



This Bill Analysis  
reflects the contents  
of the bill as it was  
presented in  
committee.

# HOUSE BILL 38: Second Amendment Financial Privacy Act.

2025-2026 General Assembly

<b>Committee:</b>	House Judiciary 1. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	April 15, 2025
<b>Introduced by:</b>	Reps. Pyrtle, Miller, Goodwin, Chesser	<b>Prepared by:</b>	Robert Ryan
<b>Analysis of:</b>	PCS to First Edition H38-CSCE-8		Committee Co-Counsel

**OVERVIEW:** *The PCS for House Bill 38 would prohibit a payment card network from doing any of the following:*

- Using, in connection with a payment card transaction involving a firearms merchant located in this State, a code that identifies the merchant as a firearms dealer or identifies the purchase as a purchase of a firearm or firearm ammunition.*
- Knowingly 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.*

**BILL ANALYSIS:** The PCS for House Bill 38 would enact the "Second Amendment Financial Privacy Act" as new Article 52 of Chapter 66 (Commerce and Business) of the General Statutes.

The Act would define "payment card network" as an entity that: i) directly or through licensed members, processors, or agents, provides the proprietary services, infrastructure, and software to route information and data for the purpose of conducting electronic payment transaction authorization, clearance, and settlement; and ii) a merchant uses to accept as a form of payment a brand of debit card, credit card, or other device that may be used to carry out electronic payment transactions.

The Act would define "firearms code" as any code or other indicator that identifies to a payment card network whether a person is a firearms merchant or whether a payment involves the purchase of a firearm or firearm ammunition.

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

- Using a code that identifies the merchant as a firearms merchant or identifies the transaction as involving the purchase of a firearm or firearm ammunition.
- Knowingly maintaining a record of State residents 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 would be enforced in two ways:

- The Attorney General would be authorized to investigate alleged violations by payment card networks and to assess a civil penalty of not more than \$5,000 for each violation.

Kara McCraw  
Director



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# House 38 PCS

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- Any of the following could bring a civil action against a violator of Article 52 within three years after a violation is discovered, seeking injunctive relief, an award of statutory damages in the amount of \$10,000 for each violation, and an award of costs and attorneys' fees:
  - A firearms merchant whose payment card transactions are designated with a firearms code.
  - A person whose record of a payment card transaction with a firearms merchant in this State includes a firearms code for that transaction.
  - An individual who was listed as owning a firearm.

**EFFECTIVE DATE:** This act would become effective October 1, 2025.

**BACKGROUND:** The International Organization for Standardization (ISO) is an international nongovernmental group that develops global standards for a variety of industries, including payment card network processors. On September 9, 2022, the ISO approved a new merchant category code for firearms and ammunition retailers. The new code would enable companies involved in payment card processing to identify purchases made at firearms retailers.

*\* LAD Staff Attorneys Greg Roney and Bill Patterson substantially contributed to this summary.*