



May 15, 2025

**Testimony to the 132nd Maine Legislature
Committee on Judiciary**

Greetings, Senator Carney, Representative Kuhn, honorable members of the Committee. My name is Josh Steirman and I am the Director of Government Relations for the Maine Bankers Association. We are testifying today Neither For Nor Against L.D. 1867, *An Act to Prohibit Financial Institutions from Using Merchant Category Codes to Identify or Track Firearm Purchases or Disclose Firearm Purchase Records*. Our position is based on an understanding that the bill will be materially amended at the public hearing.

The Maine Bankers Association is the trade association representing 34 retail banks across Maine, with over 9,000 employees in virtually every community state-wide. Last year, our banks provided over \$2.5 billion in residential real estate loans, and over \$3.2 billion in small business loans. Maine bankers are your neighbors, working to provide a safe place for deposits, modern technology solutions, fraud protection, a home mortgage, or a small business loan.

In 2024, our neighbors in New Hampshire passed a law (HB 1186) regarding Merchant Category Codes and their impact on firearm purchaser privacy. Their law focused on prohibiting the assignment of a firearm code, by specifically prohibiting this practice by card processors, and requiring that the only permissible codes for firearms-related purchases are either general retail or sporting goods. This approach used in New Hampshire (and several other states) is a clear and direct way to protect privacy and individual rights without creating unintended consequences for card processors or financial institutions. We believe this is the most straightforward way to achieve the sponsor's intent.

The original drafting of L.D. 1867, though well-intentioned, could create uncertainty and preventable litigation because of broad enforcement mechanisms potentially connected to policy issues beyond the scope of financial services. These risks could be avoided by the direct, streamlined approach employed in New Hampshire. We further offer two small recommendations which might add clarity: in L.D. 1867, as originally drafted, Section 3., Line A., if amended to "Require **or permit** the the use of..." would remove questions about applicability. Additionally, the definition of "firearms dealer" might be amended to those physically located in the state; again this would serve to clarify applicability and enforcement.

In conclusion, we underscore that our testimony is limited to the bill's impact on financial services providers – we simply encourage the committee to use language that achieves the bill's objectives with maximum clarity. The direct, concise approach of New Hampshire would accomplish that goal.

We are grateful for the sponsor's cooperation and will be available for questions at the work session.

Respectfully Submitted,

Joshua Steirman
Director of Government Relations