

Representative A. Cory Maloy proposes the following substitute bill:

FIREARMS FINANCIAL TRANSACTION AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: A. Cory Maloy

Senate Sponsor: Chris H. Wilson

LONG TITLE

General Description:

This bill addresses consumer transactions related to firearms.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ prohibits a financial entity from using a firearms merchant category code to:
 - distinguish a firearms retailer from other retailers;
 - limit or decline a lawful payment card transaction;
 - limit or decline to do business with a customer or merchant; or
 - charge a merchant a higher transaction fee;
- ▶ prohibits a financial entity from taking any action against a customer or merchant that is intended to suppress or track lawful commerce involving firearms; and
- ▶ gives enforcement powers to the attorney general.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:



26 ENACTS:

27 [13-70-101](#), Utah Code Annotated 1953

28 [13-70-201](#), Utah Code Annotated 1953

29 [13-70-301](#), Utah Code Annotated 1953

31 *Be it enacted by the Legislature of the state of Utah:*

32 Section 1. Section [13-70-101](#) is enacted to read:

33 **CHAPTER 70. FIREARM FINANCIAL TRANSACTIONS**

34 **Part 1. General Provisions**

35 **13-70-101. Definitions.**

36 (1) "Ammunition" means ammunition or cartridge cases, primers, bullets, or propellant
37 powder designed for use in a firearm.

38 (2) "Customer" means an individual who presents a payment card to a merchant for the
39 purchase of a good or service.

40 (3) "Financial entity" means any of the following that is involved in facilitating or
41 processing a payment card transaction:

42 (a) a payment card network;

43 (b) a merchant acquirer; or

44 (c) a payment facilitator.

45 (4) "Firearm" means the same as that term is defined in Section [76-10-501](#).

46 (5) (a) "Firearm accessory or component" means a device specifically adapted to:

47 (i) enable the wearing or carrying about one's person or the storage or mounting in or
48 on any conveyance of a firearm; or

49 (ii) be inserted into or affixed to a firearm to enable, alter, or improve the functioning
50 or capabilities of the firearm.

51 (b) "Firearm accessory or component" includes a telescopic or laser sight, magazine,
52 flash or sound suppressor, folding or aftermarket stock or grip, speedloader, brace, ammunition
53 carrier, or light for target illumination.

54 (6) "Firearms code" means the merchant category code 5723, approved in September
55 2022 by the International Organization for Standardization, for firearms retailers.

56 (7) "Firearms retailer" means a merchant physically located in the state and engaged in

57 the lawful business of selling or trading firearms, firearm accessories or components, or
58 ammunition.

59 (8) "Merchant" means a person who accepts a payment card from a customer for the
60 purchase of a good or service.

61 (9) "Payment card" means a card, code, or other means by which a person may debit a
62 deposit account or use a line of credit to purchase a good or service.

63 (10) "Reloading supplies" means any equipment, component, or material designed for
64 the reloading of ammunition, including reloading presses, shell holders, powder measures,
65 priming tools, reloading manuals, casings, and gunpowder.

66 Section 2. Section **13-70-201** is enacted to read:

67 **Part 2. Prohibited Conduct**

68 **13-70-201. Limitations on firearms merchant codes.**

69 (1) A financial entity may not:

70 (a) for the processing of a payment card transaction, require a merchant to assign the
71 firearms code in a manner that distinguishes a firearms retailer located in the state from another
72 retailer;

73 (b) decline a lawful payment card transaction based solely on the assignment or
74 nonassignment of the firearms code to the merchant or payment card transaction;

75 (c) limit or decline to do business with a customer, potential customer, or merchant
76 based solely on the assignment or nonassignment of the firearms code to a previous lawful
77 transaction involving the customer, potential customer, or merchant;

78 (d) charge a higher transaction or interchange fee to a merchant for a lawful transaction
79 based solely on the assignment or nonassignment of the firearms code; or

80 (e) take any action based solely on the assignment or nonassignment of the firearms
81 code against a customer or merchant that is intended to suppress or track lawful commerce
82 involving a firearm, firearm accessory or component, ammunition, or reloading supplies.

83 (2) Nothing in this chapter:

84 (a) limits a financial entity's ability to:

85 (i) negotiate with responsible parties; or

86 (ii) comply with state or federal laws or regulations; or

87 (b) impairs a financial entity's activities related to dispute processing, fraud or

88 compliance management, or protecting transaction integrity from concerns related to illegal or
89 suspicious activities, data breaches, or cyber risks.

90 Section 3. Section **13-70-301** is enacted to read:

91 **Part 3. Enforcement**

92 **13-70-301. Enforcement powers of the attorney general.**

93 (1) (a) The attorney general has the sole authority to enforce the provisions of this
94 chapter.

95 (b) Nothing in this chapter creates a private right of action.

96 (2) (a) If a person believes that a financial entity violated or is in violation of this
97 chapter, the person may file a complaint with the attorney general.

98 (b) Upon receipt of a complaint, the attorney general shall initiate an investigation.

99 (3) If, based on investigation, the attorney general believes that a financial entity
100 violated or is in violation of this chapter, the attorney general shall send the financial entity
101 written notice that identifies each violation and directs the financial entity to cease each
102 violation within 30 days after the day on which the financial entity receives the notice.

103 (4) (a) The attorney general shall initiate a civil action against a financial entity that
104 fails to cease a violation of this chapter within the 30-day time period described in Subsection
105 (3).

106 (b) In an action under this subsection, the attorney general may seek, and the court may
107 order:

108 (i) injunctive relief;

109 (ii) (A) if the court determines that the financial entity negligently or recklessly
110 violated a provision of this chapter, a civil fine of \$10,000 for each violation or actual
111 damages, whichever is greater; or

112 (B) if the court determines that the financial entity willfully violated a provision of this
113 chapter, a civil fine of \$25,000 for each violation or actual damages, whichever is greater; and

114 (iii) costs and reasonable attorney fees to the attorney general if the court issues an
115 injunction or imposes a civil fine.

116 Section 4. **Effective date.**

117 This bill takes effect on May 1, 2024.