

REFERENCE TITLE: social credit; discrimination; financial services

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SB 1167

Introduced by
Senator Kavanagh

AN ACT

AMENDING TITLE 6, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 6-194; RELATING TO FINANCIAL INSTITUTIONS.

(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. Financial institutions; social credit score;
5 discrimination; enforcement; attorney general; civil
6 penalty; remedies; definitions

7 A. A FINANCIAL INSTITUTION MAY NOT:

8 1. DISCRIMINATE IN PROVIDING FINANCIAL SERVICES TO A PERSON.

9 2. AGREE, CONSPIRE OR COORDINATE, DIRECTLY OR INDIRECTLY, THROUGH
10 AN INTERMEDIARY, A THIRD PARTY, ANOTHER PERSON OR A GROUP OF PERSONS TO
11 ENGAGE IN ANY ACTIVITY THAT IS PROHIBITED BY THIS SECTION.

12 B. IF A FINANCIAL INSTITUTION REFUSES TO PROVIDE, RESTRICTS OR
13 TERMINATES SERVICE WITH A CUSTOMER, THAT CUSTOMER MAY SUBMIT A REQUEST
14 WITHIN NINETY DAYS THAT THE FINANCIAL INSTITUTION PROVIDE A WRITTEN
15 STATEMENT OF THE SPECIFIC REASONS THE FINANCIAL INSTITUTION REFUSED TO
16 PROVIDE, RESTRICTED OR TERMINATED SERVICE WITH THE CUSTOMER. THE CUSTOMER
17 MAY REQUEST THE STATEMENT FROM A CUSTOMER SERVICE REPRESENTATIVE OR
18 DESIGNATED ACCOUNT REPRESENTATIVE BY TELEPHONE, UNITED STATES MAIL OR
19 EMAIL. THE FINANCIAL INSTITUTION MUST TRANSMIT THE STATEMENT OF SPECIFIC
20 REASONS THROUGH UNITED STATES MAIL AND EMAIL WITHIN FOURTEEN DAYS AFTER
21 RECEIVING THE CUSTOMER'S REQUEST. THE STATEMENT OF SPECIFIC REASONS SHALL
22 INCLUDE ALL OF THE FOLLOWING:

23 1. A DETAILED EXPLANATION OF THE BASIS FOR THE DENIAL OR
24 TERMINATION OF SERVICE THAT INCLUDES A DESCRIPTION OF ANY OF THE
25 CUSTOMER'S:

26 (a) SPEECH.

27 (b) RELIGIOUS EXERCISE.

28 (c) BUSINESS ACTIVITY WITH A PARTICULAR INDUSTRY.

29 (d) ANY OTHER CONDUCT THAT WAS THE BASIS OF THE DENIAL OR
30 TERMINATION OF SERVICE.

31 2. A COPY OF THE TERMS OF SERVICE AGREED TO BY THE CUSTOMER AND THE
32 FINANCIAL INSTITUTION.

33 3. A CITATION TO THE SPECIFIC PROVISIONS OF THE TERMS OF SERVICE
34 THAT THE FINANCIAL INSTITUTION RELIED ON IN THE FINANCIAL INSTITUTION'S
35 DECISION TO REFUSE TO PROVIDE, RESTRICT OR TERMINATE SERVICE.

36 C. IF THE ATTORNEY GENERAL HAS REASONABLE CAUSE TO BELIEVE THAT A
37 FINANCIAL INSTITUTION HAS ENGAGED IN, IS ENGAGING IN OR IS ABOUT TO ENGAGE
38 IN ANY VIOLATION OF THIS SECTION, THE ATTORNEY GENERAL MAY INVESTIGATE AS
39 THE ATTORNEY GENERAL DEEMS APPROPRIATE. IF, AFTER THE INVESTIGATION, THE
40 ATTORNEY GENERAL DETERMINES THAT THIS SECTION HAS BEEN VIOLATED, THE
41 ATTORNEY GENERAL MAY BRING AN ACTION IN A COURT OF COMPETENT JURISDICTION.

42 D. ANY PERSON HARMED BY A VIOLATION OF THIS SECTION MAY INITIATE A
43 CIVIL ACTION FOR EITHER OR BOTH OF THE FOLLOWING:

44 1. TO RECOVER ACTUAL DAMAGES OR \$10,000, WHICHEVER IS GREATER, FOR
45 EACH VIOLATION. IF THE TRIER OF FACT FINDS THAT THE VIOLATION WAS WILFUL,

1 THE TRIER OF FACT MAY INCREASE THE DAMAGES TO AN AMOUNT OF UP TO THREE
2 TIMES THE ACTUAL DAMAGES SUSTAINED OR \$30,000, WHICHEVER IS GREATER. A
3 COURT SHALL AWARD A PREVAILING PLAINTIFF REASONABLE ATTORNEY FEES AND
4 COURT COSTS.

5 2. TO OBTAIN PROVISIONAL REMEDIES THAT INCLUDE A TEMPORARY OR
6 PERMANENT INJUNCTION, A RESTRAINING ORDER OR ANY OTHER NECESSARY REMEDY TO
7 ENFORCE THIS SECTION.

8 E. FOR THE PURPOSES OF THIS SECTION:

9 1. "DISCRIMINATE IN PROVIDING FINANCIAL SERVICES" MEANS USING A
10 SOCIAL CREDIT SCORE TO EITHER DIRECTLY OR INDIRECTLY DECLINE TO PROVIDE
11 FULL AND EQUAL ENJOYMENT IN THE PROVISION OF FINANCIAL SERVICES, INCLUDING
12 REFUSING TO PROVIDE, TERMINATING OR RESTRICTING FINANCIAL SERVICES.

13 2. "FINANCIAL INSTITUTION":

14 (a) MEANS ANY OF THE FOLLOWING:

15 (i) A BANK THAT HAS TOTAL ASSETS OVER \$100,000,000,000.

16 (ii) A PAYMENT PROCESSOR, CREDIT CARD COMPANY, CREDIT CARD NETWORK,
17 PAYMENT NETWORK, PAYMENT SERVICE PROVIDER OR PAYMENT GATEWAY THAT HAS
18 PROCESSED MORE THAN \$100,000,000,000 IN TRANSACTIONS IN THE LAST CALENDAR
19 YEAR.

20 (b) INCLUDES ANY AFFILIATE OR SUBSIDIARY COMPANY OF THE FINANCIAL
21 INSTITUTIONS PURSUANT TO SUBDIVISION (a) OF THIS PARAGRAPH, EVEN IF THAT
22 COMPANY IS ALSO A FINANCIAL INSTITUTION.

23 3. "FINANCIAL SERVICE" MEANS ANY FINANCIAL PRODUCT OR SERVICE
24 OFFERED BY A FINANCIAL INSTITUTION.

25 4. "PERSON" MEANS ANY OF THE FOLLOWING:

26 (a) AN INDIVIDUAL.

27 (b) A PARTNERSHIP.

28 (c) AN ASSOCIATION.

29 (d) A JOINT STOCK COMPANY.

30 (e) A TRUST.

31 (f) A CORPORATION.

32 (g) A NONPROFIT ORGANIZATION.

33 (h) ANY OTHER BUSINESS OR LEGAL ENTITY.

34 5. "SOCIAL CREDIT SCORE":

35 (a) MEANS ANY ANALYSIS, RATING, SCORING, LIST OR TABULATION THAT
36 EVALUATES ANY OF THE FOLLOWING:

37 (i) A PERSON'S EXERCISE OF RELIGION THAT INCLUDES ANY RELIGIOUS
38 PRACTICE, OBSERVANCE, BELIEF OR AFFILIATION.

39 (ii) A PERSON'S SPEECH, EXPRESSION OR ASSOCIATION, INCLUDING THE
40 PERSON'S OPINIONS, OTHER EXPRESSIVE ACTIVITIES, LAWFUL PRESERVATION OF
41 PRIVACY REGARDING THOSE ACTIVITIES AND REFUSAL TO DISCLOSE LOBBYING,
42 POLITICAL ACTIVITY OR CONTRIBUTIONS EXCEPT AS PROVIDED BY LAW.

43 (iii) A PERSON'S FAILURE OR REFUSAL TO ADOPT, COMPLY WITH OR
44 DISCLOSE INFORMATION RELATED TO GREENHOUSE GAS EMISSIONS EXCEPT AS
45 PROVIDED BY LAW.

1 (iv) A PERSON'S FAILURE OR REFUSAL TO CONDUCT ANY TYPE OF RACIAL,
2 DIVERSITY OR GENDER AUDIT OR DISCLOSURE OR TO PROVIDE A QUOTA, PREFERENCE
3 OR BENEFIT BASED, IN WHOLE OR IN PART, ON RACE, DIVERSITY OR GENDER.

4 (v) A PERSON'S FAILURE OR REFUSAL TO FACILITATE OR ASSIST EMPLOYEES
5 IN OBTAINING ABORTIONS OR GENDER REASSIGNMENT SERVICES.

6 (vi) EXCEPT AS PROVIDED IN SUBDIVISION (b) OF THIS PARAGRAPH, A
7 PERSON'S PARTICIPATION IN ANY LAWFUL BUSINESS ASSOCIATION OR BUSINESS
8 ACTIVITY THAT INCLUDES FIREARMS AND AMMUNITION MANUFACTURERS OR DEALERS,
9 AN OIL OR GAS COMPANY OR ANY OTHER LAWFUL BUSINESS-RELATED CATEGORY.

10 (b) DOES NOT INCLUDE THE FINANCIAL INSTITUTION'S EVALUATION OF ANY
11 QUANTIFIABLE FINANCIAL RISKS OF A PERSON BASED ON IMPARTIAL, FINANCIAL
12 RISK-BASED STANDARDS THAT INCLUDE ACTIVITIES DESCRIBED IN THIS SUBSECTION,
13 IF THE STANDARDS ARE ESTABLISHED IN ADVANCE BY THE FINANCIAL INSTITUTION
14 AND ARE PUBLICLY DISCLOSED TO CUSTOMERS AND POTENTIAL CUSTOMERS.

15 Sec. 2. Short title

16 This act may be cited as the "Equality in Financial Services Act".