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THE MAINE SENATE
132nd Legislature

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**LD 1867, “An Act to Prohibit Financial Institutions from Using
Merchant Category Codes to Identify or Track Firearm Purchases
or Disclose Firearm Purchase Records”**

**Joint Standing Committee on Judiciary
May 15, 2025**

Senator Carney, Representative Kuhn, and Honorable Members of the Joint Standing Committee on Judiciary:

I am Matt Harrington; and I proudly represent Senate District 33, which includes the municipalities of Alfred, Lebanon, Sanford and Waterboro. I am here today to present LD 1867, “An Act to Prohibit Financial Institutions from Using Merchant Category Codes to Identify or Track Firearm Purchases or Disclose Firearm Purchase Records.”

In a 2018 article published in The New York Times titled “How Banks Could Control Gun Sales if Washington Won’t,” columnist Andrew Ross Sorkin put forth an “idea.” He asked, “What if the finance industry — credit card companies like Visa, Mastercard and American Express; credit card processors like First Data; and banks like JPMorgan Chase and Wells Fargo — were to effectively set new rules for the sales of guns in America?”¹ Some anti-Second Amendment activists, elected officials, and institutions decided to run with that proposal. One idea from this column was that purchases from firearm retailers could be tracked and monitored using specific credit card transaction codes.

Four years later, in 2022, the International Organization for Standardization (ISO), a nonprofit based in Geneva, Switzerland, announced the creation of a new Merchant Category Code (MCC) for transactions involving firearms and ammunition.² Transactions at firearm retailers have historically been coded as sporting goods, specialty retail, durable goods, and general merchandise. This new code would specifically indicate that a person is making a purchase from a firearm retail shop. It is important to note that these codes would apply to any purchase at a firearm retailer, whether it be firearms, ammunition, boots, clothing, bags, camping supplies, a tent or any other non-firearm purchase. Notably, Bloomberg News — which has reported extensively on the proposal — wrote, “The payment network and its banking partners would have no idea if a gun-store customer is purchasing...a rifle or safety equipment.”³ Additionally, Visa’s CEO Al Kelly has admitted the new code proposal won’t be as effective in flagging purchases as antigun activists have claimed, saying, “If [Visa’s Chief Communications Officer] K.C. Kavanagh goes into a gun store and buys three thermoses and a tent and you go in and buy a rifle and five rounds of ammunition, all I know is you both went to the same gun store... But I don’t know what you bought.”⁴

This is especially troubling in Maine, as we are home to world-renowned outdoor outfitters. For example, an individual who buys \$5,000 in outdoor supplies from Kittery Trading Post or L.L. Bean, such as a canoe, life preservers, tents, etc, could be flagged as an “extremist” as they made a sizeable purchase at a retailer that had a firearm MCC code. This issue further ensnares law-abiding citizens and could land non-gun owners on government watchlists.

There are obviously numerous privacy concerns surrounding the creation and implementation of MCCs to track purchases at firearm retailers. People often spend thousands of dollars at firearm retailers in preparation for hunting season, recreational shooting sports, or simply to exercise Second Amendment rights – as is guaranteed by the U.S. Constitution. If a firearm-specific MCC were to be put into place, any large purchase could be flagged as “suspicious” by the U.S. Treasury Department’s Financial Crimes Enforcement Network (FinCen); and transactions could be denied. Lawful transactions made by law-abiding gun owners could be reported to law enforcement. Gun owner watchlists could be created and shared with the Federal Government, which is especially troubling as the Federal Government, as you are likely aware, is prohibited from keeping a list of gun owners.

In 2024, over 99,000 firearms were purchased in Maine, according to the National Instant Criminal Background Check System (NICS) run by the FBI. The attempt to code credit card purchases at firearm retailers is an assault on the privacy and Second Amendment rights of every single resident in our state. The major credit card companies in the U.S. have rightly “paused” implementing a firearm retailer-specific MCC; however, politicians and gun control activists continue to pressure financial institutions to implement the code. To make certain the pause remains in place permanently, nineteen states, including our neighbor New Hampshire, have passed laws since March 2023 to ban the use of MCCs to track firearm retail purchases. Maine can join that growing list by passing LD 1867 and ensure we protect the privacy of Mainers who are simply exercising their Second Amendment rights.

Thank you for your time and attention.

¹: Sorkin, Andrew. “How Banks Could Control Gun Sales If Washington Won’t.” *New York Times*, 2018.

<https://www.nytimes.com/2018/02/19/business/banks-gun-sales.html>.

²: Keber, Ross. “Global Standards Body Approves New Merchant Code for Gun Sellers | Reuters.” Reuters, 2022.

<https://www.reuters.com/world/exclusive-global-standards-body-approves-new-merchant-code-gun-sellers-2022-09-09/>.

³: Surane, Jennifer. “Banks Devising Ways to ID Mass Shooters before They Strike Daily Business Review – Breaking News.” Bloomberg, 2022. <https://headlines911.com/2022/11/30/banks-devising-ways-to-id-mass-shooters-before-they-strike-daily-business-review/>.

⁴: Edwards, Cam. “Visa CEO Says Merchant Codes for Gun Stores Aren’t Necessary.” *bearingarms.com*, January 31, 2023.

<https://bearingarms.com/camedwards/2023/01/31/visa-merchant-codes-not-necessary-n66785>.

from Sen. Harrington
LD 1867

§1500-X. Identifying and tracking firearm purchases

Definitions.

In this chapter:

- I. "Electronic payment transaction" means a transaction in which a person uses a payment card or other payment code, or device issued or approved through a payment card network to debit a deposit account or use a line of credit, whether authorization is based on a signature, personal identification number, or other means.
- II. "Firearms code" means the merchant category code established by the International Organization for Standardization for firearms retailers.
- III. "Firearms retailer" means any person or entity physically located in this state engaged in the lawful sale of firearms, ammunition for use in firearms, or firearms accessories.
- IV. "Payment card" means a credit card, debit card, check card, or other card that is issued to an authorized user to purchase or obtain goods, services, money, or any other thing of value.
- V. "Payment card acquirer" means a financial institution that establishes a relationship with a merchant for the purpose of accepting payment card transactions.
- VI. "Payment card issuer" means a lender, including a financial institution, or a merchant that receives applications and issues payment cards to individuals.
- VII. "Payment card network" means an entity that directly or through a licensed member, processor, or agent provides the proprietary services, infrastructure, and software that route information and data to conduct debit card or credit card transaction authorization, clearance, and settlement, and that an entity uses in order to accept as a form of payment a brand of debit card, credit card, or other device that may be used to carry out debit or credit transactions.

Firearm Code Usage Prohibited.

- I. A payment card acquirer may not assign to a merchant and a payment card network may not require or permit a merchant to use a firearms code.
- II. For the purposes of the sale of firearms, ammunition for use in firearms, and firearms accessories, a firearms retailer may not provide a firearms code to a payment card acquirer, payment card issuer, or payment card network and may only use or be assigned a merchant category code for general merchandise retailers or sporting goods retailers.

Authority of Attorney General to Investigate Violations.

- I. If the attorney general has reasonable cause to believe that a person or entity has intentionally engaged in, is engaging in, or is about to engage in a violation of this chapter, the attorney general shall have the power to examine witnesses and documents for the purpose of enforcing the provisions of this chapter.
- II. If the attorney general believes a person under investigation for violation of the provisions of this chapter may have information or be in possession, custody or control of any document or other tangible object relevant to the investigation, before the

institution of any court proceedings, the attorney general may serve upon the person a written demand in the form of a subpoena or subpoena duces tecum to appear and be examined under oath and to produce the documents or objects for inspection and copying.

Notice and Opportunity to Cure.

I. Upon a finding by the attorney general that there has been a violation of this chapter, the attorney general shall give written notice to the person or entity, identifying the specific provisions of this chapter that are or were being violated.

II. The attorney general may not bring an action against the person or entity if the person or entity:

- (a) Cures the identified violation within 30 days; and
- (b) Provides the attorney general a written statement affirming that the person or entity has:
 - (1) Cured the alleged violation;
 - (2) Provided supporting documentation to show how the violation was cured; and
 - (3) Made changes to internal policies to prevent the recurrence of any similar violation in the future.

Enforcement; Civil Penalty; Injunction.

I. The attorney general has exclusive authority to enforce this chapter.

II. If a person or entity is found to be intentionally in violation of this chapter and fails to cure the violation in accordance with this law, or is found to have intentionally breached a written statement provided to the attorney general under that section, the attorney general may seek an injunction against any such person or entity alleged to be in violation of this chapter in a court of competent jurisdiction. The court has authority to issue such an injunction, in addition to any other relief as the court may consider appropriate.

III. The attorney general may bring an action to:

- (a) Recover a civil penalty under this section; and
- (b) Restrain or enjoin a person or entity from violating this chapter.

IV. The attorney general may recover reasonable attorney's fees and other reasonable expenses incurred in investigating and bringing an action under this section.

3 Effective Date. This act shall take effect January 1, 2026.