HOUSE FILE 2464
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 671)

(As Amended and Passed by the House February 20, 2024)

[= New Language by the House

* = Language Stricken by the House

A BILL FOR

An Act relating to government records of firearms, and payment card transactions involving firearms and ammunition, and providing civil penalties.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. **554H.1 Definitions.**

1. *"Ammunition"* means the same as defined in section 683.1.

2. *"Assign"* or *"assignment"* means a financial institution's policy, process, or practice that labels, links, or otherwise associates a firearms code with a merchant or a payment card transaction in a manner that allows the financial institution, or other entity facilitating or processing the payment card transaction, to identify whether a merchant is a firearms retailer or whether a transaction involves the sale of firearms or ammunition.

3. *"Customer"* means a person engaged in a payment card transaction facilitated or processed by a financial institution.

4. *"Financial institution"* means a person other than a merchant involved in facilitating or processing a payment card transaction, including but not limited to any bank incorporated under the provisions of any state or federal law, an acquirer, a payment card issuer, a payment card network, a payment gateway, or a payment card processor.

5. *"Firearm"* means any weapon that is capable of expelling, designed to expel, or that may readily be converted to expel ammunition, and includes a firearm component or accessory.

6. *"Firearms code"* means a merchant category code approved by the international organization for standardization specifically for firearms retailers.

7. *"Firearms retailer"* means a person physically located within the state who engages in the lawful selling or trading of firearms or ammunition.

8. *"Government entity"* means the state, any political subdivision of the state, or any court, agency, or instrumentality of the state. *"Government entity"* includes a government official or an agent or employee of a government entity.

9. *a.* *"Payment card"* means any card that is issued pursuant to an agreement or arrangement that provides for all of the

following:

(1) One or more issuers of the payment card.

(2) A network of persons unrelated to each other and to the issuer who agree to accept a payment card as payment.

(3) Standards and mechanisms for settling the transactions between the merchandise-acquiring person and the merchant that agrees to accept the payment card as payment.

b. *"Payment card"* includes credit cards, debit cards, stored-value cards including gift cards, and payment through any distinctive marks of a payment card including a credit card number. The acceptance as payment of any account number or other indicia associated with a payment card shall be treated in the same manner as accepting the payment card as payment.

10. *"Payment card transaction"* means any transaction in which a payment card is accepted as payment.

Sec. 2. NEW SECTION. **554H.2 Government entities — firearm registry or record.**

Except for records kept during the regular course of a * [criminal investigation, a criminal prosecution, any court case, or as otherwise] required by law, a government entity shall not knowingly keep or cause to be kept a record or registry of privately owned firearms or of the owners of privately owned firearms.

Sec. 3. NEW SECTION. **554H.3 Financial institutions.**

1. A financial institution or agent of a financial institution shall not do any of the following:

* *a.* Require the [assignment] of a firearms code in a manner that distinguishes a firearms retailer from other retailers.

b. Subject to subsection 2, decline a payment card transaction involving a firearms retailer based solely on the acquirer's assignment of a firearms code to the firearms retailer.

2. This section shall not be construed to prohibit a financial institution from declining or otherwise refusing to process a payment card transaction for any of the following

reasons:

a. If necessary to comply with applicable state or federal laws.

b. If requested by a customer.

c. If necessary due to fraud controls.

d. For purposes of merchant category exclusions offered by a financial institution for expenditure control or corporate card control.

3. This section shall not be construed to limit the authority of a financial institution to negotiate with responsible parties, or to otherwise impair a financial * [institution's actions related to dispute processing, fraud or compliance management, protection from illegal or suspicious activities, breach, cyber] risks, or from taking any action that restricts the use or availability of the firearms code in the state.

Sec. 4. NEW SECTION. **554H.4 Enforcement — penalties.**

1. The attorney general shall investigate reasonable alleged violations of this chapter. If the attorney general has reasonable belief that a person is in violation of this chapter, the attorney general shall provide written notice to the person determined to have committed the violation.

2. Upon receipt of notice of a violation under subsection 1, the person shall have ninety calendar days to cease the violation.

3. If the violation persists after the expiration of the ninety-day period under subsection 2, the attorney general has the sole authority to bring civil action in district court to enjoin further violations by a person found to be in violation of this chapter, in addition to other remedies permitted by law.

4. If a person knowingly or willfully fails to comply with an injunction issued under subsection 3, after thirty calendar days of the date the person is served with the injunction, the attorney general may petition the district

court to impose civil penalties in an amount not to exceed one thousand dollars per violation, taking into consideration the financial resources of the violator and the harm or risk of harm to the violator's rights under the second amendment to the Constitution of the United States and Article I, section 1A, of the Constitution of the State of Iowa resulting from the violation.

5. It shall be a defense to a proceeding initiated pursuant to this section that a firearms code was required to be disclosed or assigned by law.