

1 State of Arkansas *As Engrossed: H3/4/25 H3/6/25*

2 95th General Assembly

A Bill

3 Regular Session, 2025

HOUSE BILL 1517

4

5 By: Representative Ray

6 By: Senator Gilmore

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8

For An Act To Be Entitled

9 AN ACT TO ESTABLISH THE EARNED WAGE ACCESS SERVICES
10 ACT; AND FOR OTHER PURPOSES.

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12

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Subtitle

14

TO ESTABLISH THE EARNED WAGE ACCESS

15

SERVICES ACT.

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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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19 SECTION 1. Arkansas Code Title 23, is amended to add an additional
20 chapter to read as follows:

21

22

CHAPTER 52

23

CONSUMER PROTECTION

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Subchapter 1 – General Provisions

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[Reserved.]

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Subchapter 2 – Earned Wage Access Services Act

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23-52-201. Title.

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This subchapter shall be known and may be cited as the "Earned Wage Access
32 Services Act".

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23-52-202. Definitions.

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As used in this subchapter:

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(1) "Consumer" means a natural person residing in this state;



1 (2) "Consumer-directed earned wage access services" means the
2 business of delivering to a consumer access to earned but unpaid income based
3 on the consumer's representation and the provider's reasonable determination
4 of the consumer's earned but unpaid income;

5 (3)(A) "Earned but unpaid income" means salary, wages,
6 compensation, or other income that a consumer or an employer has represented,
7 and that a provider has reasonably determined, has been earned or has accrued
8 to the benefit of the consumer in exchange for the consumer's provision of
9 services to an employer or on behalf of an employer.

10 (B) "Earned but unpaid income" includes:

11 (i) Services provided on an hourly, project-based,
12 piecework, or other basis; and

13 (ii) If the consumer is acting as an independent
14 contractor of the employer, income that has not at the time of the payment of
15 proceeds been paid to the consumer by the employer;

16 (4) "Earned wage access services" means consumer-directed earned
17 wage access services, employer-integrated earned wage access services, or
18 both;

19 (5)(A) "Employer" means a person who employs a consumer or any
20 other person who is contractually obligated to pay a consumer earned but
21 unpaid income in exchange for a consumer's provision of services to the
22 person or on behalf of the person, including on an hourly, project-based,
23 piecework, or other basis, and including when the consumer acts as an
24 independent contractor with respect to the person.

25 (B) "Employer" does not include a customer of an employer
26 or any other person whose obligation to make a payment of salary, wages,
27 compensation, or other income to a consumer is not based on the provision of
28 services by the consumer for or on behalf of the person;

29 (6) "Employer-integrated earned wage access services" means the
30 business of delivering to a consumer access to earned but unpaid income that
31 is based on employment, income, and attendance data obtained directly or
32 indirectly from an employer, including without limitation an employer's
33 payroll service provider;

34 (7)(A) "Fee" means a charge imposed by a provider for delivery
35 or expedited delivery of proceeds to a consumer, a subscription or membership
36 charge imposed by a provider for a bona fide group of services that include

1 earned wage access services, or an amount paid by an employer to a provider
2 on a consumer's behalf that entitles the consumer to receive proceeds at
3 reduced or no cost to the consumer.

4 (B) "Fee" does not mean a voluntary tip, gratuity, or
5 donation;

6 (8) "Outstanding proceeds" means a payment of proceeds to a
7 consumer by a provider that has not yet been repaid to that provider;

8 (9) "Proceeds" means a payment of funds to a consumer by a
9 provider that is based on earned but unpaid income; and

10 (10)(A) "Provider" means a person that is engaged in the
11 business of offering and providing earned wage access services to a consumer.

12 (B) "Provider" does not include:

13 (i) A service provider, including a payroll service
14 provider, whose role may include verifying the available earnings but who is
15 not contractually obligated to fund proceeds delivered as part of an earned
16 wage access service;

17 (ii) An employer that offers a portion of salary,
18 wages, or compensation directly to an employee or an independent contractor
19 before the normally scheduled pay date; or

20 (iii) An entity that offers or provides earned wage access
21 services and reports a consumer's payment or nonpayment of outstanding
22 proceeds or fees, voluntary tips, gratuities, or other donations in
23 connection with the earned wage access services to a consumer reporting
24 agency, as defined in the Fair Credit Reporting Act, 15 U.S.C. § 1681 et
25 seq., as it existed on January 1, 2025.

26
27 23-52-203. Provider earned wage access services – Prohibited practices.

28 (a) A provider may use the mailing address provided by a consumer to
29 determine the consumer's state of residence for purposes of this subchapter.

30 (b) A provider shall not be deemed to be engaging in lending, money
31 transmission, or debt collection in this state, or in violation of the laws
32 of this state governing the sale of, assignment of, or an order for earned
33 but unpaid income, if the provider:

34 (1) Complies with the requirements of this section;

35 (2) Develops and implements policies and procedures to respond
36 to questions raised by a consumer;

1 (3) Addresses a complaint from a consumer in an expedient
2 manner;

3 (4) Offers to a consumer at least one (1) reasonable option to
4 obtain proceeds at no cost to the consumer and clearly explains how to elect
5 the no-cost option under this subdivision (b)(4) whenever it offers a
6 consumer the option to receive proceeds for a fee;

7 (5) Before entering into an agreement with a consumer for the
8 provision of earned wage access services:

9 (A) Informs the consumer of the consumer's rights under
10 the agreement; and

11 (B) Fully and clearly discloses all fees associated with
12 the earned wage access services;

13 (6) Informs a consumer of a material change to the terms and
14 conditions of the earned wage access services before implementing the changes
15 for the consumer;

16 (7) Allows a consumer to cancel use of the provider's earned
17 wage access services at any time without incurring a cancellation fee imposed
18 by the provider;

19 (8) Complies with all applicable local, state, and federal
20 privacy and information security laws; and

21 (9) Provides proceeds to a consumer by any means mutually agreed
22 upon by the consumer and the provider.

23 (c) If a provider solicits, charges, or receives a tip, gratuity, or
24 other donation from a consumer, the provider shall clearly and conspicuously
25 disclose:

26 (1) To the consumer immediately before each transaction that a
27 tip, gratuity, or other donation amount may be zero and is voluntary; and

28 (2) In its service contract with the consumer and elsewhere that
29 tips, gratuities, or donations are voluntary and that the offering of earned
30 wage access services, including the amount of proceeds a consumer is eligible
31 to request and the frequency with which proceeds are provided to a consumer,
32 is not contingent on whether the consumer pays a tip, gratuity, or other
33 donation or on the size of the tip, gratuity, or other donation.

34 (d) If a provider seeks repayment of outstanding proceeds or payment
35 of fees or other amounts owed, including voluntary tips, gratuities, or other
36 donations, in connection with the activities covered by this subchapter, from

1 a consumer's account at a depository institution, including by means of
2 electronic fund transfer, the provider shall:

3 (1) Comply with applicable provisions of the Electronic Fund
4 Transfer Act, 15 U.S.C. 1693 et seq., as it existed on January 1, 2025, and
5 regulations adopted under the the Electronic Fund Transfer Act, 15 U.S.C.
6 1693 et seq., as it existed on January 1, 2025; and

7 (2)(A) Reimburse the consumer for the full amount of any
8 overdraft or nonsufficient funds fees imposed on a consumer by the consumer's
9 depository institution that were caused by the provider's attempting to seek
10 payment of any outstanding proceeds, fees, or other payments, in connection
11 with the activities covered by this subchapter, including voluntary tips,
12 gratuities, or other donations, on a date before, or in an incorrect amount
13 from, the date or amount disclosed to the consumer.

14 (B) The provider is not subject to the requirements under
15 subdivision (d)(2)(A) of this section with respect to payments of outstanding
16 proceeds or fees incurred by a consumer through fraudulent or other unlawful
17 means.

18 (e) A provider shall not:

19 (1) Share with an employer a portion of any fees, voluntary
20 tips, gratuities, or other donations that were received from or charged to a
21 consumer for earned wage access services;

22 (2) Require a consumer's credit report or a credit score
23 provided or issued by a consumer reporting agency to determine a consumer's
24 eligibility for earned wage access services;

25 (3) Accept payment of outstanding proceeds, fees, voluntary
26 tips, gratuities, or other donations from a consumer by means of a credit
27 card or charge card;

28 (4) Charge a consumer a late fee, deferral fee, interest, or any
29 other penalty or charge for failure to pay outstanding proceeds, fees,
30 voluntary tips, gratuities, or other donations;

31 (5) Compel or attempt to compel payment by a consumer of
32 outstanding proceeds, fees, voluntary tips, gratuities, or other donations to
33 the provider by:

34 (A) A suit against the consumer in a court of competent
35 jurisdiction;

36 (B) Use of a third party to pursue collection from the

1 consumer on the provider's behalf; or

2 (C) Sale of outstanding proceeds, fees, voluntary tips,
3 gratuities, or other donations to a third-party collector or debt buyer for
4 collection from a consumer;

5 (6) Mislead or deceive a consumer about the voluntary nature of
6 the tips, gratuities, or donations or represent that the tip, gratuity, or
7 other donation will benefit a specific individual or group of individuals if
8 the provider solicits, charges, or receives tips, gratuities, or other
9 donations from a consumer; and

10 (7) Advertise, print, display, publish, distribute, or broadcast
11 or cause to be advertised, printed, displayed, published, distributed, or
12 broadcast, in any manner, any statement or representation with regard to the
13 earned wage access services offered by the provider that:

14 (A) Is false, misleading, or deceptive; or

15 (B) Omits material information that is necessary to make
16 the statement or representation not false, misleading, or deceptive.

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18 23-52-204. Applicability.

19 This subchapter does not apply to a corporation organized under the
20 general banking laws, savings and loan laws, or credit union laws of this
21 state, any other state, or the United States Government.

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23 /s/Ray

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26 **APPROVED: 3/20/25**