

118TH CONGRESS
2D SESSION

H. R. 7450

To prohibit payment card networks and covered entities from requiring the use of or assigning merchant category codes that distinguish a firearms retailer from general-merchandise retailer or sporting-goods retailer, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 23, 2024

Ms. STEFANIK (for herself, Mr. BARR, and Mr. HUDSON) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To prohibit payment card networks and covered entities from requiring the use of or assigning merchant category codes that distinguish a firearms retailer from general-merchandise retailer or sporting-goods retailer, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protecting Privacy in
5 Purchases Act”.

1 **SEC. 2. DISTINGUISHING FIREARMS SALES.**

2 (a) PROHIBITIONS RELATING TO MERCHANT CAT-
3 EGORY CODES.—

4 (1) PAYMENT CARD NETWORKS.—A payment
5 card network may not require a firearms retailer to
6 use, nor require a covered entity to assign, a mer-
7 chant category code that distinguishes such firearms
8 retailer from a general-merchandise retailer or a
9 sporting-goods retailer.

10 (2) COVERED ENTITIES.—A covered entity or
11 its agent may not assign to a firearms retailer any
12 merchant category code that distinguishes from a
13 general-merchandise retailer or a sporting-goods re-
14 tailer.

15 (b) ENFORCEMENT.—

16 (1) IN GENERAL.—The Attorney General shall
17 enforce this section and shall, not later than 90 days
18 after the date of the enactment of this section, es-
19 tablish a process for individuals, including firearms
20 retailers, to submit complaints relating to alleged
21 violations of this section.

22 (2) INVESTIGATION.—The Attorney General
23 shall investigate each complaint received through the
24 processes established under paragraph (1).

25 (3) WRITTEN NOTICE.—If the Attorney General
26 determines after conducting an investigation that a

1 payment card network or covered entity has violated
2 this section, the Attorney General shall send a writ-
3 ten notice of such violation to such payment card
4 network or covered entity that requires the payment
5 card network or covered entity to remedy the viola-
6 tion not later than 30 days after the date on which
7 the payment card network or covered entity receives
8 such notice.

9 (4) INJUNCTION.—

10 (A) IN GENERAL.—If a payment card net-
11 work or covered entity does not remedy a viola-
12 tion within 30 days of receiving a written notice
13 under paragraph (3), the Attorney General may
14 bring an action in Federal court to enjoin the
15 violating behavior.

16 (B) NO PRIVATE RIGHT OF ACTION.—This
17 Act does not create a private right of action.

18 (c) PREEMPTION.—Any law of a State or local gov-
19 ernment regulating merchant category codes for firearm
20 retailers is hereby preempted.

21 (d) REPORT.—The Attorney General shall, each year,
22 submit a report to the Congress that—

23 (1) identifies the number of investigations un-
24 dertaken by the Attorney General under this section;

1 (2) includes a summary of such cases and their
2 disposition; and

3 (3) provides any available data and analysis re-
4 garding the effectiveness of this Act.

5 (e) DEFINITIONS.—In this Act:

6 (1) AMMUNITION.—The term “ammunition”
7 has the meaning given the term in section
8 921(a)(17)(A) of title 18, United States Code.

9 (2) COVERED ENTITY.—The term “covered en-
10 tity” means any entity that—

11 (A) establishes a relationship with a mer-
12 chant for the purposes of processing credit,
13 debit, or prepaid transactions; or

14 (B) establishes a relationship with an enti-
15 ty that establishes a relationship with a mer-
16 chant for the purposes of processing credit,
17 debit, or prepaid transactions.

18 (3) FIREARM.—The term “firearm” has the
19 meaning given the term in section 921(a)(3), (5),
20 (7), (16), (29), (30), of title 18, United States Code.

21 (4) FIREARMS RETAILER.—The term “firearms
22 retailer” means a person or entity engaged in the
23 lawful business of selling or trading firearms or am-
24 munition to be used in firearms.

1 (5) MERCHANT CATEGORY CODE.—The term
2 “merchant category code” means a multi-digit code,
3 issued by the International Organization for Stand-
4 ardization, for the purposes of enabling the classi-
5 fication of merchants into specific categories based
6 on the type of business, trade or services supplied.

7 (6) PAYMENT CARD NETWORK.—The term
8 “payment card network” means an entity that di-
9 rectly or through a licensed member, processor, or
10 agent provides proprietary services, infrastructure,
11 or software, or hardware that route information
12 used to authorize, clear and settle credit card and
13 debit card transactions.

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