

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 2016

By: Dahm

AS INTRODUCED

An Act relating to financial institutions; defining terms; prohibiting disclosure of certain financial information; prohibiting access of certain financial information; providing exceptions; providing for disclosure of financial information; providing requirements for disclosure of information in the event of a subpoena; prohibiting the assignment or use of certain code; requiring the assignment of certain code; requiring notification upon assignment of certain code; prohibiting use of certain code to engage in discriminatory conduct; authorizing civil action for violations of act; providing for recoverable damages; requiring the award of attorney's fees upon court finding; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6-601 of Title 14A, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Assign" or "assignment" means a financial institution 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 any

1 other entity facilitating or processing the payment card transaction  
2 to identify whether a merchant is a firearms retailer or whether a  
3 transaction involves the sale of firearms or ammunition;

4 2. "Customer" means any person who presents a payment card to a  
5 merchant for the purchase of goods or services;

6 3. "Customer's protected financial information" refers to  
7 protected financial information appearing in the financial records  
8 of a customer;

9 4. "Disclosure" means the transfer, publication, or  
10 distribution of protected financial information to another person  
11 for any purpose other than to process or facilitate a payment card  
12 transaction;

13 5. "Financial institution" means an entity other than a  
14 merchant involved in facilitating or processing a payment card  
15 transaction, including but not limited to a bank, acquirer, gateway,  
16 payment card network, or payment card issuer;

17 6. "Financial record" means a financial record held by a  
18 financial institution related to a payment card transaction that the  
19 financial institution has processed or facilitated;

20 7. "Firearms retailer" means any person engaged in the lawful  
21 business of selling or trading firearms or ammunition to be used in  
22 firearms;

23 8. "Firearms code" means any code or other indicator a  
24 financial institution assigns to a merchant or to a payment card  
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1 transaction that identifies whether a merchant is a firearms  
2 retailer or whether the payment card transaction involves the  
3 purchase of a firearm or ammunition. The term shall include but is  
4 not limited to a merchant category code assigned to a retailer by a  
5 payment card network or other financial institution;

6 9. "Government entity" means any state agency or political  
7 subdivision or agency thereof, located in this state;

8 10. "Merchant" means a person or entity that accepts payment  
9 cards from customers for the purchase of goods or services. The  
10 term shall include a firearms retailer that accepts payment cards  
11 for the lawful purchase of firearms or ammunition;

12 11. "Payment card" means a credit card, charge card, debit  
13 card, or any other card that is issued to an authorized card user  
14 and that allows the user to purchase goods or services from a  
15 merchant; and

16 12. "Protected financial information" means any record of a  
17 sale, purchase, return, or refund involving a payment card that is  
18 retrieved, characterized, generated, labeled, sorted, or grouped  
19 based on the assignment of a firearms code.

20 SECTION 2. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 6-602 of Title 14A, unless there  
22 is created a duplication in numbering, reads as follows:

23 A. A financial institution shall be prohibited from disclosing  
24 a customer's protected financial information and a governmental  
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1 entity is prohibited from accessing or obtaining the information  
2 unless:

3 1. Otherwise required by law and the protected financial  
4 information is not singled out, segregated, or disclosed based on  
5 the assignment of a firearms code;

6 2. Disclosure is made pursuant to a valid warrant issued in a  
7 criminal investigation, stating the grounds or probable cause for  
8 its issuance;

9 3. The customer has provided written authorization for  
10 disclosure, as provided in Section 3 of this act; or

11 4. Disclosure is made pursuant to a subpoena or to a grand jury  
12 subpoena.

13 SECTION 3. NEW LAW A new section of law to be codified  
14 in the Oklahoma Statutes as Section 6-603 of Title 14A, unless there  
15 is created a duplication in numbering, reads as follows:

16 A. A financial institution may disclose a customer's protected  
17 financial information if the customer provides the financial  
18 institution with written authorization for the disclosure. The  
19 written authorization described by this section must contain the  
20 following:

21 1. A statement that the customer consents to the disclosure of  
22 the protected financial information for a specific period;

23 2. A statement that the customer has the right to refuse to  
24 consent to disclosure;

1 3. A statement that the customer understands his or her right  
2 to revoke the consent at any time before the protected financial  
3 information is disclosed;

4 4. A description of the financial records authorized to be  
5 disclosed;

6 5. The purpose for which disclosure of the protected financial  
7 information is authorized; and

8 6. The customer's signature.

9 B. The written authorization described in this section shall  
10 not be required as a condition of doing business or transacting with  
11 any financial institution.

12 C. The written authorization required by this section shall be  
13 executed distinctly and separately from other agreements or  
14 instruments entered into between the customer and financial  
15 institution.

16 SECTION 4. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 6-604 of Title 14A, unless there  
18 is created a duplication in numbering, reads as follows:

19 If a subpoena issued by a government entity requires disclosure  
20 of a customer's protected financial information, a financial  
21 institution shall only disclose the information if the subpoena  
22 meets the following requirements:

23 1. The subpoena must state that protected financial information  
24 is being sought; and

1           2. A copy of the subpoena must be served to customer according  
2 to the procedure provided in Section 3 of this act and the subpoena  
3 must contain a certification that the service was executed.

4           SECTION 5.           NEW LAW           A new section of law to be codified  
5 in the Oklahoma Statutes as Section 6-605 of Title 14A, unless there  
6 is created a duplication in numbering, reads as follows:

7           A. A financial institution shall not assign to a merchant or  
8 require a merchant to use a firearms code.

9           B. For the sale of firearms, firearms ammunition, and firearms  
10 accessories, a merchant or financial institution shall not provide  
11 or assign a firearms code to the purchase and shall assign only a  
12 merchant code for general merchandise retailers or sporting goods  
13 retailers.

14           C. A financial institution shall notify a customer, in writing,  
15 on every occasion that a firearms code is assigned to a transaction  
16 on the customer's account.

17           D. A financial institution shall not use a firearms code to  
18 engage in the following discriminatory conduct:

19           1. Declining a lawful payment card transaction based on the  
20 assignment of a firearms code to the merchant or transaction;

21           2. Limiting or declining to do business with a customer,  
22 potential customer, or merchant based on the assignment of a  
23 firearms code to previous lawful transactions involving the  
24 customer, potential customer, or merchant;

1           3. Charge a higher transaction or interchange fee to any  
2 merchant or for a lawful transaction, as compared to the fee charged  
3 to a similarly situated merchant or for a similar transaction, based  
4 on the assignment of a firearms code; or

5           4. Take any action against a customer or merchant that is  
6 intended to suppress lawful commerce involving firearms or  
7 ammunition.

8           SECTION 6.           NEW LAW           A new section of law to be codified  
9 in the Oklahoma Statutes as Section 6-606 of Title 14A, unless there  
10 is created a duplication in numbering, reads as follows:

11           A. A customer may bring a civil action for damages against any  
12 financial institution or government entity that causes the  
13 customer's protected financial information to be disclosed in  
14 violation of this act. For each violation, the individual may  
15 recover:

16           1. Against any person who negligently or recklessly violates  
17 this act, damages of Ten Thousand Dollars (\$10,000.00) or actual  
18 damages, whichever is greater; and

19           2. Against any person who intentionally violates this act,  
20 damages of Twenty-five Thousand Dollars (\$25,000.00) or actual  
21 damages, whichever is greater.

22           B. A customer or merchant aggrieved by a violation of Section 5  
23 of this act may bring a civil action for damages. The person may  
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1 recover damages of Thirty Thousand Dollars (\$30,000.00) or actual  
2 damages, whichever is greater.

3 C. If a court finds that a violation of this act has occurred  
4 as the result of a civil action filed pursuant to subsection A or  
5 subsection B of this section, the court shall award reasonable  
6 attorney fees to the aggrieved party. A court may order other  
7 relief, including an injunction, as the court considers appropriate.

8 SECTION 7. This act shall become effective November 1, 2024.

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