

ARIZONA STATE SENATE

RESEARCH STAFF



TO: MEMBERS OF THE SENATE
FINANCE COMMITTEE

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DATE: March 22, 2021

SUBJECT: Strike everything amendment to H.B. 2433, relating to businesses; firearms; unlawful acts

Purpose

Prohibits a government entity or financial institution from discriminating against a firearm entity because the firearm entity supports or is engaged in the lawful commerce of firearms, firearm accessories or ammunition products. Allows the Attorney General (AG) and a person injured by a violation of the prohibition to file a civil action.

Background

Statute prohibits the state or a political subdivision from enacting or implementing any additional fee, tax, assessment, lien or other encumbrance on the transfer of a firearm between two private parties. A *firearm* is any loaded or unloaded handgun, pistol, revolver, rifle, shotgun or other weapon that will expel or that is designed to or may readily be converted to expel a solid projectile by the action of expanding gases ([Title 44, Chapter 36](#)).

The Office of the AG serves as the chief legal officer of Arizona and receives complaints and investigates alleged violations relating to civil rights, consumer fraud and other statutes as authorized ([Title 41, Chapter 1, Article 5](#)). The Office of the AG consists of the Criminal Division, State Government Division, Child and Family Protection Division, Civil Litigation Division, Appeals and Constitutional Litigation Division, Communications Division and Operations Division ([AG](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Prohibits a government entity or financial institution from discriminating against a firearm entity because the firearm entity supports or is engaged in the lawful commerce of firearms, firearm accessories or ammunition products.
2. Excludes, from the prohibition, a financial institution that refuses to provide, refrains from providing or terminates a financial service with a firearm entity for a business reason or due to a regulator's directive.
3. Excludes, from a *business reason*, a policy of refusing to provide financial services or otherwise discriminating when providing financial services to a firearm entity.
4. Allows a person injured by a violation of the prohibition to bring a civil action against the government entity or financial institution.

5. Authorizes the Attorney General to file a civil action for a violation of the prohibition and allows the AG to request that the court:
 - a) issue a declaratory judgment for an act or practice that violates the prohibition;
 - b) enjoin an act or practice that violates the prohibition by issuing a temporary restraining order or preliminary or permanent injunction, without a bond, after providing appropriate notice; and
 - c) request a civil penalty up to \$10,000 per violation.
6. Requires the court to award the successful party reasonable attorney fees and costs and allows the court to award the successful party:
 - a) actual and compensatory damages;
 - b) treble damages;
 - c) punitive or exemplary damages;
 - d) injunctive relief; and
 - e) any other appropriate civil relief.
7. Requires the court, if the AG prevails on an action, to award the AG reasonable attorney fees and investigative and litigation costs, in addition to any other remedies.
8. Requires the AG to submit the name of any financial institution that violates the prohibition to the Governor and request that the state terminate any business relationship with the financial institution.
9. Stipulates that a civil action must be commenced within two years after the date the violation is discovered.
10. Defines *discriminate* as:
 - a) refusing to engage in the trade of goods or services;
 - b) refraining from continuing an existing business relationship;
 - c) terminating an existing business relationship; and
 - d) otherwise discriminating against a person.
11. Defines *financial institution* as a person that does business under the laws of a state or commonwealth or the United States relating to a bank, bank holding company, savings bank, payment processor, savings and loan association, trust company or credit union.
12. Defines *firearm entity* as:
 - a) a firearm, firearm accessory or ammunition manufacturer, retailer, wholesaler, supplier and distributor;
 - b) a shooting range; or
 - c) a trade association.
13. Defines *firearms* as a weapon that expels a projectile by the action of an explosive.
14. Defines *firearm accessory* as:
 - a) a device specifically designed or adapted to enable a person to wear or carry a firearm on the person or to store or mount a firearm in or on a conveyance; and
 - b) an attachment or device specifically designed or adapted to be inserted into or affixed onto a firearm to enable, alter or improve the functioning or capabilities of the firearm.

15. Defines a *trade association* as a person, corporation, unincorporated association, federation, business league or professional or business organization that:
 - a) is not organized or operated for profit and for which no part of net earning inures to the benefit of a private shareholder or individual;
 - b) is an organization exempt from federal income tax as described under 26 USC 501(c)(6); and
 - c) has at least two members who are firearm, firearm accessory or ammunition manufacturers or sellers.

16. Becomes effective on the general effective date.