

Senate Engrossed

~~banks; discrimination prohibition; social criteria~~  
(now: business; discrimination prohibition; social criteria)

State of Arizona  
Senate  
Fifty-sixth Legislature  
First Regular Session  
2023

# SENATE BILL 1138

AN ACT

AMENDING TITLE 6, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 6-194; AMENDING TITLE 20, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-111; AMENDING TITLE 44, CHAPTER 11, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 44-1698.03; RELATING TO BUSINESS PRACTICES.

(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 2, article 1, Arizona Revised Statutes,  
3 is amended by adding section 6-194, to read:

4 6-194. Certain affiliations; discrimination prohibited;  
5 statewide concern

6 A. A FINANCIAL INSTITUTION DOING BUSINESS IN THIS STATE, EITHER  
7 DIRECTLY OR THROUGH A CONTRACTOR, MAY NOT DISCRIMINATE AGAINST ANY PERSON  
8 BASED ON EITHER:

9 1. A POLITICAL AFFILIATION.

10 2. OTHER SOCIAL CREDIT, ENVIRONMENTAL, SOCIAL, GOVERNANCE OR  
11 SIMILAR VALUES-BASED OR IMPACT CRITERIA.

12 B. NOTWITHSTANDING ANY OTHER LAW, A FINANCIAL INSTITUTION MAY OFFER  
13 INVESTMENTS, PRODUCTS OR SERVICES TO A POTENTIAL CUSTOMER OR INVESTOR THAT  
14 INCLUDE SUBJECTIVE STANDARDS IF THE STANDARDS ARE FULLY DISCLOSED AND  
15 EXPLAINED TO THE POTENTIAL CUSTOMER OR INVESTOR BEFORE ENTERING INTO A  
16 CONTRACT FOR THE INVESTMENTS, PRODUCTS OR SERVICES.

17 C. THIS SECTION DOES NOT INTERFERE WITH A FINANCIAL INSTITUTION'S  
18 ABILITY TO DISCONTINUE OR REFUSE TO CONDUCT BUSINESS WITH A PERSON WHEN  
19 THE ACTION IS NECESSARY FOR THE PHYSICAL SAFETY OF THE FINANCIAL  
20 INSTITUTION'S EMPLOYEES.

21 D. THE LEGISLATURE DECLARES THAT THE PRACTICE OF DISCRIMINATION  
22 AGAINST PERSONS OR ENTITIES IN THIS STATE BY USING THEIR SOCIAL CREDIT OR  
23 ENVIRONMENTAL, SOCIAL JUSTICE AND GOVERNMENTAL SCORE IS A MATTER OF  
24 STATEWIDE CONCERN, THAT DISCRIMINATION BASED ON SUCH SCORES NOT ONLY  
25 THREATENS THE RIGHTS AND PROPER PRIVILEGES OF THIS STATE'S INHABITANTS BUT  
26 MENACES THE INSTITUTIONS AND FOUNDATION OF A FREE DEMOCRATIC STATE AND  
27 THREATENS THE PEACE, ORDER, HEALTH, SAFETY AND GENERAL WELFARE OF THIS  
28 STATE AND ITS INHABITANTS.

29 Sec. 2. Title 20, chapter 1, article 1, Arizona Revised Statutes,  
30 is amended by adding section 20-111, to read:

31 20-111. Certain affilations; discrimination prohibited;  
32 statewide concern

33 A. AN INSURER DOING BUSINESS IN THIS STATE, EITHER DIRECTLY OR  
34 THROUGH A CONTRACTOR, MAY NOT DISCRIMINATE AGAINST ANY PERSON BASED ON  
35 EITHER:

36 1. A POLITICAL AFFILIATION.

37 2. OTHER SOCIAL CREDIT, ENVIRONMENTAL, SOCIAL, GOVERNANCE OR  
38 SIMILAR VALUES-BASED OR IMPACT CRITERIA.

39 B. THIS SECTION DOES NOT INTERFERE WITH AN INSURER'S ABILITY TO  
40 DISCONTINUE OR REFUSE TO CONDUCT BUSINESS WITH A PERSON WHEN THAT ACTION  
41 IS NECESSARY FOR THE PHYSICAL SAFETY OF THE INSURER'S EMPLOYEES.

42 C. THE LEGISLATURE DECLARES THAT THE PRACTICE OF DISCRIMINATION  
43 AGAINST PERSONS OR ENTITIES IN THIS STATE BY USING THEIR SOCIAL CREDIT OR  
44 ENVIRONMENTAL, SOCIAL JUSTICE AND GOVERNMENTAL SCORE IS A MATTER OF  
45 STATEWIDE CONCERN, THAT DISCRIMINATION BASED ON SUCH SCORES NOT ONLY

1 THREATENS THE RIGHTS AND PROPER PRIVILEGES OF THIS STATE'S INHABITANTS BUT  
2 MENACES THE INSTITUTIONS AND FOUNDATION OF A FREE DEMOCRATIC STATE AND  
3 THREATENS THE PEACE, ORDER, HEALTH, SAFETY AND GENERAL WELFARE OF THIS  
4 STATE AND ITS INHABITANTS.

5 Sec. 3. Title 44, chapter 11, article 6, Arizona Revised Statutes,  
6 is amended by adding section 44-1698.03, to read:

7 44-1698.03. Certain affiliations; discrimination prohibited;  
8 statewide concern

9 A. A CREDIT REPORTING AGENCY DOING BUSINESS IN THIS STATE, EITHER  
10 DIRECTLY OR THROUGH A CONTRACTOR, MAY NOT DISCRIMINATE AGAINST ANY PERSON  
11 BASED ON EITHER:

12 1. A POLITICAL AFFILIATION.

13 2. OTHER SOCIAL CREDIT, ENVIRONMENTAL, SOCIAL, GOVERNANCE OR  
14 SIMILAR VALUES-BASED OR IMPACT CRITERIA.

15 B. THIS SECTION DOES NOT INTERFERE WITH A CREDIT REPORTING AGENCY'S  
16 ABILITY TO DISCONTINUE OR REFUSE TO CONDUCT BUSINESS WITH A PERSON WHEN  
17 THAT ACTION IS NECESSARY FOR THE PHYSICAL SAFETY OF THE CREDIT REPORTING  
18 AGENCY'S EMPLOYEES.

19 C. THE LEGISLATURE DECLARES THAT THE PRACTICE OF DISCRIMINATION  
20 AGAINST PERSONS OR ENTITIES IN THIS STATE BY USING THEIR SOCIAL CREDIT OR  
21 ENVIRONMENTAL, SOCIAL JUSTICE AND GOVERNMENTAL SCORE IS A MATTER OF  
22 STATEWIDE CONCERN, THAT DISCRIMINATION BASED ON SUCH SCORES NOT ONLY  
23 THREATENS THE RIGHTS AND PROPER PRIVILEGES OF THIS STATE'S INHABITANTS BUT  
24 MENACES THE INSTITUTIONS AND FOUNDATION OF A FREE DEMOCRATIC STATE AND  
25 THREATENS THE PEACE, ORDER, HEALTH, SAFETY AND GENERAL WELFARE OF THIS  
26 STATE AND ITS INHABITANTS.