wage and overtime rules. A bill passed last year raising the state's minimum wage did not specifically include that exemption.

The House Education Committee endorsed legislation allowing a school district to drop a course if all the students enrolled in it leave the district \_ even if it is one of the 38 units required by the state. The proposal passed the Senate last week.

A service of the Associated Press(AP)

**Print this story | Email this story**

[home](#) :: [news](#) :: [sports](#) :: [opinions](#) :: [classifieds](#) :: [obituaries](#) :: [region](#) :: [archives](#) :: [subscribe](#) :: [email our newsroom](#)

Copyright © 2007 Stephens Media Group