



HOUSE BILL 564: Second Amendment Financial Privacy Act.

2023-2024 General Assembly

Committee:	House Judiciary 1. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	May 1, 2023
Introduced by:	Reps. Pyrtle, Moore, Miller, Goodwin	Prepared by:	Debbie Griffiths*
Analysis of:	Second Edition		Staff Attorney

OVERVIEW: *House Bill 564 would prohibit a payment card network from the following:*

- *Using a firearms code (i.e., merchant code that identifies a merchant as a firearms dealer) in connection with a payment card transaction involving a firearms merchant located in this State.*
- *Maintaining a record of individuals residing in this State who own firearms.*
- *Discriminating against a firearms merchant based solely on the assignment or nonassignment of a firearms code, including by refusing to serve on similar terms or declining a lawful payment card transaction.*

BILL ANALYSIS: House Bill 564 would enact the Second Amendment Financial Privacy Act as Article 51 of Chapter 66 of the General Statutes.

The Act would prohibit three actions by a payment card network for transactions within the State:

- Identifying a transaction with a firearms merchant through a merchant code in connection with a payment card.
- Knowingly maintaining a record of individuals who own firearms.
- Discriminating against a firearms merchant based solely on the assignment or nonassignment of a firearms code, including by refusing to serve on similar terms or declining a lawful payment card transaction.

The prohibitions are enforced in two ways:

- The Attorney General is authorized to investigate violations by payment card networks and assess a civil penalty of not more than \$10,000 for each violation.
- A firearms merchant, a customer, or an individual who was listed as owning a firearm has a right of action against the payment card network for violations of the prohibitions. In the civil action, the court may award any of the following damages: injunction, statutory damages of \$10,000 for each violation, costs, and attorneys' fees.

EFFECTIVE DATE: House Bill 564 would be effective October 1, 2023.

BACKGROUND: The International Organization for Standardization, based in Switzerland, approved a new merchant category code for firearms retailers. The new merchant category code would allow companies involved in payment card processing to identify purchases at firearms retailers.

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