

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 272

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO THE SECOND AMENDMENT FINANCIAL PRIVACY ACT; AMENDING SECTION 18-3326A, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE SECOND AMENDMENT FINANCIAL PRIVACY ACT; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 18-3326A, Idaho Code, be, and the same is hereby amended to read as follows:

18-3326A. SECOND AMENDMENT FINANCIAL PRIVACY ACT. (1) For purposes of this section:

(a) "Ammunition" means ammunition or cartridge cases, primers, bullets, or propellant powder designed for use in any firearm;

(b) "Assign" or "assignment" means a financial institution's or payment network's policy, process, or practice that labels, links, or otherwise associates a firearms code with a merchant or payment card transaction in a manner that allows the financial institution or payment network or any 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;

(c) "Customer" means any person engaged in a payment card transaction that a financial institution facilitates or processes and any person or the person's duly authorized representative who has transacted business with or has used the services of a financial institution or for whom a financial institution has acted as a fiduciary in relation to an account maintained in such person's name;

(d) "Disclosure" means the transfer, publication, or distribution of protected financial information to another person for any purpose other than to process or facilitate a payment card transaction;

(e) "Financial institution" means:

(i) A bank, savings and loan association, trust company, or credit union chartered pursuant to any state or federal law, a regulated consumer lender, a money service business, payment card issuer, or other institutions that are by law under the jurisdiction and supervision of the department of finance or the federal deposit insurance corporation; and

(ii) An entity involved in facilitating or processing a payment card transaction, including but not limited to a bank, acquirer, gateway, payment card network, or payment card issuer;

(f) "Financial record" means:

(i) The original or a copy of any record or document held by a payment network pertaining to a customer of a financial institution utilizing the payment network, including any record of a transac-

1 tion conducted by means of a customer bank communication terminal
2 or other electronic device;

3 (ii) A financial record held by a payment network related to a
4 payment card transaction that the financial institution has pro-
5 cessed or facilitated; and

6 (iii) Any information derived from such records or documents;

7 (g) "Firearm" means any weapon that will, is designed to, or may readily
8 be converted to expel a projectile by the action of an explosive;

9 (h) "Firearm accessory or component" means:

10 (i) Any device specifically adapted to enable the wearing or car-
11 rying about one's person or the storage or mounting in or on any
12 conveyance of a firearm and any attachment or device specifically
13 adapted to be inserted into or affixed onto any firearm to enable,
14 alter, or improve the functioning or capabilities of the firearm;

15 (ii) Any item that is used in conjunction with or mounted upon a
16 firearm, including but not limited to telescopic or laser sights,
17 magazines, flash or sound suppressors, folding or aftermarket
18 stocks and grips, speedloaders, braces, ammunition carriers, and
19 lights for target illumination; and

20 (iii) Any component for making ammunition, reloading materials
21 and equipment, machinery, and tools for manufacturing ammunition;

22 (i) "Firearms code" means any code or other indicator a payment network
23 assigns to a merchant or to a payment card transaction that identifies
24 whether a merchant is a firearms retailer or whether the payment card
25 transaction involves the purchase of a firearm, firearm accessories or
26 components, or ammunition. The term includes but is not limited to a
27 merchant category code assigned to a retailer by a payment card network
28 or other financial institution;

29 (j) "Firearms dealer" means any person engaged in the lawful business
30 of selling or trading firearms or antique firearms, as those terms are
31 defined in 18 U.S.C. 921, or ammunition to be used in firearms or antique
32 firearms;

33 (k) "Government entity" means any state or local government agency or
34 instrumentality thereof located in Idaho;

35 (l) "Merchant" means a person or entity that accepts payment cards from
36 customers for the purchase of goods or services. The term includes a
37 firearms retailer that accepts payment cards for the lawful purchase of
38 firearms, firearm accessories or components, or ammunition;

39 (m) "Payment card" means a credit card, charge card, debit card, or any
40 other card that is issued to an authorized card user and that allows the
41 user to purchase goods or services from a merchant;

42 (n) "Payment network" means a debit or credit network through which
43 funds may be transferred, such as credit card associations, electronic
44 funds transfer networks, or other organizations, or associations, that
45 issue or sponsor a financial transaction device. A payment network does
46 not include any financial institution as defined in this section; and

47 (o) "Protected financial information" means any record of a sale, pur-
48 chase, return, or refund involving a payment card that is retrieved,
49 characterized, generated, labeled, sorted, or grouped based on the as-
50 signment of a firearms code. A customer's protected financial informa-

1 tion refers to protected financial information appearing in the finan-
2 cial records of a customer.

3 (2) Except for those records kept during the regular course of a crim-
4 inal investigation and prosecution or as otherwise required by law, a state
5 government entity or local government, special district, or other political
6 subdivision or official, agent, or employee of the state or other govern-
7 ment entity or any other person, public or private, other than the owner or
8 owner's representative, may not knowingly and willfully keep or cause to be
9 kept any list, record, or registry of privately owned firearms or any list,
10 record, or registry of the owners of those firearms.

11 (3) A financial institution or payment network, or its agent, may not
12 require the usage of a firearms code in a way that distinguishes a firearms
13 retailer physically located in the state of Idaho from Idaho general mer-
14 chandise retailers or sporting goods retailers.

15 (4) A financial institution or payment network may not discriminate
16 against a firearms retailer by:

17 (a) Declining a lawful payment card transaction based solely on the as-
18 signment or non-assignment of a firearms code to the merchant or trans-
19 action;

20 (b) Limiting or declining to do business with a customer, potential
21 customer, or merchant based on the assignment or non-assignment of a
22 firearms code to previous lawful transactions involving the customer,
23 potential customer, or merchant;

24 (c) Charging a higher transaction or interchange fee to any merchant or
25 for a lawful transaction based on the assignment or non-assignment of a
26 firearms code; or

27 (d) Otherwise taking any action against a customer or merchant that is
28 intended to suppress lawful commerce involving firearms, firearm ac-
29 cessories or components, or ammunition, which action is based solely
30 or in part on the customer's or merchant's business involving firearms,
31 firearm accessories or components, or ammunition.

32 (5) Except as otherwise required by law, a financial institution or
33 payment network may not disclose a financial record, including a firearms
34 code that was collected in violation of this section.

35 (6) The attorney general may investigate alleged violations of this
36 section and, upon finding a violation, shall provide written notice to any
37 individual or entity, public or private, believed to be in violation of
38 this section. Written notice to any commercial entity shall be made to the
39 entity's registered agent. Upon receipt of such written notice from the
40 attorney general, the entity shall have thirty (30) calendar days to cease
41 the requirement for usage of the firearms code. At the attorney general's
42 discretion, an entity may be granted up to an additional one hundred twenty
43 (120) days to cease the requirement for usage of the firearms code.

44 (7) (a) Either a firearms retailer physically located within Idaho
45 whose business was the subject of an alleged violation of this section
46 or a customer who transacted at a firearms retailer physically located
47 in Idaho whose business was the subject of an alleged violation of this
48 section may petition the attorney general to investigate the alleged
49 violation.

1 (b) If the attorney general does not commence an action within ninety
2 (90) days of receiving the petition pursuant to this subsection, then
3 the firearms retailer or customer may file an action in a court of compe-
4 tent jurisdiction to enjoin the individual or entity from requiring the
5 firearms code in violation of this section.

6 (8) If an individual or entity is found to be requiring the usage of a
7 firearms code by any merchant physically located in Idaho in violation of
8 this section and fails to cease the requirement for usage of the firearms
9 code by any firearms retailer physically located in Idaho after the expira-
10 tion of thirty (30) calendar days from the receipt of written notice by the
11 attorney general's office, the attorney general shall pursue an injunction
12 against any individual or entity, public or private, alleged to be in viola-
13 tion of this section. The attorney general shall pursue an injunction pur-
14 suant to this section in a court of competent jurisdiction in the judicial
15 district where the alleged violation occurred against the individual or en-
16 tity in alleged violation of this section.

17 (a) If a court finds that an individual or entity continues to be in vi-
18 olation of this section after thirty (30) calendar days from receiving
19 written notice from the attorney general or from a finding by the court
20 of a violation of this section, then the court shall enjoin the individ-
21 ual or entity from continuing to require the usage of the firearms code.

22 (b) If an individual or entity knowingly and willfully fails to com-
23 ply with an injunction as provided in this section within thirty (30)
24 days after being served with the injunction, then the court shall impose
25 a civil penalty in a sum not to exceed ten thousand dollars (\$10,000)
26 per violation of an injunction issued pursuant to this section, commit-
27 ted after the expiration of the thirty (30) calendar day period after
28 the entity or individual, public or private, was served with the injunc-
29 tion. In assessing such a penalty, the court shall consider factors in-
30 cluding the financial resources of the violator and the harm or risk of
31 harm to second amendment rights resulting from the violation. Any order
32 assessing a penalty for violation of this section shall be stayed pend-
33 ing appeal of the order.

34 (c) In addition to the remedies provided in this section, the attor-
35 ney general or a petitioner who prevails in an action under this section
36 shall recover costs, reasonable attorney's fees, and any other remedy
37 the court deems appropriate.

38 (9) It shall not be a defense to an action filed pursuant to this section
39 that such information was disclosed to a federal government entity, unless
40 such disclosure or action was made based on a good faith conclusion that the
41 disclosure or action was required by federal law or regulation.

42 SECTION 2. An emergency existing therefor, which emergency is hereby
43 declared to exist, this act shall be in full force and effect on and after
44 July 1, 2025.