



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

Senate: APPROP DPA/SE 9-0-1-0 | 3rd Read 28-0-2-0

SB 1182: commerce authority; reports; career landscape
S/E: prohibition; certain affiliations; banks
Sponsor: Senator Gowan, LD 14
Committee on Government & Elections

Summary of the Strike-Everything Amendment to SB 1182

Overview

Prohibits banks from discriminating against people based on certain affiliations or values.

History

A financial institution is defined as a: 1) bank; 2) trust company; 3) savings and loan association; 4) credit union; 5) consumer lender; 6) international banking facility; or 7) financial institution holding company under the jurisdiction of the Department of Insurance and Financial Institutions ([A.R.S. § 6-101](#)).

Under the federal [Equal Credit Opportunity Act](#) it is unlawful for creditors to deny credit to credit applicants on the basis of race, color, religion, national origin, sex, marital status or age.

Provisions

1. Prohibits financial institutions doing business in Arizona from discriminating against people based on political affiliation and other social credit, environmental, social, governance or similar values-based or impact criteria. (Sec. 1)
2. Allows a financial institution to offer investments or services that include subjective standards if the standards are explained and disclosed before a potential customer enters into a contract for the services. (Sec. 1)
3. Stipulates that a financial institution may still discontinue or refuse to conduct business with a person when the action is necessary for the physical safety of the financial institution's employees. (Sec. 1)
4. Asserts that the Legislature declares:
 - a) The practice of discrimination against people or entities by using their social credit or environmental, social justice and governmental score is a matter of statewide concern; and
 - b) That 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. (Sec. 1)
5. Requires the State Treasurer to post a list of state investments by name, and a list of investment managers, on their website. (Sec. 2)
6. Directs any investment manager to attest in writing, and the State Treasurer to certify, that the manager does not hold any environmental, social or governance-related investments. (Sec. 2)

7. Requires state investments to be made in the sole interest of the beneficiary taxpayer. (Sec. 2)
8. Prohibits the State Treasurer from taking unnecessary investment risks or promote nonpecuniary benefits. (Sec. 2)
9. Asserts the State Treasurer's evaluation of an investment must be based on pecuniary factors. (Sec. 2)
10. Prohibits a person from voting the shares of any company with funds from a plan or group of plans unless authorized by the State Treasurer. (Sec. 2)

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