



SENATE BILL 554: Farmers Protection Act.

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

2025-2026 General Assembly

Committee:	Senate Judiciary. If favorable, re-refer to Rules and Operations of the Senate	Date:	May 6, 2025
Introduced by:	Sens. B. Newton, Barnes	Prepared by:	Robert Ryan
Analysis of:	First Edition		Committee Counsel

OVERVIEW: *Senate Bill 544 would prohibit a State chartered bank, credit union, savings and loan association, or savings bank from denying or canceling its services to an agriculture producer based on environmental, social, and governance (ESG) factors and create a civil penalty of \$10,000 for any violation.*

CURRENT LAW:

There are currently no North Carolina statutes that prohibit a financial institution's denial or cancellation of services to an agriculture producer based on ESG factors.

BILL ANALYSIS:

Section 1 would do all of the following:

- Define "agriculture producer" and "ESG commitment."
- Prohibit State chartered banks from denying or canceling its service to an agriculture producer based, in whole or part, on the agriculture producer's greenhouse gas emissions, use of fossil-fuel derived fertilizer, or use of fossil-fuel powered machinery.
- Provide that if a State chartered bank has made any ESG commitment related to agriculture, there is a rebuttable presumption that the bank's denial of service to an agriculture producer violates the section. A rebuttable presumption may be overcome through clear and convincing evidence that the denial or restriction of service is based on financial considerations rather than ESG commitments.
- Require a State chartered bank to file an annual report with the Commissioner of Banks (Commissioner) stating whether the bank is in compliance with the act.
- Provide that the Commissioner may bring a civil action to seek an injunction or civil penalty. Each violation may result in a \$10,000 civil penalty. The clear proceeds of civil penalties would be remitted to the Civil Penalty and Forfeiture Fund.
- Provide that a violation of the section is an unfair or deceptive trade practice under G.S. 75-1.1 which could lead to the award of treble damages and attorneys' fees.

Section 2 would make the act applicable to a State savings and loan association.

Section 3 would make the act applicable to a State savings bank.

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Senate Bill 554

Page 2

Section 4 would make the act applicable to a credit union and require a credit union to submit an annual report to the Administrator of Credit Unions (Administrator) stating whether the credit union is in compliance with the section, and would authorize the Administrator to bring a civil action to seek an injunction or civil penalty to enforce the act.

EFFECTIVE DATE: This act would be effective when it becomes law, and would apply to acts committed on or after that date.

**Chris Saunders, Staff Attorney with LAD, substantially contributed to this summary.*