

# Senate Study Bill 3094 - Introduced

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON JUDICIARY BILL BY  
CHAIRPERSON ZAUN)

## A BILL FOR

1 An Act relating to discrimination in the provision of financial  
2 services, and providing civil penalties.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1     Section 1.   NEW SECTION.   529A.1   Definitions.

2     For purposes of this chapter, unless the context otherwise  
3 requires:

4     1.   *"Discriminate"* or *"discrimination"* means a financial  
5 institution's use of a social credit score to directly or  
6 indirectly decline to provide the full and equal enjoyment  
7 of financial services to a person, and includes refusing to  
8 provide, terminating, or restricting financial services to a  
9 person.

10    2.   *"Financial institution"* means any bank incorporated  
11 under the provisions of any state or federal law, any savings  
12 and loan association incorporated under the provisions of  
13 federal law, any credit union organized under the provisions  
14 of any state or federal law, and any corporation licensed as  
15 an industrial loan company under chapter 536A and that is any  
16 of the following:

17    a.   A bank with total assets over one hundred billion  
18 dollars.

19    b.   A payment processor, credit card company, credit card  
20 network, payment network, payment service provider, or payment  
21 gateway that has processed more than one hundred billion  
22 dollars in transactions in the last calendar year.

23    c.   An affiliate or subsidiary company of a financial  
24 institution.

25    3.   *"Financial service"* means any financial product or  
26 service offered or provided by a financial institution.

27    4.   *"Person"* means the same as defined in section 4.1.

28    5.   *"Protected from government interference"* means any  
29 speech, religious exercise, association, expression, or conduct  
30 protected by the first amendment to the Constitution of the  
31 United States, Article I of the Constitution of the State of  
32 Iowa, or federal or state law.   *"Protected from government  
33 interference"* does not include any speech, religious exercise,  
34 association, expression, or conduct that the United States  
35 supreme court, as of July 1, 2024, has expressly held is not

1 protected by the first amendment to the Constitution of the  
2 United States, Article I of the Constitution of the State of  
3 Iowa, or federal or state law.

4 6. a. "*Social credit score*" means an analysis, rating,  
5 scoring, list, or tabulation that evaluates any of the  
6 following:

7 (1) A person's speech, religious exercise, association,  
8 expression, or conduct protected by the first amendment  
9 to the Constitution of the United States, Article I of the  
10 Constitution of the State of Iowa, or federal or state law.

11 (2) A person's failure or refusal to do any of the  
12 following:

13 (a) Adopt targets or disclosures related to greenhouse gas  
14 emissions beyond targets or disclosures required by state and  
15 federal law.

16 (b) Conduct a racial, diversity, or gender audit or  
17 disclosure, or provide a quota, preference, or benefit based  
18 on race, diversity, or gender.

19 (c) Facilitate or assist an employee in obtaining an  
20 abortion or gender reassignment services.

21 (3) A person's participation in business activities related  
22 to a manufacturer or dealer of firearms and ammunition, or  
23 business activities with an oil or gas company.

24 b. "*Social credit score*" shall not include a financial  
25 institution's evaluation of a person's quantifiable financial  
26 risks based on impartial, financial-risk-based standards if  
27 such standards are established in advance by the financial  
28 institution and publicly disclosed to customers and potential  
29 customers.

30 Sec. 2. NEW SECTION. 529A.2 Discrimination prohibited.

31 1. A financial institution shall not discriminate in the  
32 provision of financial services to a person or agree, conspire,  
33 or coordinate, directly or indirectly, including through an  
34 intermediary or third party, with another person, or group of  
35 persons, to discriminate in the provision of financial services

1 to a person.

2 2. If a financial institution refuses to provide,  
3 restricts, or terminates financial services to a person, within  
4 ninety days of the refusal, restriction, or termination, the  
5 person may request a written statement that specifies the  
6 reason for the financial institution's refusal to provide, or  
7 restriction or termination of, the person's financial services.

8 a. The person may request the statement from a customer  
9 service or designated account representative of the financial  
10 institution by phone, mail, or electronic mail. The person  
11 shall provide the financial institution with a mailing address  
12 and an electronic mail address where the statement can be sent.  
13 The financial institution shall transmit the statement by mail  
14 or electronic mail within fourteen business days of receiving  
15 the person's request.

16 b. The financial institution's statement shall include all  
17 of the following:

18 (1) A detailed explanation of the basis for the denial,  
19 restriction, or termination of the person's financial services,  
20 including a description of the person's speech, religious  
21 exercise, business activity with a particular industry, or  
22 other conduct that was, in whole or in part, the basis of the  
23 financial institution's decision.

24 (2) A copy of the terms of service agreed upon, if any, by  
25 the financial institution and the person to whom the financial  
26 institution refuses to provide, or restricts or terminates,  
27 financial services, and a citation to the specific provision  
28 of the terms of service upon which the financial institution  
29 relied to refuse to provide, or to restrict or terminate,  
30 financial services.

31 Sec. 3. NEW SECTION. 529A.3 Enforcement — penalties.

32 1. If the attorney general has reasonable belief that a  
33 financial institution is in violation of this chapter, the  
34 attorney general has the sole authority to bring a civil action  
35 to enforce the provisions of this chapter. Upon finding that a

1 financial institution violated this chapter, a court may order  
2 any of the following:

3     a. Injunctive relief as necessary to enforce compliance with  
4 this chapter.

5     *b.* Other remedies permitted under the law.

6       c. Damages, restitution, or other compensation on behalf of  
7 residents of the state, not to exceed the amount provided by  
8 subsection 2, paragraph "a".

9        2. A person harmed by a violation of this chapter by a  
10 financial institution may bring a civil action, and upon  
11 finding that a financial institution violated this chapter, a  
12 court may order any of the following:

13     a. Actual damages not to exceed ten thousand dollars,  
14 except if the court finds that the violation by the financial  
15 institution was willful, damages in an amount equal to three  
16 times the amount of actual damages, but not to exceed thirty  
17 thousand dollars, in addition to reasonable attorney fees and  
18 court costs.

19     *b.* Injunctive relief as necessary to enforce compliance with  
20 this chapter.

EXPLANATION

22 The inclusion of this explanation does not constitute agreement with  
23 the explanation's substance by the members of the general assembly.

24 This bill relates to discrimination by a financial  
25 institution in the provision of financial services.

26 The bill prohibits a financial institution from  
27 discriminating in the provision of financial services to a  
28 person, and from agreeing, conspiring, or coordinating with  
29 another person or group of persons to discriminate in the  
30 provision of financial services to a person. "Discrimination"  
31 is defined by the bill as the use of a social credit score  
32 by a financial institution to directly or indirectly decline  
33 to provide, terminate, or restrict, financial services to a  
34 person. "Social credit score" is defined by the bill as an  
35 analysis, rating, scoring, list, or tabulation that evaluates

1 a person's protected speech, religious exercise, association,  
2 expression, or conduct; a person's failure or refusal to adopt  
3 targets or disclosures related to greenhouse gas emissions  
4 beyond state and federal law requirements; a person's failure  
5 or refusal to conduct a racial, diversity, or gender audit  
6 or disclosure; a person's failure or refusal to facilitate  
7 or assist an employee in obtaining an abortion or gender  
8 reassignment services; or a person's participation in business  
9 activities related to a manufacturer or dealer of firearms  
10 and ammunition or business activities with an oil or gas  
11 company. "Financial institution" and "financial service" are  
12 also defined by the bill. The bill permits a person to whom a  
13 financial institution has refused to provide, restricted, or  
14 terminated financial services to request a written statement  
15 within 90 days of such action specifying the reason for the  
16 refusal, restriction, or termination. A person can request  
17 the statement from a customer service or designated account  
18 representative of the financial institution, and the person  
19 shall provide the financial institution with a mailing address  
20 and an electronic mail address where the statement can be  
21 sent. The financial institution shall transmit the statement  
22 within 14 business days of receiving the person's request,  
23 and the statement shall include a detailed explanation of the  
24 basis for the denial, restriction, or termination, including a  
25 description of any of the person's speech, religious exercise,  
26 business activity with a particular industry, or other conduct  
27 that was a basis for the action taken. The statement shall  
28 also include a copy of the terms of service agreed upon by the  
29 person and the financial institution, and a citation to the  
30 specific provision of the terms of service that was the basis  
31 for the action taken.

32 The attorney general may bring civil action to enforce the  
33 provisions of the bill and, upon finding that a financial  
34 institution violated the bill, a court may order injunctive  
35 relief, damages, restitution, other compensation, or other

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1 remedies permitted by law. A person harmed by a violation  
2 of the bill may bring a civil action and, upon finding that  
3 a financial institution violated the bill, a court may order  
4 injunctive relief and actual damages not to exceed \$10,000 or,  
5 upon a finding that the violation by the financial institution  
6 was willful, damages equal to three times the amount of actual  
7 damages but not to exceed \$30,000, in addition to reasonable  
8 attorney fees and court costs.