



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

Senate: GOV DPA 5-3-0-0 | 3rd Read 16-13-1-0

SB 1138: business; discrimination prohibition; social criteria

Sponsor: Senator Hoffman, LD 15

Committee on Commerce

Overview

Prohibits financial institutions, insurers or credit reporting agencies from discriminating against any person based on certain affiliations or value-based criteria.

History

A *financial institution* is statutorily defined as banks, trust companies, savings and loan associations, credit unions, consumer lenders, international banking facilities and financial institution holding companies under the jurisdiction of the Department of Insurance and Financial Institutions ([A.R.S. § 6-101](#)).

An *insurer* includes every person engaged in the business of making contracts of insurance ([A.R.S. § 20-104](#)).

A *consumer reporting agency* is any person which, for monetary fees, dues or on a cooperative nonprofit basis, regularly engages in whole or in part 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](#)).

Provisions

1. Prohibits a financial institution, an insurer or a credit reporting agency from discriminating against any person based on:
 - a) political affiliation; or
 - b) other social credit, environmental, social, governance or similar values-based or impact criteria. (Sec. 1, 2,3)
2. Stipulates that the prohibition does not interfere with a financial institution's, an insurer's or a credit reporting agency's ability to discontinue or refuse to conduct business with a person if necessary for the physical safety of employees. (Sec. 1, 2, 3)
3. Permits 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 prior to the entering into a contract. (Sec. 1)
4. Specifies the Legislature declares that:
 - a) the practice of discrimination against persons or entities in Arizona by using their social credit or environmental, social justice and governmental score is a statewide concern; and
 - b) discrimination based on such scores not only threatens the rights, privileges, peace, order, health, safety and general welfare of Arizona and its inhabitants but menaces the institutions and foundation of a free democratic state. (Sec. 1, 2, 3)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note