

**SB281 ENROLLED**



1 SB281  
2 CMCEQQW-3  
3 By Senator Melson  
4 RFD: Banking and Insurance  
5 First Read: 04-Apr-24



## SB281 Enrolled

1 Enrolled, An Act,

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4 Relating to financial institutions; to provide  
5 definitions; to prohibit a governmental agency from creating  
6 or maintaining a list or registry of privately owned firearms  
7 or owners of firearms; to prohibit the use of firearms codes  
8 in certain circumstances; to prohibit a financial institution  
9 from declining a payment card transaction relating to a  
10 firearm retailer in certain circumstances; and to provide for  
11 civil remedies.

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

13 Section 1. This act shall be known and may be cited as  
14 the Second Amendment Financial Privacy Act.

15 Section 2. For the purposes of this act, the following  
16 terms have the following meanings:

17 (1) AMMUNITION. Any cartridge, shell, or projectile, or  
18 a component of any of the previous, designed for use in a  
19 firearm.

20 (2) ASSIGN or ASSIGNMENT. A financial institution's  
21 policy, process, or practice that labels, links, or otherwise  
22 associates a firearms code with a merchant or a payment card  
23 transaction in a manner that allows the financial institution  
24 or any other entity facilitating or processing the payment  
25 card transaction to identify whether a merchant is a firearm  
26 retailer or whether a transaction involves the sale of a  
27 firearm or ammunition.

28 (3) CUSTOMER. Any person or entity engaged in a payment



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29 card transaction facilitated or processed by a financial  
30 institution.

31 (4) FINANCIAL INSTITUTION. A person or entity other  
32 than a merchant involved in facilitating or processing a  
33 payment card transaction, including any bank, credit union as  
34 defined in Section 5-17-1, Code of Alabama 1975, acquirer, or  
35 payment card issuer.

36 (5) FIREARM. As defined in Section 13A-11-59, Code of  
37 Alabama 1975. The term also includes any component or  
38 accessory of a firearm.

39 (6) FIREARM RETAILER. Any person or entity that is  
40 physically located in this state and is engaged in the lawful  
41 selling or trading of firearms, antique firearms, or  
42 ammunition.

43 (7) FIREARMS CODE. A merchant category code approved by  
44 the international organization for standardization or an  
45 equivalent successor organization and specifically assigned to  
46 a firearm retailer.

47 (8) GOVERNMENTAL ENTITY. The state, or any political  
48 subdivision thereof, or any agency or instrumentality of the  
49 state.

50 (9) PAYMENT CARD. A credit card, charge card, debit  
51 card, or any other card that is issued to an authorized card  
52 user and allows the user to purchase goods or services from a  
53 merchant.

54 (10) PAYMENT CARD NETWORK. An entity that provides  
55 proprietary services, infrastructure, and software to conduct  
56 payment card transaction authorizations, clearances, and



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57 settlements, and software that an entity uses in order to  
58 accept as a form of payment a brand of payment card or other  
59 device that may be used to carry out payment card  
60 transactions. The term does not include any financial  
61 institution.

62 (11) PAYMENT CARD TRANSACTION. Any transaction in which  
63 a payment card is accepted as payment.

64 Section 3. (a) Except for records kept during the  
65 regular course of a criminal investigation or prosecution, or  
66 as otherwise required by law, a governmental entity, or agent  
67 or employee of a governmental entity, shall not knowingly keep  
68 or cause to be kept any list, record, or registry of privately  
69 owned firearms or the owners of firearms.

70 (b) Except as provided in subsections (d) and (e), a  
71 payment card network, or agent of a payment card network,  
72 shall not require the use of a firearms code in a way that  
73 distinguishes a firearm retailer from other retailers.

74 (c) Except as provided in subsections (d) and (e), a  
75 financial institution, or agent of a financial institution,  
76 shall not decline a payment card transaction involving a  
77 firearm retailer based solely on an assignment of a firearms  
78 code.

79 (d) Nothing in this section shall prohibit a payment  
80 card network or financial institution from declining or  
81 otherwise refusing to process a payment card transaction for  
82 any of the following reasons:

83 (1) To comply with applicable state or federal law.

84 (2) To comply with a request by a customer.



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85 (3) To comply with fraud, credit, or compliance  
86 controls.

87 (4) For the purpose of merchant category exclusions  
88 offered by a financial institution for expenditure control or  
89 corporate card control.

90 (5) To restrict the use or availability of a firearms  
91 code in this state.

92 (e) Nothing in this section shall limit the authority  
93 of a financial institution or payment card network to  
94 negotiate with responsible parties or otherwise impair a  
95 financial institution's actions related to any of the  
96 following:

97 (1) Dispute processing.

98 (2) Fraud risk, compliance, credit management, or other  
99 controls in the ordinary course of business operations.

100 (3) Protecting against illegal activities, breach, or  
101 cyber risks.

102 (4) Restricting the use or availability of a firearms  
103 code in this state.

104 Section 4. (a) The Attorney General shall investigate  
105 reasonable allegations that a person or entity, including a  
106 governmental entity, has violated this act and, upon finding a  
107 violation, shall provide written notice to the person or  
108 entity believed to have committed the violation. The person or  
109 entity shall cease the violation within 60 business days after  
110 receiving written notice from the Attorney General pursuant to  
111 this section.

112 (b) (1) If a person or entity does not cease the



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113 violation within 60 business days after receiving written  
114 notice from the Attorney General pursuant to this section, the  
115 Attorney General shall file an action against the person or  
116 entity seeking an injunction.

117 (2) If the court finds that the person or entity  
118 violated this act and has not ceased the activity constituting  
119 the violation, the court shall enjoin the person or entity  
120 from continuing the activity and shall award court costs and  
121 reasonable attorney fees.

122 (3) If a person or entity purposefully fails to comply  
123 with an injunction issued pursuant to this section after 30  
124 business days of being served with the injunction, the  
125 Attorney General, upon petition to the court, shall seek to  
126 impose on the person or entity a civil fine in an amount not  
127 to exceed one thousand dollars (\$1,000) per violation. In  
128 assessing a civil fine, the court shall consider factors  
129 including, but not limited to, the financial resources of the  
130 violator and the harm or risk of harm to the rights under the  
131 Second Amendment to the United States Constitution resulting  
132 from the violation.

133 (4) Any order assessing a civil fine pursuant to this  
134 section shall be stayed pending appeal of the order.

135 (c) The Attorney General shall have exclusive authority  
136 to enforce this act. The remedies set forth in this section  
137 are the exclusive remedies for any violation of this act.

138 (d) It shall be a defense to a proceeding initiated  
139 pursuant to this section that a firearms code was required to  
140 be disclosed or assigned by law.



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141                   Section 5. This act shall become effective on October  
142    1, 2024.



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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB281

Senate 23-Apr-24

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris,  
Secretary.

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House of Representatives

Passed: 30-Apr-24

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By: Senator Melson