

**House File 594 - Introduced**

HOUSE FILE 594  
BY THOMSON

**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:

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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 of  
7 financial services to a person, and includes refusing to provide,  
8 terminating, or restricting financial services to a person.

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

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

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

20 c. An affiliate or subsidiary company of a financial  
21 institution.

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

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

25 5. "*Protected from government interference*" means any speech,  
26 religious exercise, association, expression, or conduct protected  
27 by the first amendment to the Constitution of the United States,  
28 Article I of the Constitution of the State of Iowa, or federal  
29 or state law. "*Protected from government interference*" does not  
30 include any speech, religious exercise, association, expression,  
31 or conduct that the United States supreme court, as of July 1,  
32 2025, has expressly held is not protected by the first amendment  
33 to the Constitution of the United States, Article I of the  
34 Constitution of the State of Iowa, or federal or state law.

35 6. a. "*Social credit score*" means an analysis, rating,

1 scoring, list, or tabulation that evaluates any of the following:

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

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

7 (a) Adopt targets or disclosures related to greenhouse gas  
8 emissions beyond targets or disclosures required by state and  
9 federal law.

10 (b) Conduct a racial, diversity, or gender audit or  
11 disclosure, or provide a quota, preference, or benefit based on  
12 race, diversity, or gender.

13 (c) Facilitate or assist an employee in obtaining an abortion  
14 or gender reassignment services.

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

18 (4) A person's status as an elected official or a person's  
19 status as a politically exposed person.

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

25 Sec. 2. NEW SECTION. **529A.2 Discrimination prohibited.**

26 1. A financial institution shall not discriminate in the  
27 provision of financial services to a person or agree, conspire,  
28 or coordinate, directly or indirectly, including through an  
29 intermediary or third party, with another person, or group of  
30 persons, to discriminate in the provision of financial services  
31 to a person.

32 2. If a financial institution refuses to provide, restricts,  
33 or terminates financial services to a person, within ninety days  
34 of the refusal, restriction, or termination, the person may  
35 request a written statement that specifies the reason for the

1 financial institution's refusal to provide, or restriction or  
2 termination of, the person's financial services.

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

11     b. The financial institution's statement shall include all of  
12 the following:

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

19         (2) A copy of the terms of service agreed upon, if any, by  
20 the financial institution and the person to whom the financial  
21 institution refuses to provide, or restricts or terminates,  
22 financial services, and a citation to the specific provision of  
23 the terms of service upon which the financial institution relied  
24 to refuse to provide, or to restrict or terminate, financial  
25 services.

26     Sec. 3. NEW SECTION.     **529A.3 Enforcement — penalties.**

27     1. If the attorney general has reasonable belief that a  
28 financial institution is in violation of this chapter, the  
29 attorney general may bring a civil action to enforce the  
30 provisions of this chapter. Upon finding that a financial  
31 institution violated this chapter, a court may order any of the  
32 following:

33         a. Injunctive relief as necessary to enforce compliance with  
34 this chapter.

35         b. Other remedies permitted under the law.

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

4 2. A person harmed by a violation of this chapter by a  
5 financial institution may bring a civil action, and upon finding  
6 that a financial institution violated this chapter, a court may  
7 order any of the following:

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

14 b. Injunctive relief as necessary to enforce compliance with  
15 this chapter.

16 EXPLANATION

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

19 This bill relates to discrimination by a financial institution  
20 in the provision of financial services.

21 The bill prohibits a financial institution from discriminating  
22 in the provision of financial services to a person, and from  
23 agreeing, conspiring, or coordinating with another person or  
24 group of persons to discriminate in the provision of financial  
25 services to a person. "Discrimination" is defined by the bill  
26 as the use of a social credit score by a financial institution  
27 to directly or indirectly decline to provide, terminate, or  
28 restrict, financial services to a person. "Social credit score"  
29 is defined by the bill as an analysis, rating, scoring, list, or  
30 tabulation that evaluates a person's protected speech, religious  
31 exercise, association, expression, or conduct; a person's failure  
32 or refusal to adopt targets or disclosures related to greenhouse  
33 gas emissions beyond state and federal law requirements; a  
34 person's failure or refusal to conduct a racial, diversity,  
35 or gender audit or disclosure; a person's failure or refusal

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

27 The attorney general may bring civil action to enforce the  
28 provisions of the bill and, upon finding that a financial  
29 institution violated the bill, a court may order injunctive  
30 relief, damages, restitution, other compensation, or other  
31 remedies permitted by law. A person harmed by a violation  
32 of the bill may bring a civil action and, upon finding that  
33 a financial institution violated the bill, a court may order  
34 injunctive relief and actual damages not to exceed \$10,000 or,  
35 upon a finding that the violation by the financial institution

1 was willful, damages equal to three times the amount of actual  
2 damages but not to exceed \$30,000, in addition to reasonable  
3 attorney fees and court costs.

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