

1 AN ACT relating to equality in access to financial services.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) As used in this section:*

6 *(a) "Customer" includes a prospective customer;*

7 *(b) "Discriminate in the provision of financial services":*

8 *1. Means utilizing a social credit score to, directly or indirectly, decline to*
9 *provide full and equal enjoyment in the provision of financial*
10 *services; and*

11 *2. Includes refusing to provide, terminating, or restricting financial*
12 *services;*

13 *(c) "Financial institution" means:*

14 *1. A bank that has total assets over one hundred billion dollars*
15 *(\$100,000,000,000);*

16 *2. A payment processor, credit card company, payment service provider,*
17 *or payment gateway that has processed more than one hundred billion*
18 *dollars (\$100,000,000,000) in transactions within the last calendar*
19 *year; or*

20 *3. Any affiliate or subsidiary of a financial institution referred to in*
21 *subparagraph 1. or 2. of this paragraph;*

22 *(d) "Financial service" or "service" means any financial product or service*
23 *offered by a financial institution;*

24 *(e) "Person" has the same meaning as in KRS 367.110;*

25 *(f) "Protected from government interference":*

26 *1. Means any speech, religious exercise, association, expression, or*
27 *conduct that is protected under the First Amendment to the*

1 Constitution of the United States, Section 5 or 8 of the Constitution of
2 Kentucky, or any other federal or state law, including:

3 a. All aspects of religious observance and practice and belief and
4 affiliation;

5 b. The person's opinions, speech, or other expressive activities; and

6 c. The lawful preservation of privacy regarding activities referred
7 to in this subparagraph, including the refusal to disclose
8 lobbying, political activity, or contributions beyond what is
9 required by federal or state law; and

10 2. Does not include any activity that the Supreme Court of the United
11 States has expressly held is unprotected on or before the effective date
12 of this Act, including:

13 a. Obscenity;

14 b. Fraud;

15 c. Incitement;

16 d. True threats;

17 e. Fighting words; and

18 f. Defamation; and

19 (g) "Social credit score":

20 1. Means any analysis, rating, scoring, list, or tabulation that evaluates
21 any of the following:

22 a. Any person's exercise of religion or speech that is protected from
23 government interference;

24 b. Failure or refusal to:

25 i. Adopt any targets or disclosures related to greenhouse gas
26 emissions beyond what is required by federal or state law;

27 ii. Conduct any type of racial, diversity, or gender audit or

- 1 disclosure;
- 2 iii. Provide any form of quota, preference, or benefit based, in
- 3 whole or part, on race, diversity, or gender; or
- 4 iv. Facilitate or assist employees in obtaining abortions or
- 5 gender reassignment services; or
- 6 c. Participation in any lawful business associations or business
- 7 activities, including business activities with an entity that
- 8 engages in:
- 9 i. The exploration, production, utilization, transportation,
- 10 sale, or manufacturing of fossil fuel sources or fossil fuel-
- 11 based energy; or
- 12 ii. Manufacturing, distribution, wholesale, supply, or retail of
- 13 firearms, firearms accessories, or ammunition; and
- 14 2. For purposes of subparagraph 1.c. of this paragraph, does not include
- 15 the evaluation of quantifiable financial risks of a person based on
- 16 impartial, financial-risk based standards that include activities
- 17 described in subparagraph 1.c. of this paragraph if the standards are:
- 18 a. Established in advance; and
- 19 b. Publicly disclosed to customers.
- 20 (2) A financial institution shall not:
- 21 (a) Discriminate in the provision of financial services to a person; or
- 22 (b) Agree, conspire, or coordinate, directly or indirectly, including through any
- 23 intermediary or third party, with another person or group of persons, to
- 24 engage in any activity prohibited by paragraph (a) of this subsection.
- 25 (3) (a) If a financial institution refuses to provide, restricts, or terminates service to
- 26 a customer, the customer may, within ninety (90) days of receipt of notice,
- 27 request a statement of the specific reasons for the refusal, restriction, or

1 termination.

2 (b) A request under paragraph (a) of this subsection may be made to a
3 customer service representative or designated account representative of the
4 financial institution by phone, mail, or email.

5 (c) A financial institution shall, within fourteen (14) days of receiving a request
6 under paragraph (a) of this subsection, provide a statement, by mail and
7 email, of the specific reasons for the refusal, restriction, or termination that
8 includes:

9 1. A detailed explanation of the basis for the refusal, restriction, or
10 termination of service, including a description of any of the customer's
11 speech, religious exercise, business association or activity, or other
12 conduct that was, in whole or in part, the basis of the refusal,
13 restriction, or termination of service, if applicable;

14 2. A copy of the terms of service agreed to by the customer and financial
15 institution, if applicable; and

16 3. A citation to the specific provisions of the terms of service upon which
17 the financial institution relied in refusing to provide, restricting, or
18 terminating the service.

19 (4) (a) A violation of this section shall be deemed to be an unfair, false, misleading,
20 or deceptive act or practice in the conduct of trade or commerce in violation
21 of KRS 367.170.

22 (b) All of the remedies, powers, and duties, provided to the Attorney General or
23 any other person under KRS 367.110 to 367.300, and the penalties provided
24 in KRS 367.990, pertaining to acts and practices declared unlawful by KRS
25 367.170, shall apply with equal force and effect to a violation of this section.

26 (5) This section shall be construed in favor of the broad protection of the conduct,
27 opinions, and beliefs protected by:

- 1 (a) *The First Amendment to the Constitution of the United States;*
- 2 (b) *The Constitution of Kentucky; and*
- 3 (c) *Any other state or federal law.*