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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 4774

04/07/2022

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The bill was read for the first time and referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act
1.2 relating to consumer protection; prohibiting certain financial and business entities
1.3 from engaging in certain discriminatory practices; proposing coding for new law
1.4 in Minnesota Statutes, chapter 325E.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **[325E.67] SOCIAL MEDIA; DISCRIMINATION PROHIBITED.**

1.7 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision
1.8 have the meanings given.

1.9 (b) "Bank" has the meaning given in section 47.01, subdivision 2.

1.10 (c) "Business entity" means a sole proprietorship, corporation, limited liability company,
1.11 association, partnership, joint-stock company, joint venture, mutual fund, trust, joint tenancy,
1.12 or other similar form of business organization.

1.13 (c) "Credit union" has the meaning given in section 52.001, subdivision 4.

1.14 (d) "Trust company" has the meaning given in section 47.01, subdivision 4.

1.15 Subd. 2. **Banks; trust companies.** (a) A bank or trust company doing business in
1.16 Minnesota, either directly or through the use of an outside contractor, is prohibited from
1.17 discriminating against, advocating for, or causing adverse treatment of any individual,
1.18 business, or other customer based on subjective or arbitrary standards, including but not
1.19 limited to:

1.20 (1) social media posts;

1.21 (2) participation or membership in any club, association, or union;

2.1 (3) political affiliation;

2.2 (4) employer;

2.3 (5) social credit score;

2.4 (6) environmental, social, and governance criteria; or

2.5 (7) other similar values-based or impact criteria.

2.6 (b) Nothing in this subdivision interferes with a bank's or trust company's ability to
2.7 discontinue or refuse to conduct business with an individual account holder or potential
2.8 customer when doing so is necessary to ensure the physical safety of the bank's or trust
2.9 company's employees.

2.10 (c) Notwithstanding paragraph (a), a bank or trust company may offer customers
2.11 investments, products, or services that include subjective standards if the standards are fully
2.12 disclosed and explained to any potential customer or investor prior to entering into a contract
2.13 for an investment, product, or service.

2.14 (d) A bank or trust company that violates this section is subject to a civil penalty of
2.15 \$50,000 for a first violation and a civil penalty of \$250,000 for a second or subsequent
2.16 violation. Any civil penalties collected pursuant to this section must be deposited in the
2.17 financial institutions account under section 46.131, subdivision 11.

2.18 (e) This subdivision is a part of and supplements chapters 46 to 48A.

2.19 Subd. 3. **Credit unions.** (a) A credit union doing business in Minnesota, either directly
2.20 or through the use of an outside contractor, is prohibited from discriminating against,
2.21 advocating for, or causing adverse treatment of any individual, business, or other customer
2.22 based on subjective or arbitrary standards, including but not limited to:

2.23 (1) social media posts;

2.24 (2) participation or membership in any club, association, or union;

2.25 (3) political affiliation;

2.26 (4) employer;

2.27 (5) social credit score;

2.28 (6) environmental, social, and governance criteria; or

2.29 (7) other similar values-based or impact criteria.

3.1 (b) Nothing in this subdivision interferes with a credit union's ability to discontinue or
3.2 refuse to conduct business with an individual account holder or potential customer when
3.3 doing so is necessary to ensure the physical safety of the credit union's employees.

3.4 (c) Notwithstanding paragraph (a), a credit union may offer customers investments,
3.5 products, or services that include subjective standards if the standards are fully disclosed
3.6 and explained to any potential customer or investor prior to entering into a contract for an
3.7 investment, product, or service.

3.8 (d) A credit union that violates this section is subject to a civil penalty of \$50,000 for a
3.9 first violation and a civil penalty of \$250,000 for a second or subsequent violation. Any
3.10 civil penalties collected pursuant to this section must be deposited in the financial institutions
3.11 account under section 46.131, subdivision 11.

3.12 (e) This subdivision is a part of and supplements chapter 52.

3.13 Subd. 4. **Business entities.** (a) A business entity doing business in Minnesota, either
3.14 directly or through the use of an outside contractor, is prohibited from discriminating against,
3.15 advocating for, or causing adverse treatment of any individual, business, or other customer
3.16 based on subjective or arbitrary standards, including but not limited to:

3.17 (1) social media posts;

3.18 (2) participation or membership in any club, association, or union;

3.19 (3) political affiliation;

3.20 (4) employer;

3.21 (5) social credit score;

3.22 (6) environmental, social, and governance criteria; or

3.23 (7) other similar values-based or impact criteria.

3.24 (b) Nothing in this subdivision interferes with a person's or business entity's ability to
3.25 discontinue or refuse to conduct business with a customer when doing so is necessary to
3.26 ensure the physical safety of the person, the business entity, or the business entity's
3.27 employees.

3.28 (c) Notwithstanding paragraph (a), a business entity may engage in a business practice
3.29 described in paragraph (a) if the specific business practice is fully disclosed to the potential
3.30 customer before the potential customer and the business entity enter into a business
3.31 transaction.

- 4.1 (d) A business entity that violates this section is subject to a civil penalty of \$50,000 for
4.2 a first violation and a civil penalty of \$250,000 for a second or subsequent violation. Any
4.3 civil penalties collected under this subdivision must be deposited in general fund.
- 4.4 Subd. 5. **Enforcement.** The attorney general must enforce this section.