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City Council to take a look at payday-loan restrictions

By Rob O'Dell

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Payday-lending operations may be hit with new restrictions Tuesday by the Tucson City Council.

The council will consider limiting the areas where payday-lending facilities can open up by requiring a quarter-mile of separation between lending sites and 500 feet between the sites and neighborhoods.

Assistant City Manager Karen Masbruch said the ordinance is being considered to ensure there's not clustering of the payday-lending sites in certain areas of the city.

There are more than 60 payday-loan businesses within the city limits. They are largely concentrated on the South and West sides, and groups of them can be found along South Sixth Avenue and Ajo Way, along North Oracle and Grant roads and at East 22nd Street and South Craycroft Road, near the entrance to Davis-Monthan Air Force Base.

Council members have said they want to help protect residents from what some have described as exploitative lending practices that charge clients high interest rates and assess stiff fees and penalties.

The payday-loan industry has not fought the local ordinances, because the restrictions will limit the facilities' competition.

The council has coordinated the restrictions to match ones being implemented in Pima County. South Tucson last year became the first local jurisdiction in Pima County to pass payday-loan restrictions, and now Tucson and Pima County may follow.

The council will also:

- Consider approving final regulations of scrap-metal dealers and secondhand stores to make reporting of transactions more frequent and more detailed to help curb the activities of drug users who steal and then sell items to these businesses to fund their habits.
- Discuss the low-income waiver for the city's garbage fee.
- Contact reporter Rob O'Dell at 573-4240 or rodell@azstarnet.com.

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