

January 23rd, 2023

Re: HB1429 Prohibition on contracts - Boycotting critical state sectors

Dear Chairman and members of the committee,

On behalf of the Firearm Trade Association of America, the National Shooting Sports Foundation (NSSF), I write to share our support for House Bill 1429. This bill uses a market approach to disincentivize boycotts and discrimination.

The National Shooting Sports Foundation (NSSF) represents the over 9,000 manufacturers, retailers, distributors, and other businesses in the Firearm Industry. We represent entities as varied as America's largest firearm manufacturers and its smallest sporting goods stores. Our industry is unique. Our industry is essential to the exercise of a fundamental constitutional right, the 2nd Amendment. We support HB 1429 because our members have a history of being denied fair access to financial services – simply because of our industry.

In 2013, Obama Administration senior officials, unable to pass legislation, identified power in leveraging banks to implement their policy agenda. They used financial institutions to inappropriately target lawful businesses in a destructive effort termed "Operation Choke Point". The goal was denial of financial services to the firearms industry and others. Officials at both the Office of Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC) insisted firearm businesses be categorically classified and disfavored. They threatened the banks who served our industry. Providers subsequently cancelled firearm industry accounts with little explanation. Others maintained accounts but demanded new collateralization, or simply began charging significantly higher rates for standard services. They de-banked us. They stopped processing legal transactions. They denied financial services. The banks acknowledge it.

Congressional awareness and oversight finally brought a small measure of relief. But hundreds of millions in damage was done, businesses lost, and certain levels of discrimination baked in. "Woke banks" routinely attack 2nd Amendment companies. It certainly is not all big banks. But many large banks take actions detrimental to our industry; policies meant to curtail the lawful right to keep and bear arms, curtail lawful commerce, and prejudicially increase costs for the firearms industry. Just last week the Texas Attorney general verified that Citibank maintains discriminatory policies against the firearms industry.

Opponents of this bill may ask for examples of discrimination by these mega banks. We have many. The discrimination is real. They don't just admit to it; in the right circles they are proud of if it. We have concern that agriculture, energy, and other industries will be discriminated against as firearms companies are. This bill gives the state of North Dakota opportunity to ensure that they will not be using the services of entities that practice discrimination.

We support this bill and ask that it receive a favorable "due pass" recommendation.



Nephi Cole
Director, Government Relations-State Affairs
The National Shooting Sports Foundation