

**Institute for Legislative Action**

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**NRA**

February 21, 2022

The Honorable Robert Olson  
Room: 136-E  
300 SW 10<sup>th</sup> Street  
Topeka, Kansas 66612

Dear Chairman Olson:

On behalf of our members in Kansas, I would like to express our strong support for Senate Bill 482, which expands free enterprise by prohibiting companies that discriminate in the provision of their financial services against the firearm and ammunition industry, from entering into contracts with government entities in the state.

In 2013 Operation Chokepoint, which began under the Obama Administration, used the Federal Deposit Insurance Corporation (FDIC) and Department of Justice to “choke off” essential financial services to certain businesses, including financially responsible and lawful firearm and ammunition industries. Under this initiative, the Department of Justice actively discouraged banks from doing business with industries that the Obama administration opposed. Fortunately, this policy was swiftly discontinued by the Trump administration in 2017.

Still, financial institutions have continued to discriminate against the firearm industry, not based on objectively valid business criteria, but solely due to their status as firearm or ammunition businesses, a blatant political bias and disdain for the basic freedoms guaranteed by the Second Amendment. According to industry surveys, nearly 75% of firearm industry members have been denied financial services solely because of their affiliation with the firearm industry. While these discriminatory practices often impact manufacturers and sellers of Modern Sporting Rifles -- firearms often deceptively called “assault rifles” by gun control groups-- they are not the only ones impacted. These practices also extend to those in the firearm industry that sell hunting equipment, teach gun safety courses, and make gun safes.

The financial sector receives an extraordinary and unique amount of support from the federal government, and taxpayers’ foot most of the bill. They have access to agencies and programs like the FDIC, Automated Clearing House, Open Window, the Federal Reserve System, and more. It is inappropriate for financial institutions and similar businesses to thrive on the back of taxpayers’ funding while negating those same taxpayers’ Second Amendment rights.

One of the more egregious examples of discrimination comes from Citigroup, the fourth-largest bank in the country. It refuses to do business with any firearm manufacturer or retailer that sells rifles or shotguns to anyone 18-20 years old, something that is legal under federal and state law. Executives at Citigroup believe a Marine’s 20-year-old wife should not be able to purchase a shotgun to defend herself and her child while her husband is serving our country overseas.

Actions have been taken elsewhere to push back on this discrimination. Last year, Texas passed SB 19, a similar version of SB 482, into law. Similar bills to SB 482 have either been introduced or will soon be introduced in over ten states this year.

In 2018, the Louisiana State Treasurer kept Citigroup Inc. and Bank of America out of state bond sales due to their discriminatory practices against the firearm industry. The Freedom Financing Act, based on the same principles as SB 482 has been introduced in the U.S. Senate by Senators Kevin Cramer (R-ND) and John Kennedy (R-LA), and in the U.S. House by Roger Williams (R-TX). And the Office of the Comptroller of the Currency (OCC) finalized a rule in January 2021 to prohibit banking discrimination against lawful industries like the firearm industry. Unfortunately, the Biden administration put a hold on the implementation of that fair banking rule.

SB 482 encourages free enterprise. Companies that forego engaging in the kinds of unjustified discriminatory practices may expand their business in the state by entering into contracts with government entities and improve Kansans' industry. The members of the lawful, heavily regulated firearm industry want nothing more than to have companies that provide essential services treat them fairly, like any other businesses. The bill exempts business practices that otherwise comply with regulatory requirements or laws, or that are not based solely on the status of an entity or association as one dealing in or connected with firearms.

Today, the Second Amendment rights of Kansans are at stake because some companies believe they are morally superior to the good people of Kansas. For the foregoing reasons, NRA supports SB 482.

Sincerely,



Travis Couture-Lovelady  
Kansas State Director  
NRA-ILA

CC: Senator Richard Hilderbrand  
Senator Oletha Faust-Goudeau  
Senator Cindy Holscher  
Senator Rick Kloos  
Senator Jeff Longbine  
Senator Mike Petersen  
Senator Ronald Ryckman  
Senator Alicia Straub