

Senate Engrossed

undocumented aliens; financial services

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SENATE BILL 1421

AN ACT

AMENDING TITLE 6, CHAPTER 1, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 6-118; AMENDING TITLE 44, CHAPTER 9, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 44-1209; AMENDING SECTION 44-1362, ARIZONA REVISED STATUTES; AMENDING TITLE 44, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 42; RELATING TO FINANCIAL SERVICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 6, chapter 1, article 2, Arizona Revised Statutes,
3 is amended by adding section 6-118, to read:

4 6-118. Prohibited forms of identification

5 A FINANCIAL INSTITUTION DOING BUSINESS IN THIS STATE MAY NOT ACCEPT
6 ANY OF THE FOLLOWING AS A FORM OF IDENTIFICATION FOR THE PURPOSES OF
7 OPENING A DEPOSIT ACCOUNT, LOAN ACCOUNT OR SAFE DEPOSIT BOX OR RECEIVING
8 ANY OTHER SERVICES FROM THAT FINANCIAL INSTITUTION:

9 1. A LICENSE OR IDENTIFICATION CARD ISSUED EXCLUSIVELY TO AN
10 UNAUTHORIZED ALIEN OR UNDOCUMENTED IMMIGRANT.

11 2. A LICENSE OR IDENTIFICATION CARD THAT IS SUBSTANTIALLY THE SAME
12 AS A LICENSE OR IDENTIFICATION CARD ISSUED TO A UNITED STATES CITIZEN OR
13 RESIDENT OR AN INDIVIDUAL WHO IS LAWFULLY PRESENT IN THE UNITED STATES BUT
14 THAT HAS MARKINGS INDICATING THAT THE LICENSE OR IDENTIFICATION CARD
15 HOLDER DID NOT PRESENT PROOF OF THE HOLDER'S LAWFUL PRESENCE IN THE UNITED
16 STATES.

17 Sec. 2. Title 44, chapter 9, article 1, Arizona Revised Statutes,
18 is amended by adding section 44-1209, to read:

19 44-1209. Loans; forms of identification

20 IT IS UNLAWFUL FOR A LOAN TO BE MADE TO AN INDIVIDUAL IN THIS STATE
21 IF THE APPLICATION FOR THE LOAN ALLOWS THE USE OF AN INDIVIDUAL TAXPAYER
22 IDENTIFICATION NUMBER ISSUED BY THE INTERNAL REVENUE SERVICE AS A METHOD
23 OF IDENTIFYING THE LOAN RECIPIENT. AFTER EXECUTION OF AN OTHERWISE LAWFUL
24 AND BINDING LOAN AGREEMENT, A LENDER MAY LAWFULLY REQUEST THE BORROWER'S
25 INDIVIDUAL TAXPAYER IDENTIFICATION NUMBER IF THE BORROWER IS NOT ELIGIBLE
26 TO RECEIVE A SOCIAL SECURITY NUMBER UNDER FEDERAL LAW.

27 Sec. 3. Section 44-1362, Arizona Revised Statutes, is amended to
28 read:

29 44-1362. Check cashing; receipts; notices; government payment
30 instruments; enforcement

31 A. A check casher may charge a fee for cashing a payment
32 instrument, and the check casher shall give a receipt to the customer for
33 each transaction.

34 B. A check casher shall display in a conspicuous location in the
35 check casher's principal place of business and each branch office a
36 complete and legible notice that is in English and Spanish and that
37 includes both of the following:

38 1. A schedule of all fees for both of the following:

- 39 (a) Cashing each type of payment instrument.
40 (b) Issuing an identification card.

41 2. A list of any identification that is acceptable in lieu of the
42 identification card provided by the check casher.

43 C. A check casher shall not charge a fee that is more than three
44 ~~per cent~~ PERCENT of the face amount of the payment instrument or ~~five~~
45 ~~dollars~~ \$5, whichever is more, for cashing any payment instrument issued

1 by an agency of the United States or of this state or any political
2 subdivision of the United States or of this state.

3 D. A check casher WHO IS operating within the office of a labor
4 pool, or the owner or operator of a labor pool, shall not charge a day
5 laborer for cashing a check that is issued by the labor pool.

6 E. A CHECK CASHER MAY NOT ACCEPT THE FOLLOWING AS A FORM OF
7 IDENTIFICATION:

8 1. A LICENSE OR IDENTIFICATION CARD ISSUED EXCLUSIVELY TO AN
9 UNAUTHORIZED ALIEN OR UNDOCUMENTED IMMIGRANT.

10 2. A LICENSE OR IDENTIFICATION CARD THAT IS SUBSTANTIALLY THE SAME
11 AS A LICENSE OR IDENTIFICATION CARD ISSUED TO A UNITED STATES CITIZEN OR
12 RESIDENT OR AN INDIVIDUAL WHO IS LAWFULLY PRESENT IN THE UNITED STATES BUT
13 THAT HAS MARKINGS INDICATING THAT THE LICENSE OR IDENTIFICATION CARD
14 HOLDER DID NOT PRESENT PROOF OF THE HOLDER'S LAWFUL PRESENCE IN THE UNITED
15 STATES.

16 ~~E.~~ F. Any act or practice in violation of this article is an
17 unlawful act or practice under section 44-1522. The attorney general may
18 investigate and take appropriate action as prescribed in chapter 10,
19 article 7 of this title.

20 Sec. 4. Title 44, Arizona Revised Statutes, is amended by adding
21 chapter 42, to read:

22 CHAPTER 42

23 FOREIGN REMITTANCES OF MONIES
24 ARTICLE 1. GENERAL PROVISIONS

25 44-8041. Definitions

26 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

27 1. "DEPARTMENT" MEANS THE DEPARTMENT OF INSURANCE AND FINANCIAL
28 INSTITUTIONS.

29 2. "FOREIGN REMITTANCE TRANSFER" MEANS A REMITTANCE TRANSFER AS
30 DEFINED IN THE ELECTRONIC FUND TRANSFER ACT (P.L. 90-321; 92 STAT. 3728;
31 15 UNITED STATES CODE SECTION 1693o-1) TO A RECIPIENT THAT IS LOCATED IN A
32 COUNTRY OTHER THAN THE UNITED STATES.

33 3. "UNAUTHORIZED ALIEN" MEANS A PERSON WHO IS UNLAWFULLY PRESENT IN
34 THE UNITED STATES AS PRESCRIBED IN THE IMMIGRATION AND NATIONALITY ACT (66
35 STAT. 163; 8 UNITED STATES CODE SECTION 1101).

36 44-8042. Foreign remittance transfers; prohibition; rules

37 A. A BUSINESS ENTITY THAT IS AUTHORIZED TO CONDUCT FOREIGN
38 REMITTANCE TRANSFERS FROM WITHIN THIS STATE TO ANY COUNTRY OUTSIDE OF THE
39 UNITED STATES ON BEHALF OF AN INDIVIDUAL:

40 1. MAY NOT TRANSFER THE MONIES UNLESS THE INDIVIDUAL PROVIDES
41 DOCUMENTARY PROOF THAT THE INDIVIDUAL IS NOT AN UNAUTHORIZED ALIEN.

42 2. EACH MONTH SHALL PROVIDE TO THE DEPARTMENT CONFIRMATION OF THE
43 INDIVIDUALS WHO PROVIDED THE DOCUMENTARY PROOF REQUIRED BY PARAGRAPH 1 OF
44 THIS SUBSECTION.

1 B. THE DEPARTMENT SHALL ADOPT RULES TO ADMINISTER THIS SECTION,
2 INCLUDING WHICH FORMS OF DOCUMENTATION ARE ACCEPTABLE TO VERIFY AN
3 INDIVIDUAL IS NOT AN UNAUTHORIZED ALIEN.

4 44-8043. Enforcement; compliance audits

5 A. THE DEPARTMENT MAY AT ANY TIME REQUEST A BUSINESS ENTITY TO
6 PROVIDE RECORDS OF DOCUMENTATION THAT WERE USED TO VERIFY THAT THE
7 INDIVIDUAL WHO REQUESTED THE FOREIGN REMITTANCE TRANSFER WAS NOT AN
8 UNAUTHORIZED ALIEN.

9 B. ANY PERSON WHO IN GOOD FAITH BELIEVES THAT A BUSINESS ENTITY IS
10 VIOLATING THIS CHAPTER MAY FILE A COMPLAINT WITH THE DEPARTMENT. ON
11 RECEIPT OF A VALID COMPLAINT THAT IS SUBSTANTIATED BY EVIDENCE, THE
12 DEPARTMENT SHALL NOTIFY THE BUSINESS ENTITY OF THE COMPLAINT AND THE
13 SUBSTANTIATED EVIDENCE, AND THE BUSINESS ENTITY SHALL PAY THE CIVIL
14 PENALTY PURSUANT TO SECTION 44-8044.

15 C. BEGINNING JULY 1, 2027, THE DEPARTMENT SHALL CONDUCT QUARTERLY
16 AUDITS OF BUSINESS ENTITIES AT RANDOM TO ENSURE COMPLIANCE WITH THIS
17 CHAPTER.

18 44-8044. Violation; civil penalty

19 THE DEPARTMENT SHALL IMPOSE A CIVIL PENALTY IN AN AMOUNT EQUAL TO
20 TWENTY-FIVE PERCENT OF THE DOLLAR AMOUNT OF THE FOREIGN REMITTANCE
21 TRANSFER, EXCLUDING ANY FEES OR CHARGES IMPOSED BY THE BUSINESS ENTITY,
22 AGAINST A BUSINESS ENTITY THAT VIOLATES THIS CHAPTER.