

# WEST VIRGINIA LEGISLATURE

## 2024 REGULAR SESSION

Introduced

### Senate Bill 275

FISCAL  
NOTE

By Senator Karnes

[Introduced January 11, 2024; referred to  
the Committee on the Judiciary; and then to the  
Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,  
 2 designated §12-1-16, relating generally to financial institutions engaged in boycotts of  
 3 firearms companies; defining terms; authorizing the State Treasurer to prepare, maintain,  
 4 and publish a list of financial institutions engaged in boycotts of firearms companies;  
 5 requiring the Treasurer to post the list on his or her website and submit the list to certain  
 6 public officials; setting forth sources of information on which the Treasurer may rely on  
 7 preparing the list; requiring the Treasurer to send written notice to a financial institution of  
 8 its inclusion on the list; requiring the Treasurer to remove a financial institution from the list  
 9 if it presents information demonstrating that it is not engaged in a boycott of firearms  
 10 companies; authorizing the Treasurer to exclude financial institutions on the list from the  
 11 selection process for state banking contracts; authorizing the Treasurer to refuse to enter  
 12 into a banking contract with a financial institution on the list; authorizing the Treasurer to  
 13 require, as a term of a banking contract, an agreement by the financial institution not to  
 14 engage in a boycott of firearms companies; and limiting liability of public officials, public  
 15 employees, members or employees of financial institutions for actions taken in compliance  
 16 with the new code section, and exempting the Investment Management Board.

*Be it enacted by the Legislature of West Virginia:*

**ARTICLE 1. STATE DEPOSITORIES.**

**§12-1-16. Financial institutions engaged in boycotts of firearms, ammunition, or firearms accessories companies.**

1 (a) Definitions. – For the purposes of this section:

2 (1) "Banking contract" means a contract entered into by the Treasurer and a financial  
 3 institution pursuant to this chapter, to provide banking goods, or services to a spending unit.

4 (2) "Boycott of firearms, ammunition, or firearms accessories companies" means without  
 5 an ordinary business purpose, refusal to deal with a company, termination of business activities  
 6 with a company, or another action that is intended to penalize, inflict economic harm on, or limit

7 commercial relations with a company because the company:

8 (A) Engages in the sale, wholesale, utilization, transportation, or manufacturing of  
9 firearms, ammunition or firearm accessories;

10 (B) Engages in the sale, wholesale, utilization, transportation, or manufacturing of  
11 firearms, ammunition, or firearm accessories and does not commit or pledge to meet  
12 environmental standards beyond applicable federal and state law; or

13 (C) Does business with a company that engages in the sale, wholesale, utilization,  
14 transportation, or manufacturing of firearms, ammunition or firearm accessories.

15 (3) "Company" means any sole proprietorship, organization, association, corporation,  
16 partnership, joint venture, limited partnership, limited liability partnership, limited liability company,  
17 or other entity or business association, including all wholly owned subsidiaries, majority-owned  
18 subsidiaries, parent companies, or affiliates of those entities or business associations, that exist  
19 for the purpose of making profit.

20 (4) "Financial institution" means a bank, national banking association, nonbank financial  
21 institution, a bank and trust company, a trust company, a savings and loan association, a building  
22 and loan association, a mutual savings bank, a credit union, or a savings bank.

23 (5) "Ordinary business purpose" includes any purpose directly related to promoting the  
24 financial success or stability of a financial institution, the purpose of mitigating risk to a financial  
25 institution, or the purpose of limiting liability of a financial institution.

26 (6) "Restricted financial institution" means a financial institution included in the most  
27 recently updated restricted financial institution list.

28 (7) "Restricted financial institution list" means the list that the Treasurer is authorized to  
29 prepare, maintain, and publish pursuant to subsection (b) of this section.

30 (8) "Treasurer" refers to the West Virginia State Treasurer.

31 (b) Restricted financial institutions list. –

32 (1) The Treasurer is authorized to prepare and maintain a list of financial institutions that

33 are engaged in a boycott of firearms, ammunition, or firearms accessories companies. A list  
34 prepared pursuant to this subsection shall be known and cited as the restricted financial institution  
35 list.

36 (2) In preparing the restricted financial institution list, the Treasurer may review and rely on  
37 publicly available information regarding financial institutions, including public statements by a  
38 company, information published or provided by nonprofit organizations, research firms,  
39 international organizations, and other state or federal governmental entities.

40 (3) Upon preparation of the restricted financial institution list, the Treasurer must comply  
41 with the following requirements:

42 (A) The Treasurer must publicly post the restricted financial institution list on the  
43 Treasurer's website and submit a copy of the list to the Governor, the President of the Senate, and  
44 the Speaker of the House of Delegates.

45 (B) The Treasurer must update the restricted financial institution list annually, or more often  
46 as the Treasurer considers necessary.

47 (C) For each newly identified restricted financial institution, the Treasurer must send a  
48 written notice informing the institution of its restricted financial institution status and that it may be  
49 ineligible to enter into, or remain in, banking contracts with the State of West Virginia. If, following  
50 the receipt of the written notice, the restricted financial institution provides information  
51 demonstrating, to the Treasurer's satisfaction, that it is not engaged in a boycott of firearms,  
52 ammunition or firearms accessories companies or that it has ceased all activity that boycotts  
53 firearms, ammunition, or firearms accessories companies, the Treasurer must remove the  
54 company from the restricted financial institution list.

55 (c) Treasurer authority with regard to restricted financial institutions. –

56 (1) In selecting a financial institution to enter into a banking contract, the Treasurer is  
57 authorized to disqualify restricted financial institutions from the competitive bidding process or  
58 from any other official selection process.

59           (2) The Treasurer is authorized to refuse to enter into a banking contract with a restricted  
60 financial institution based on its restricted financial institution status.

61           (3) The Treasurer is authorized to require, as a term of any banking contract, an agreement  
62 by the financial institution not to engage in a boycott of firearms, ammunition, or firearms  
63 accessories companies for the duration of the contract.

64           (d) Limitation on liability. – With respect to actions taken in compliance with this section, a  
65 public agency, public official, public employee, or member or employee of a financial institution is  
66 immune from liability.

67           (e) Applicability to the West Virginia Investment Management Board. – The provisions of  
68 this section do not apply to the duties, actions, and transaction of the West Virginia Investment  
69 Management Board set forth as in §12-6-1 et seq. of this code.

NOTE: The purpose of this bill relates to financial institutions engaged in boycotts of firearms companies; defining terms; authorizing the State Treasurer to prepare, maintain, and publish a list of financial institutions engaged in boycotts of firearms companies; requiring the Treasurer to post the list on his or her website and submit the list to certain public officials; setting forth sources of information on which the Treasurer may rely on preparing the list; requiring the Treasurer to send written notice to a financial institution of its inclusion on the list; requiring the Treasurer to remove a financial institution from the list if it presents information demonstrating that it is not engaged in a boycott of firearms companies; authorizing the Treasurer to exclude financial institutions on the list from the selection process for state banking contracts; authorizing the Treasurer to refuse to enter into a banking contract with a financial institution on the list; authorizing the Treasurer to require, as a term of a banking contract, an agreement by the financial institution not to engage in a boycott of firearms companies; and limiting liability of public officials, public employees, members or employees of financial institutions for actions taken in compliance with the new code section and exempting the Investment Management Board.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.