

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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HOUSE BILL 38  
Committee Substitute Favorable 4/15/25  
Third Edition Engrossed 4/29/25

Short Title: Second Amendment Financial Privacy Act. (Public)

Sponsors:

Referred to:

February 5, 2025

A BILL TO BE ENTITLED  
AN ACT TO ENACT THE SECOND AMENDMENT FINANCIAL PRIVACY ACT.  
The General Assembly of North Carolina enacts:

**SECTION 1.** Chapter 66 of the General Statutes is amended by adding a new Article to read:

"Article 52.

"Second Amendment Financial Privacy Act.

**"§ 66-511. Legislative findings.**

The General Assembly finds all of the following:

- (1) The right of individuals to keep and bear arms is guaranteed under both the Second Amendment to the United States Constitution and Section 30 of Article I of the North Carolina Constitution.
- (2) In September 2022, the International Organization for Standardization, based in Switzerland, approved a new merchant category code for firearms merchants.
- (3) The new merchant category code would allow payment card networks and others involved in payment card processing to identify and separately track lawful payment card purchases at firearms merchants in North Carolina. This surveillance would cause a significant chilling effect on individuals in North Carolina wishing to exercise their federal and State constitutional rights to keep and bear arms.
- (4) In order to protect consumers in this State and promote lawful commerce in this State, the Second Amendment Financial Privacy Act prohibits payment card networks from using a firearms code or maintaining a firearms registry.

**"§ 66-512. Definitions.**

The following definitions apply in this Article:

- (1) Firearms code. – Any code or other indicator that identifies to a payment card network any of the following:
  - a. Whether a person is a firearms merchant.
  - b. Whether a payment involves the purchase of a firearm or firearm ammunition.
- (2) Firearms merchant. – A person physically located in the State engaged in the lawful business of selling or trading firearms or firearm ammunition.
- (3) Payment card network. – An entity that: (i) directly or through licensed members, processors, or agents, provides the proprietary services,



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1 infrastructure, and software to route information and data for the purpose of  
2 conducting electronic payment transaction authorization, clearance, and  
3 settlement; and (ii) a merchant uses to accept as a form of payment a brand of  
4 debit card, credit card, or other device that may be used to carry out electronic  
5 payment transactions. This term does not include the following:

- 6 a. A bank holding federally insured deposits from individuals.  
7 b. A credit union holding federally insured deposits from individuals.

8 **"§ 66-513. Prohibitions.**

9 (a) No payment card network shall use or permit a firearms code in connection with a  
10 payment card transaction involving a firearms merchant located in this State.

11 (b) No payment card network shall knowingly maintain a record of individuals residing  
12 in this State who own firearms.

13 (c) No payment card network shall discriminate against a firearms merchant based solely  
14 on the assignment or nonassignment of a firearms code, including by refusing to serve on similar  
15 terms or declining a lawful payment card transaction.

16 **"§ 66-514. Enforcement; civil penalty.**

17 (a) The Attorney General may investigate an alleged violation of this Article. After notice  
18 and an opportunity for hearing, if the Attorney General determines that a payment card network  
19 violated this Article, the Attorney General may assess a civil penalty of not more than five  
20 thousand dollars (\$5,000) for each violation. The clear proceeds of any penalty assessed pursuant  
21 to this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with  
22 G.S. 115C-457.2.

23 (b) The powers vested in the Attorney General by this Article are in addition to and do  
24 not limit the ability of the Attorney General to take other enforcement action.

25 **"§ 66-515. Civil liability for violation.**

26 (a) Cause of Action. – A civil action may be brought against a payment card network for  
27 violation of this Article by any of the following:

- 28 (1) A firearms merchant located in this State whose payment card transactions are  
29 designated with a firearms code.  
30 (2) A person that makes a payment card transaction with a firearms merchant  
31 located in this State and whose payment card record includes a firearms code  
32 for that transaction.  
33 (3) An individual for whom a payment card network maintains a record of firearm  
34 ownership.

35 (b) Relief and Damages. – A person authorized to institute a civil action by subsection  
36 (a) of this section may seek and the court may award any or all of the following types of relief:

- 37 (1) An injunction to enjoin continued violation of this Article.  
38 (2) Statutory damages in the amount of ten thousand dollars (\$10,000) for each  
39 instance of violation of this Article connected to the person filing the civil  
40 action.  
41 (3) Costs and attorneys' fees.

42 (c) Statute of Limitations. – No action shall be maintained under subsection (a) of this  
43 section unless it is commenced no later than three years after the discovery of the violation of  
44 this Article."

45 **SECTION 2.** This act becomes effective October 1, 2025.