

IN THE SENATE

SENATE BILL NO. 1027, As Amended, As Amended

BY STATE AFFAIRS COMMITTEE

AN ACT

1 RELATING TO THE TRANSPARENCY IN FINANCIAL SERVICES ACT; AMENDING TITLE 26,
2 IDAHO CODE, BY THE ADDITION OF A NEW CHAPTER 38, TITLE 26, IDAHO CODE,
3 TO PROVIDE A SHORT TITLE, TO PROVIDE FOR CONSTRUCTION OF TERMINOLOGY, TO
4 DEFINE TERMS, TO PROHIBIT CERTAIN DISCRIMINATION AND TO REQUIRE A CER-
5 TAIN EXPLANATION, TO PROVIDE FOR ENFORCEMENT, AND TO PROVIDE FOR SEV-
6 ERABILITY; AMENDING SECTION 26-107, IDAHO CODE, TO PROVIDE FOR THE AP-
7 PPLICATION OF CERTAIN CODE SECTIONS TO NATIONAL BANKS; AND DECLARING AN
8 EMERGENCY AND PROVIDING AN EFFECTIVE DATE.
9

10 Be It Enacted by the Legislature of the State of Idaho:

11 SECTION 1. That Title 26, Idaho Code, be, and the same is hereby amended
12 by the addition thereto of a NEW CHAPTER, to be known and designated as Chap-
13 ter 38, Title 26, Idaho Code, and to read as follows:

14 CHAPTER 38

15 TRANSPARENCY IN FINANCIAL SERVICES ACT

16 26-3801. SHORT TITLE. This chapter shall be known and may be cited as
17 the "Transparency in Financial Services Act."

18 26-3802. CONSTRUCTION OF TERMINOLOGY. The definitions provided in
19 section 26-3803, Idaho Code, shall be construed in favor of the broadest
20 protection of the conduct, opinions, and beliefs protected by the first
21 amendment to the United States constitution, the constitution of the state
22 of Idaho, and applicable state and federal law.

23 26-3803. DEFINITIONS. For purposes of this chapter:

24 (1) "Discriminate in the provision of financial services" means uti-
25 lizing a social credit score to directly or indirectly decline to provide
26 full and equal enjoyment in the provision of financial services. "Discrimi-
27 nate in the provision of financial services" includes a refusal to provide,
28 termination of, or restriction on financial services, notwithstanding the
29 provisions of section 48-605, Idaho Code.

30 (2) (a) "Financial institution" means:

31 (i) A bank that has total assets over one hundred billion dollars
32 (\$100,000,000,000); or

33 (ii) A payment processor, credit card company, credit card net-
34 work, payment network, payment service provider, or payment
35 gateway that has processed more than one hundred billion dollars
36 (\$100,000,000,000) in transactions in the last calendar year.

37 (b) "Financial institution" includes any affiliate or subsidiary com-
38 pany owned by or controlled by the covered financial institution.

1 (3) "Financial service" means any financial product or service offered
2 by a financial institution.

3 (4) "Person" means any individual, partnership, association, joint
4 stock company, trust, corporation, nonprofit organization, or other busi-
5 ness or legal entity.

6 (5) "Protected from government interference" refers to any speech,
7 religious exercise, association, expression, or conduct that is protected
8 by the first amendment to the United States constitution other than activ-
9 ities that the supreme court of the United States has expressly held are
10 unprotected as of July 1, 2025, such as obscenity, fraud, incitement, true
11 threats, fighting words, or defamation.

12 (6) (a) "Social credit score" means any analysis, rating, scoring,
13 list, or tabulation that evaluates any of the following:

14 (i) Any person's exercise of religion that is protected from gov-
15 ernment interference by the first amendment to the United States
16 constitution, section 4, article I of the constitution of the
17 state of Idaho, or federal or state law, including all aspects of
18 religious observance and practice, as well as belief and affilia-
19 tion;

20 (ii) Any person's speech, expression, or association that is pro-
21 tected from government interference by the first amendment to the
22 United States constitution, section 9, article I of the consti-
23 tution of the state of Idaho, or federal or state law, including
24 the person's opinions, speech, or other expressive activities,
25 including the lawful preservation of privacy regarding those ac-
26 tivities, such as the refusal to disclose lobbying, political
27 activity, or contributions beyond what is required by applicable
28 state and federal law;

29 (iii) Any person's failure or refusal to adopt any targets or dis-
30 closures related to greenhouse gas emissions beyond what is re-
31 quired by applicable law;

32 (iv) Any person's failure or refusal to conduct any type of
33 racial, diversity, or gender audit or disclosure or to provide any
34 sort of quota, preference, or benefit based, in whole or in part,
35 on race, diversity, or gender beyond what is required by applica-
36 ble law;

37 (v) Any person's failure or refusal to facilitate or assist em-
38 ployees in obtaining abortions or gender reassignment services;
39 or

40 (vi) Except as provided in paragraph (b) of this subsection, par-
41 ticipation in the following lawful business associations or busi-
42 ness activities:

43 1. The exploration, production, utilization, transporta-
44 tion, sale, or manufacture of fossil fuel-based energy; or

45 2. The manufacture, distribution, wholesale, supply, or re-
46 tail of knives, firearms, firearm accessories, or ammuni-
47 tion.

48 (b) For the purposes of paragraph (a) (vi) of this subsection only, "so-
49 cial credit score" does not include a financial institution evaluating
50 quantifiable financial risks of a person based on impartial, financial

1 risk-based standards that include activities described in paragraph
2 (a) (vi) of this subsection if such standards are established in advance
3 by the financial institution and publicly disclosed to customers and
4 potential customers.

5 26-3804. EXPLANATION REQUIRED UPON REQUEST -- DISCRIMINATION PROHIB-
6 ITED. (1) If a financial institution refuses to provide, restricts, or ter-
7 minates service to a customer, that customer may request a statement of spe-
8 cific reasons within ninety (90) days after receiving notice of the refusal
9 to provide, restriction of, or termination of service. The customer may re-
10 quest the statement from a customer service representative or designated ac-
11 count representative by phone, United States mail, or email. Unless other-
12 wise prohibited by law, the financial institution shall transmit the state-
13 ment of specific reasons via United States mail or email within fourteen (14)
14 days of receiving the customer's request. The statement of specific reasons
15 shall include:

16 (a) A detailed explanation of the basis for the denial or termination of
17 service, including a description of any of the customer's speech, reli-
18 gious exercise, business activity with a particular industry, or other
19 conduct that was, in whole or in part, the basis of the financial insti-
20 tution's denial or termination of service;

21 (b) A copy of the terms of service agreed to by the customer and the fi-
22 nancial institution; and

23 (c) A citation to the specific provisions of the terms of service upon
24 which the financial institution relied to refuse to provide, restrict,
25 or terminate service.

26 (2) A financial institution shall not:

27 (a) Discriminate in the provision of financial services to a person; or

28 (b) Agree, conspire, or coordinate, directly or indirectly, including
29 through any intermediary or third party, with another person, or group
30 of persons, to engage in activity prohibited by this subsection.

31 (3) This section does not prohibit a financial institution declining
32 to provide, restricting, or terminating financial services to a person
33 when there is evidence that the person is engaged in actual or suspected
34 fraud, criminal conduct, or incitement to unlawful actions, or if the person
35 threatens violence or commits violence against a bank, its affiliates, its
36 employees, or other persons or creates obscenity or another form of expres-
37 sion that is not protected by the United States constitution.

38 26-3805. ENFORCEMENT. (1) A violation of this chapter is a violation
39 of the Idaho consumer protection act, chapter 6, title 48, Idaho Code.

40 (2) The attorney general may undertake any and all actions authorized
41 by the Idaho consumer protection act to investigate and enforce a violation
42 of this chapter.

43 (3) A person harmed by a violation of this chapter may initiate a civil
44 action and may seek remedies pursuant to section 48-608, Idaho Code.

45 26-3806. SEVERABILITY. It is the intent of the legislature that every
46 provision, section, subsection, sentence, clause, phrase, or word in this
47 chapter, and every application of the provisions in this chapter, shall be

1 severable from each other. If any application of any provision in this chap-
2 ter to any person, group of persons, or circumstances is found by a court to
3 be invalid, the remaining applications of that provision to all other per-
4 sons and circumstances shall be severed and may not be affected. All consti-
5 tutionally valid applications of this chapter shall be severed from any ap-
6 plications that a court finds to be invalid, leaving the valid applications
7 in force, because it is the legislature's intent and priority that the valid
8 applications be allowed to stand alone. The legislature further declares
9 that it would have passed this chapter, and each provision, section, sub-
10 section, sentence, clause, phrase, or word, and all constitutional applica-
11 tions of this chapter, irrespective of the fact that any provision, section,
12 subsection, sentence, clause, phrase, or word, or applications of this chap-
13 ter, were to be declared unconstitutional.

14 SECTION 2. That Section 26-107, Idaho Code, be, and the same is hereby
15 amended to read as follows:

16 26-107. SECTIONS APPLICABLE TO NATIONAL BANKS. The provisions of sec-
17 tions 26-215, 26-301 through and including, ~~26-309, 26-311, 26-712, 26-713,~~
18 ~~26-714, 26-1203, 26-1206, 26-1207, 26-1208, and 26-1209,~~ 26-1601 through
19 26-1605, 26-2601 through 26-2612, and 26-3801 through 26-3806, Idaho Code,
20 shall also apply to national banks.

21 SECTION 3. An emergency existing therefor, which emergency is hereby
22 declared to exist, this act shall be in full force and effect on and after
23 July 1, 2025.