By:  Hughes S.B. No. 1683

A BILL TO BE ENTITLED

AN ACT

relating to the prohibition on certain discrimination in the extension of credit based on social credit or value-based standards.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 341.401, Finance Code, is amended by adding Subsection (b) to read as follows:

(b)  Except as otherwise expressly required by law, an authorized lender or other person involved in a transaction subject to this title may not deny to an organization, as defined by Section 1.001, Business Organizations Code, an extension of credit, including a loan, in the organization's name or restrict or limit the credit extended because of any other reason that is not based on an organization's failure to meet quantitative and impartial risk-based standards established by the lender, including an organization's:

(1)  social credit score or an environmental, social, or governance score that is derived from subjective or value-based standards;

(2)  diversity, equity, or inclusion standards or practices; or

(3)  contracts, services, or other association with a legal industry, including agriculture, fossil fuels, firearms, or free-speech media platforms, or a religious institution.

SECTION 2.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.