

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 564

Short Title: Second Amendment Financial Privacy Act. (Public)

Sponsors: Representatives Pyrtle, Moore, Miller, and Goodwin (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Banking, if favorable, Judiciary 1, if favorable, Rules, Calendar, and Operations
of the House

April 5, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE SECOND AMENDMENT FINANCIAL PRIVACY ACT.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Chapter 66 of the General Statutes is amended by adding a new Article
5 to read:

6 "Article 51.

7 "Second Amendment Financial Privacy Act.

8 "**§ 66-501. Legislative findings.**

9 The General Assembly finds all of the following:

- 10 (1) The right of individuals to keep and bear arms is guaranteed under both the
11 Second Amendment to the United State Constitution and Section 30 of Article
12 I of the North Carolina Constitution.
13 (2) In September 2022, the International Organization for Standardization, based
14 in Switzerland, approved a new merchant category code for firearms retailers.
15 (3) The new merchant category code would allow banks, payment card networks,
16 and others involved in payment card processing to identify and separately
17 track lawful payment card purchases at firearms retailers in North Carolina.
18 This surveillance would cause a significant chilling effect on individuals in
19 North Carolina wishing to exercise their federal and State constitutional rights
20 to keep and bear arms.

21 "**§ 66-502. Definitions.**

22 The following definitions apply in this Article:

- 23 (1) Financial institution. – An entity involved in facilitating or processing a
24 payment card transaction, including a bank, acquirer, payment card network,
25 or payment card issuer.
26 (2) Firearms code. – Any code or other indicator that identifies whether a person
27 is a firearms retailer or whether a payment card transaction involves the
28 purchase of a firearm or firearm ammunition.
29 (3) Firearms retailer. – A person engaged in the lawful business of selling or
30 trading firearms or firearm ammunition.

31 "**§ 66-503. Prohibitions.**

32 (a) No financial institution shall use a firearms code in connection with a payment card
33 transaction involving a firearms retailer located in this State.



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1 **(b)** No financial institution shall knowingly maintain a record of individuals residing in
2 this State who own firearms.

3 **"§ 66-504. Enforcement; civil penalty.**

4 **(a)** The Attorney General may investigate an alleged violation of this Article. After notice
5 and an opportunity for hearing, if the Attorney General determines that a financial institution
6 violated this Article, the Attorney General may assess a civil penalty of not more than ten
7 thousand dollars (\$10,000) for each violation. The clear proceeds of any penalty assessed
8 pursuant to this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance
9 with G.S. 115C-457.2.

10 **(b)** The powers vested in the Attorney General by this Article are in addition to and do
11 not limit the ability of the Attorney General to take other enforcement action.

12 **"§ 66-505. Civil liability for violation.**

13 **(a)** Cause of Action. – A civil action may be brought against a financial institution for
14 violation of this Article by any of the following:

15 **(1)** A firearms retailer located in this State whose payment card transactions are
16 designated with a firearms code.

17 **(2)** A person that makes a payment card transaction with a firearms retailer
18 located in this State and whose payment card record includes a firearms code
19 for that transaction.

20 **(3)** An individual for whom a financial institution maintains a record of firearm
21 ownership.

22 **(b)** Relief and Damages. – A person authorized to institute a civil action by subsection
23 (a) of this section may seek and the court may award any or all of the following types of relief:

24 **(1)** An injunction to enjoin continued violation of this Article.

25 **(2)** Statutory damages in the amount of ten thousand dollars (\$10,000) for each
26 instance of violation of this Article connected to the person filing the civil
27 action.

28 **(3)** Costs and attorneys' fees.

29 **(c)** Statute of Limitations. – No action shall be maintained under subsection (a) of this
30 section unless it is commenced no later than three years after the discovery of the violation of
31 this Article."

32 **SECTION 2.** This act becomes effective October 1, 2023.