State of Arizona
Senate
Fifty-sixth Legislature
First Regular Session
2023

SENATE BILL 1138

AN ACT

AMENDING TITLE 6, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 6-194; AMENDING TITLE 20, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-111; AMENDING TITLE 44, CHAPTER 11, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 44-1698.03; RELATING TO BUSINESS PRACTICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 6, chapter 2, article 1, Arizona Revised Statutes, is amended by adding section 6-194, to read:

6-194. Certain affiliations; discrimination prohibited; statewide concern

A. A FINANCIAL INSTITUTION DOING BUSINESS IN THIS STATE, EITHER DIRECTLY OR THROUGH A CONTRACTOR, MAY NOT DISCRIMINATE AGAINST ANY PERSON BASED ON EITHER:

1. A POLITICAL AFFILIATION.

2. OTHER SOCIAL CREDIT, ENVIRONMENTAL, SOCIAL, GOVERNANCE OR SIMILAR VALUES-BASED OR IMPACT CRITERIA.

B. NOTWITHSTANDING ANY OTHER LAW, A FINANCIAL INSTITUTION MAY OFFER INVESTMENTS, PRODUCTS OR SERVICES TO A POTENTIAL CUSTOMER OR INVESTOR THAT INCLUDE SUBJECTIVE STANDARDS IF THE STANDARDS ARE FULLY DISCLOSED AND EXPLAINED TO THE POTENTIAL CUSTOMER OR INVESTOR BEFORE ENTERING INTO A CONTRACT FOR THE INVESTMENTS, PRODUCTS OR SERVICES.

C. THIS SECTION DOES NOT INTERFERE WITH A FINANCIAL INSTITUTION'S ABILITY TO DISCONTINUE OR REFUSE TO CONDUCT BUSINESS WITH A PERSON WHEN THE ACTION IS NECESSARY FOR THE PHYSICAL SAFETY OF THE FINANCIAL INSTITUTION'S EMPLOYEES.

D. THE LEGISLATURE DECLARES THAT THE PRACTICE OF DISCRIMINATION AGAINST PERSONS OR ENTITIES IN THIS STATE BY USING THEIR SOCIAL CREDIT OR ENVIRONMENTAL, SOCIAL JUSTICE AND GOVERNMENTAL SCORE IS A MATTER OF STATEWIDE CONCERN, THAT DISCRIMINATION BASED ON SUCH SCORES NOT ONLY THREATENS THE RIGHTS AND PROPER PRIVILEGES OF THIS STATE'S INHABITANTS BUT MENACES THE INSTITUTIONS AND FOUNDATION OF A FREE DEMOCRATIC STATE AND THREATENS THE PEACE, ORDER, HEALTH, SAFETY AND GENERAL WELFARE OF THIS STATE AND ITS INHABITANTS.

Sec. 2. Title 20, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 20-111, to read:

20-111. Certain affiliations; discrimination prohibited; statewide concern

A. AN INSURER DOING BUSINESS IN THIS STATE, EITHER DIRECTLY OR THROUGH A CONTRACTOR, MAY NOT DISCRIMINATE AGAINST ANY PERSON BASED ON EITHER:

1. A POLITICAL AFFILIATION.

2. OTHER SOCIAL CREDIT, ENVIRONMENTAL, SOCIAL, GOVERNANCE OR SIMILAR VALUES-BASED OR IMPACT CRITERIA.

B. THIS SECTION DOES NOT INTERFERE WITH AN INSURER'S ABILITY TO DISCONTINUE OR REFUSE TO CONDUCT BUSINESS WITH A PERSON WHEN THAT ACTION IS NECESSARY FOR THE PHYSICAL SAFETY OF THE INSURER'S EMPLOYEES.

C. THE LEGISLATURE DECLARES THAT THE PRACTICE OF DISCRIMINATION AGAINST PERSONS OR ENTITIES IN THIS STATE BY USING THEIR SOCIAL CREDIT OR ENVIRONMENTAL, SOCIAL JUSTICE AND GOVERNMENTAL SCORE IS A MATTER OF STATEWIDE CONCERN, THAT DISCRIMINATION BASED ON SUCH SCORES NOT ONLY
THREATENS THE RIGHTS AND PROPER PRIVILEGES OF THIS STATE'S INHABITANTS BUT MENACES THE INSTITUTIONS AND FOUNDATION OF A FREE DEMOCRATIC STATE AND THREATENS THE PEACE, ORDER, HEALTH, SAFETY AND GENERAL WELFARE OF THIS STATE AND ITS INHABITANTS.

Sec. 3. Title 44, chapter 11, article 6, Arizona Revised Statutes, is amended by adding section 44-1698.03, to read:

44-1698.03. Certain affiliations; discrimination prohibited; statewide concern

A. A CREDIT REPORTING AGENCY DOING BUSINESS IN THIS STATE, EITHER DIRECTLY OR THROUGH A CONTRACTOR, MAY NOT DISCRIMINATE AGAINST ANY PERSON BASED ON EITHER:

1. A POLITICAL AFFILIATION.

2. OTHER SOCIAL CREDIT, ENVIRONMENTAL, SOCIAL, GOVERNANCE OR SIMILAR VALUES-BASED OR IMPACT CRITERIA.

B. THIS SECTION DOES NOT INTERFERE WITH A CREDIT REPORTING AGENCY'S ABILITY TO DISCONTINUE OR REFUSE TO CONDUCT BUSINESS WITH A PERSON WHEN THAT ACTION IS NECESSARY FOR THE PHYSICAL SAFETY OF THE CREDIT REPORTING AGENCY'S EMPLOYEES.

C. THE LEGISLATURE DECLARES THAT THE PRACTICE OF DISCRIMINATION AGAINST PERSONS OR ENTITIES IN THIS STATE BY USING THEIR SOCIAL CREDIT OR ENVIRONMENTAL, SOCIAL JUSTICE AND GOVERNMENTAL SCORE IS A MATTER OF STATEWIDE CONCERN, THAT DISCRIMINATION BASED ON SUCH SCORES NOT ONLY THREATENS THE RIGHTS AND PROPER PRIVILEGES OF THIS STATE'S INHABITANTS BUT MENACES THE INSTITUTIONS AND FOUNDATION OF A FREE DEMOCRATIC STATE AND THREATENS THE PEACE, ORDER, HEALTH, SAFETY AND GENERAL WELFARE OF THIS STATE AND ITS INHABITANTS.