

**HOUSE BILL NO. 1487**

Introduced by

Representatives Koppelman, Hauck, Heinert, Kasper, Louser, Novak, Tveit

Senators Larsen, Magrum, Wobbema

1 A BILL ~~for an Act to create and enact a new section to chapter 6-03 of the North Dakota Century~~  
 2 ~~Code, relating to financial institutions use of merchant codes to track firearm and ammunition-~~  
 3 ~~related purchases; and to provide a penalty.~~for an Act to create and enact a new chapter to  
 4 title 6 of the North Dakota Century Code, relating to financial entities use of merchant codes to  
 5 track firearm and ammunition-related purchases; to provide a penalty; and to provide a  
 6 continuing appropriation.

7 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

8 ~~SECTION 1. A new section to chapter 6-03 of the North Dakota Century Code is created~~  
 9 ~~and enacted as follows:~~  
 10 ~~Merchant codes - Limitations - Penalty.~~  
 11 ~~Notwithstanding any other provision of law, a financial institution may not adopt or use a~~  
 12 ~~merchant code to track or record firearm or ammunition-related purchases. A financial institution~~  
 13 ~~that willfully violates this section is subject to a civil penalty of ten thousand dollars. The~~  
 14 ~~department of financial institutions shall adopt any rules necessary to enforce this section.~~

15 **SECTION 1.** A new chapter to title 6 of the North Dakota Century Code is created and  
 16 enacted as follows:  
 17 **Definitions.**  
 18 As used in this chapter, unless the context or subject matter otherwise requires:  
 19 1. "Customer" means any person engaged in a payment card transaction facilitated or  
 20 processed by a financial entity.  
 21 2. "Disclosure" means the transfer, publication, or distribution of protected financial  
 22 information to another person for any purpose other than the processing or facilitating  
 23 of a payment card transaction.

1       3. "Financial entity" means a person involved in facilitating or processing a payment card  
2       transaction, including a bank, acquirer, payment card network, or payment card issuer.

3       4. "Firearms code" means a merchant category code approved by the international  
4       standards organization.

5       5. "Government entity" means any state board, commission, agency, bureau, or  
6       department, or any political subdivision of the state.

7       6. "Protected financial information" means any record of sale, purchase, return, or refund  
8       involving a payment card which is retrieved, characterized, generated, labeled, sorted,  
9       or grouped based on the assignments of a firearms code.

10       **Merchant codes - Limitations.**

11       1. Except for those records kept during the regular course of a criminal investigation and  
12       prosecution or merchant marketing campaigns, a government entity or any official,  
13       agent, or employee of the state, or any other person, may not willfully keep or cause to  
14       be kept any list, record, or registry of privately owned firearms or firearm owners.

15       2. A financial entity or its agent may not require any merchant located in this state to use  
16       a firearm or ammunition merchant category code or any code that differentiates the  
17       sale of firearms or ammunition from other sporting goods or general merchandise.

18       3. A financial entity may not use a firearms code to engage in the following discriminatory  
19       conduct:

20           a. Declining a lawful payment card transaction based solely on the assignment of a  
21           firearms code; or

22           b. Taking any action against a customer which is intended to suppress or track  
23           lawful commerce involving firearms or ammunition.

24       **Investigation of financial entities.**

25       1. The attorney general shall investigate alleged violations under this chapter and shall  
26       provide a written notice to any person in violation. A person that has received a written  
27       notice from the attorney general must cease the use of a firearms code within thirty  
28       calendar days.

29       2. The attorney general may pursue, and a court may order, an injunction against any  
30       person if the person fails to cease the use of a firearms code after the expiration of  
31       thirty days from receipt of written notice.

1        3. If the attorney general finds a financial entity willfully violated this chapter, the attorney  
2        general shall assess a fee of five thousand dollars for the first violation and ten  
3        thousand dollars for each additional violation. Fees collected under this section must  
4        be deposited into the merchant code violation fund. A financial entity desiring to appeal  
5        the attorney general's finding of a violation under this chapter may appeal the finding  
6        in accordance with chapter 28-32.

7        4. Information disclosed to a federal government entity is not a defense to any civil action  
8        filed under this section, unless the disclosure or action is required by federal law or  
9        regulation.

10        **Merchant code violation fund - Continuing appropriation.**

11        There is created in the state treasury the merchant code violation fund. The fund consists of  
12        all money deposited in the fund under this chapter. Moneys in the fund are appropriated to the  
13        attorney general on a continuing basis for disbursement to individuals harmed by a violation of  
14        this chapter subject to approval by the attorney general. An individual harmed by a violation  
15        under this chapter may submit a request to the attorney general for a disbursement of five  
16        thousand dollars from the fund, and the attorney general shall review all requests for  
17        disbursement submitted under this chapter.