

Stricken language would be deleted from and underlined language would be added to present law.  
Act 452 of the Regular Session

State of Arkansas  
95th General Assembly  
Regular Session, 2025

As Engrossed: H3/5/25 H3/10/25

## A Bill

HOUSE BILL 1509

By: Representative Beaty Jr.

By: Senator Hill

### For An Act To Be Entitled

AN ACT TO CREATE THE SECOND AMENDMENT FINANCIAL  
PRIVACY ACT; TO PROHIBIT FINANCIAL INSTITUTIONS FROM  
USING CERTAIN DISCRIMINATORY PRACTICES; AND FOR OTHER  
PURPOSES.

### Subtitle

TO CREATE THE SECOND AMENDMENT FINANCIAL  
PRIVACY ACT; AND TO PROHIBIT FINANCIAL  
INSTITUTIONS FROM USING CERTAIN  
DISCRIMINATORY PRACTICES.

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

SECTION 1. Arkansas Code Title 23, Chapter 32, is amended to add an  
additional subchapter to read as follows:

Subchapter 6 – Arkansas Second Amendment Financial Privacy Act

23-32-601. Title.

This subchapter shall be known and may be cited as the "Arkansas Second  
Amendment Financial Privacy Act".

23-32-602. Definitions.

As used in this subchapter:

(1)(A) "Acquirer bank" means a member of a payment card network  
that contracts with a merchant for the settlement of an electronic payment  
transaction.

(B) "Acquirer bank" includes a bank that contracts



directly with a merchant or indirectly through a processor to process an electronic payment transaction;

(2) "Ammunition" means the same as defined in 18 U.S.C. § 921, as it existed on January 1, 2025;

(3) "Antique firearm" means the same as defined in 18 U.S.C. § 921, as it existed on January 1, 2025;

(4) "Authorization" means the process by which a merchant requests approval for an electronic payment transaction from the issuer of a credit card or debit card;

(5) "Covered entity" means an entity that establishes a relationship with a retailer for the purposes of processing credit, debit, or prepaid transactions;

(6) "Credit card" means a card, plate, coupon book, or other credit device existing for the purposes of obtaining money, property, labor, or services on credit;

(7) "Customer" means a person engaged in a payment card transaction that a financial institution facilitates or processes;

(8) "Debit card" means a card issued by a financial institution to a consumer for use in initiating an electronic fund transfer from the account of the consumer at the financial institution for the purpose of transferring money between accounts or obtaining money, property, labor, or services;

(9) "Depository institution" means:

(A) A depository institution as defined in 12 U.S.C. § 1813(c)(1), as it existed on January 1, 2025; or

(B) An insured credit union as defined in 12 U.S.C. § 1752(7), as it existed on January 1, 2025;

(10) "Electronic payment transaction" means a transaction in which a person uses a debit card, a credit card, or other payment code or device issued or approved through a payment card network to debit a deposit account or use a line of credit, whether or not authorization is based on a signature, personal identification number, or other means;

(11)(A) "Financial institution" means an entity involved in facilitating or processing a payment card transaction.

(B) "Financial institution" includes:

(i) An acquirer bank;

- (ii) A payment card network;
    - (iii) A payment card issuer;
    - (iv) A depository institution;
    - (v) A trust company;
    - (vi) A savings bank;
    - (vii) A person subject to the jurisdiction of the:
      - (a) United States Securities and Exchange Commission;
      - (b) Bank Commissioner under the Arkansas Banking Code of 1997, chapters 45-50 of this title;
      - (c) Securities Commissioner under the Arkansas Securities Act, § 23-42-101 et seq.; or
      - (d) Insurance Commissioner under the Arkansas Insurance Code; or
    - (viii) Any other institution that:
      - (a) Holds and receives deposits, savings, or share accounts;
      - (b) Issues certificates of deposit;
      - (c) Provides to its customers any deposit accounts subject to withdrawal by check, instrument, order, or electronic means to effect third-party payments;
      - (d) Provides insurance services; or
      - (e) Provides investment services;
- (12)(A) "Firearm" means the same as defined in 18 U.S.C. § 921, as it existed on January 1, 2025.
- (B) "Firearm" includes:
    - (i) An antique firearm;
    - (ii) A rifle;
    - (iii) A shotgun; and
    - (iv) A handgun;
- (13) "Firearms retailer" means a person that is:
- (A) Physically located in Arkansas; and
  - (B) Engaged in the lawful business of selling or trading firearms, firearm accessories or firearm components, or ammunition;
- (14)(A) "Issuer" means a person issuing a credit card or a debit card.

(B) "Issuer" includes an issuer's agent;

(15)(A) "Merchant" means a person that accepts credit cards or debit cards from a customer for the purchase of goods or services.

(B) "Merchant" includes a firearms retailer that accepts a credit card or a debit card for lawful purchase of a firearm, firearm accessories or firearm components, or ammunition;

(16) "Merchant category code" means a code assigned to a retailer based on the types of goods and services offered to a retailer's customers;

(17)(A) "Payment card network" means an entity that directly or through a member, processor, or agent provides proprietary services, infrastructure, software, or hardware that routes information used to authorize, clear, and settle credit, debit, or prepaid transactions.

(B) "Payment card network" does not include a financial institution that settles a credit, debit, or prepaid transaction directly with a retailer on behalf of a customer;

(18) "Person" means an individual, a corporation, an organization, or other legal entity;

(19) "Rifle" means the same as defined in 18 U.S.C. § 921, as it existed on January 1, 2025;

(20) "Savings bank" means a savings association or federal savings association as defined in 12 U.S.C. § 1462, as it existed on January 1, 2025;

(21) "Shotgun" means the same as defined in 18 U.S.C. § 921, as it existed on January 1, 2025; and

(22) "Trust company" means:

(A) A national bank engaged in activities in a fiduciary capacity under 12 U.S.C. § 92a and 12 C.F.R. Part 9;

(B) A trust company as defined in § 23-51-102; or

(C) An interstate bank that is authorized under the Arkansas Banking Code of 1997, chapters 45-50 of this title, to exercise the powers of a trust company in this state.

23-32-603. Prohibited conduct.

(a)(1) A payment card network shall not require the use of a merchant category code that distinguishes a firearms retailer from other retailers.

(2) Subdivision (a)(1) of this section does not apply to an electronic payment transaction at a retailer outside of this state.

(b) A covered entity or its agent shall not assign a firearms retailer a merchant category code that distinguishes the firearms retailer from other retailers, including without limitation merchant category code 5723, which was approved in September 2022 by the International Organization for Standardization to firearms retailers.

(c) A merchant shall not assign merchant category code 5723, which was approved in September 2022 by the International Organization for Standardization, to a purchase of firearms, firearm accessories or firearm components, or ammunition.

(d) This section does not limit the ability of a financial institution or payment card network to negotiate with a responsible party or otherwise impair the financial institution's or payment card network's actions related to:

(1) Dispute processing;

(2) Fraud management;

(3) Protecting transaction integrity from concerns related to illegal activities, a data breach, or cyberattack risks;

(4) Management of a loyalty or rewards program related to an electronic payment transaction; or

(5) As required by law.

(e) A person, unit of government, or governmental organization shall not knowingly keep or cause to be kept a list, record, or registry of:

(1) A privately owned firearm; or

(2) An owner of a privately owned firearm.

(f) This section does not:

(1) Prevent an owner or an owner's representative from maintaining a list of the owner's firearms; or

(2) Prohibit a law enforcement agency from maintaining a list, registry, or record of firearms that have been stolen or reported stolen.

#### 23-32-604. Enforcement.

(a) The Attorney General may enforce and investigate alleged violations of this subchapter and, upon finding a violation, shall provide written notice to a person believed to be in violation of this subchapter.

(b) The Attorney General may be petitioned to investigate an alleged violation of this subchapter by:

(1) A firearms retailer whose business was the subject of an alleged violation of this subchapter;

(2) A customer who transacted business at a firearms retailer whose business was the subject of an alleged violation of this subchapter; or

(3) A person whose ownership of firearms is the subject of an alleged violation of this subchapter.

(c)(1) Upon finding a violation of this subchapter, the Attorney General shall provide written notice to a person believed to be in violation of this subchapter.

(2) The written notice required under subdivision (c)(1) of this section shall be made to the person believed to be in violation of this subchapter or a registered agent of the person within forty-five (45) days of the finding of the violation and contain the following:

(A) Identify the evidence to be relied upon in making a determination of a violation of this subchapter;

(B) Notice that the person believed to be in violation of this subchapter has thirty (30) calendar days following the receipt of the written notice to demonstrate that the person is not in violation of this subchapter; and

(C) Action to be taken by the Attorney General upon making a determination of a violation of this subchapter.

(3) A covered entity shall not be compelled to produce or disclose any data or information deemed confidential, privileged, or otherwise protected from disclosure by state or federal law.

(d) Upon receipt of the written notice under subdivision (c)(1) of this section, a person has sixty (60) calendar days to cease the violations of this subchapter.

(e)(1) If a person under subsection (d) of this section fails to cease the violations of this subchapter, the Attorney General may request an injunction against the person alleged to be in violation of this subchapter, which a court may order, in addition to any other available relief, as the court may consider appropriate.

(2) If a person knowingly fails to comply with an injunction under subdivision (e)(1) of this section, the Attorney General may petition

the court to recover a civil penalty in a sum not to exceed ten thousand dollars (\$10,000) for each violation of the injunction.

(3) An order assessing a penalty for a violation of this subchapter shall be stayed pending appeal of the order.

(4) The remedies under subdivisions (e)(1) and (2) of this section are exclusive remedies for a violation of this subchapter.

(f)(1) If the Attorney General provides written notice under subdivision (c)(1) of this section based on the petition of a firearms retailer or a customer of a firearms retailer, then the petitioner shall consent to the disclosure of any financial information held by a covered entity to the Attorney General, whether or not the information is confidential or proprietary to demonstrate that the covered entity is not in violation of this subchapter.

(2) If the firearms retailer or customer of a firearms retailer does not consent to the disclosure of financial information under subdivision (f)(1) of this section, the Attorney General shall not pursue the petition to investigate the violation of this subchapter.

(g) It is a defense to a civil proceeding initiated under this section that a person made a good faith determination that the person's action was required by applicable law.

(h) This section does not create a private right of action.

*/s/Beaty Jr.*

**APPROVED: 4/3/25**