



ARIZONA STATE SENATE
Fifty-Seventh Legislature, First Regular Session

FACT SHEET FOR S.B. 1094

business; discrimination prohibition; social criteria

Purpose

Prohibits a financial institution, insurer or credit reporting agency from discriminating against any person based on a political affiliation or other social credit, environmental, social or governmental score or similar values-based or impact criteria.

Background

A *financial institution* is a bank, trust company, savings and loan association, credit union, consumer lender, international banking facility or financial institution holding company under the jurisdiction of the Department of Insurance and Financial Institutions ([A.R.S. § 6-101](#)). An *insurer* includes a person engaged in the business of making contracts of insurance ([A.R.S. § 20-104](#)). A *credit reporting agency* is a person that regularly engages in the practice of assembling or evaluating consumer credit information on consumers for the purpose of furnishing consumer reports to third parties ([A.R.S. § 44-1691](#)).

The federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex marital status, age, use of a public assistance program for income or because the applicant has, in good faith, exercised any right under the federal Consumer Credit Protection Act ([15 U.S.C. 1691](#)).

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

Provisions

1. Prohibits a financial institution, insurer or credit reporting agency doing business in Arizona from discriminating, either directly or indirectly, against any person based on:
 - a) a political affiliation; or
 - b) other social credit, environmental, social or governmental score or similar values-based or impact criteria.
2. Allows a financial institution to offer investments, products or services to a potential customer or investor that include subjective standards if the standards are fully disclosed and explained before entering into a contract for the investments, products or services.
3. States that the Legislature declares that:
 - a) the practice of discrimination against persons or entities in Arizona by using the person's or entity's social credit, environmental, social justice or governmental score is a matter of statewide concern; and
 - b) discrimination based on such scores not only threatens the rights and proper privileges of Arizona's inhabitants but menaces the institutions and foundation of a free democratic state and threatens the peace, order, health, safety and general welfare of the state and its inhabitants.

FACT SHEET

S.B. 1094

Page 2

4. Stipulates that the prohibition does not interfere with a financial institution's, insurer's or credit reporting agency's ability to discontinue or refuse to conduct business with a person when the action is necessary for the physical safety of its employees.
5. Becomes effective on the general effective date.

Prepared by Senate Research

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AN/SDR/slp