



# ARIZONA HOUSE OF REPRESENTATIVES

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First Regular Session

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## **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)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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