

Representative Cheryl K. Acton proposes the following substitute bill:

SOCIAL CREDIT SCORE AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Cheryl K. Acton

Senate Sponsor: Michael K. McKell

LONG TITLE

General Description:

This bill addresses social credit scores.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires the Division of Consumer Protection to establish a system that allows a consumer to report a financial institution's or company's use of a social credit score;
- ▶ prohibits a governmental entity from using, enforcing, providing data for use in, or otherwise participating in the creation or use of a system that, based on a social credit score, discriminates against, advocates for, or causes adverse or preferential treatment of a person;
- ▶ provides rulemaking authority; and
- ▶ creates reporting requirements.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:



26 ENACTS:

27 [13-2-10](#), Utah Code Annotated 1953

28 [63G-28-101](#), Utah Code Annotated 1953

29 [63G-28-201](#), Utah Code Annotated 1953

31 *Be it enacted by the Legislature of the state of Utah:*

32 Section 1. Section **13-2-10** is enacted to read:

33 **13-2-10. Social credit score reporting system -- Rulemaking -- Referral to other**
34 **agencies.**

35 (1) As used in this section:

36 (a) "Division" means the Division of Consumer Protection.

37 (b) "Financial institution" means the same as that term is defined in Section [7-1-103](#).

38 (c) "Social credit score" means the same as that term is defined in Section [63G-28-101](#).

39 (2) The division shall:

40 (a) establish and operate a system to receive consumer reports regarding a financial
41 institution's or company's use or creation of a social credit score; and

42 (b) before November 1 of each year, submit a written report to the Business and Labor
43 Interim Committee that summarizes the reports received during the immediately preceding year
44 that indicate a financial institution or company used a social credit score to discriminate
45 against, advocate for, or cause adverse or preferential treatment of a person.

46 (3) The division may:

47 (a) make rules in accordance with Title 63G, Chapter 3, Utah Administrative
48 Rulemaking Act, to establish and operate the system described in Subsection (2); and

49 (b) as appropriate, refer a consumer who provides a report through the system
50 described in Subsection (2) to the Department of Financial Institutions or another agency for
51 investigation of the report or other action.

52 Section 2. Section **63G-28-101** is enacted to read:

53 **CHAPTER 28. SOCIAL CREDIT SCORE PROHIBITION ACT**

54 **Part 1. General Provisions**

55 **63G-28-101. Definitions.**

56 ~~Ŝ → [(1) "Depository institution" means the same as that term is defined in Section [7-1-103](#).]~~

56a ←Ŝ

57 $\hat{S} \rightarrow$ ~~[(2)(a)]~~ **(1)(a)** $\leftarrow \hat{S}$ "Governmental entity" means:

58 (i) the state;

59 (ii) a county, city, town, metro township, school district, local district, special service
60 district, or other political subdivision of the state; or

61 (iii) an independent entity.

62 (b) "Governmental entity" includes an agency, bureau, office, department, division,
63 board, commission, institution, laboratory, or other instrumentality of an entity described in
64 Subsection $\hat{S} \rightarrow$ ~~[(2)(a)]~~ **(1)(a)** $\leftarrow \hat{S}$.

65 $\hat{S} \rightarrow$ ~~[(3)]~~ **(2)** $\leftarrow \hat{S}$ "Independent entity" means the same as that term is defined in Section
65a [63E-1-102](#).

66 $\hat{S} \rightarrow$ ~~[(4)]~~ **(3)** $\leftarrow \hat{S}$ "Members of a person's social network" means the people a person
66a authorizes to be

67 part of the person's social media communications and network.

68 $\hat{S} \rightarrow$ ~~[(5)(a)]~~ **(4)(a)** $\leftarrow \hat{S}$ "Social credit score" means a numeric, alphanumeric, or alphabetic
68a value or

69 other categorization assigned to a person based on:

70 (i) the person's:

71 (A) compliance or noncompliance with government guidance;

72 (B) social media post;

73 (C) participation or membership in a lawful club, association, or union;

74 (D) political affiliation; or

75 (E) employment industry or employer; or

76 (ii) the identity of the members of the person's social network.

77 (b) "Social credit score" does not include:

78 (i) a consumer report as defined in 15 U.S.C. Sec. 1681a;

79 (ii) compliance or noncompliance with statute, administrative rule, or other law; or

80 (iii) a numeric, alphanumeric, or alphabetic value or other categorization assigned to a
81 person for:

82 (A) purposes of education, training, or job performance assessment;

83 (B) purposes of a contest or competition;

84 (C) purposes of hiring a prospective employee or independent contractor;

85 (D) purposes of issuance or taking an action against a professional license,

86 certification, registration, or permit;

87 (E) purposes of a professional or tax audit; $\hat{S} \rightarrow$ or $\leftarrow \hat{S}$

88 (F) use by a ~~§~~→ [depository institution to determine risk of loss, impairment, or default; or
89 ~~(G) use by an entity that regulates a depository institution to determine the financial~~
90 ~~condition of the depository institution.]~~ financial institution or an affiliate of a financial
90a institution regulated under Title V of the Gramm-Leach-Bliley Act, 15 U.S.C. Sec. 6801 et seq.,
90b to determine risk of loss, impairment, or default. ←~~§~~

91 Section 3. Section **63G-28-201** is enacted to read:

92 **Part 2. Prohibitions**

93 **63G-28-201. Social credit score prohibition.**

94 A governmental entity may not use, enforce, provide data for use in, or otherwise
95 participate in the creation or use of a system that, based on a social credit score, discriminates
96 against, advocates for, or causes adverse or preferential treatment of a person.