AN ACT

Prohibiting financial institutions from using social credit or environmental, social or governance scores; and imposing penalties.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Short title.

This act shall be known and may be cited as the Liberty, Virtue and Independence Act.

Section 2. Findings and declarations.

The General Assembly finds and declares as follows:

(1) The practice of discrimination against any Commonwealth inhabitants, including individuals, associations and businesses, through use of their social credit score or environmental, social or governance score is a matter of Statewide concern.

(2) Discrimination based on the scores not only threatens the rights and privileges of Commonwealth
inhabitants, but menaces the institutions and foundation of
our free democratic state and threatens the peace, order,
health, safety and general welfare of the Commonwealth and
its inhabitants.

Section 3. Definitions.

The following words and phrases when used in this act shall
have the meanings given to them in this section unless the
context clearly indicates otherwise:

"Business." An individual, partnership or corporation
engaged in commerce, manufacturing or service.

"Environmental, social or governance score." Subjective
metrics from a company that investors use to determine the value
of the company.

"Financial institution." A depository institution, trust
company, licensee, person subject to the jurisdiction of the
Securities Exchange Commission or person subject to the
jurisdiction of the Department of Banking and Securities under
the act of December 5, 1972 (P.L.1280, No.284), known as the

"Social credit score." A system to evaluate the
trustworthiness or reliability of an individual based on a
complex combination of personal data, like demographic
information, online and offline behaviors and social network
activity.

Section 4. Prohibition.

(a) Prohibition.--Except as provided under subsection (b), a
financial institution or business conducting a transaction in
this Commonwealth, either directly or through the use of an
outside contractor, may not discriminate against, advocate for
or cause adverse treatment of a citizen or business's practices
based on subjective or arbitrary standards such as:

1. social media posts;
2. participation or membership in a club, association or union;
3. political affiliation;
4. employer; or
5. a social credit score or an environmental, social or governance score or other similar values.

(b) Exceptions.--

1. Subsection (a) shall not apply if the practice is fully disclosed to the potential customer before a customer and business enter into a business transaction.
2. Subsection (a) shall not prohibit a financial institution or business from discontinuing or refusing to conduct a transaction with an individual account holder or potential customer if the action is necessary for the physical safety of its employees.

(c) Subjective standards.--Notwithstanding subsection (a), a financial institution or business may offer customers investments, products and services that include subjective standards, if the standards are disclosed and explained to any potential customer or investor before entering into a contract for the products or services.

Section 5. Enforcement.

(a) Violations.--A financial institution or business violating section 4(a) shall be subject to:

1. A fine of $50,000 for a first offense.
2. A fine of $250,000 for a second and each subsequent offense.

(b) Criminal prosecution.--If a financial institution or
business has five or more offenses, criminal prosecution may be included along with a fine assessed under subsection (a).

Section 6. Effective date.

This act shall take effect January 1, 2023.