

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.

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