HOUSE BILL NO. 5238

November 06, 2025, Introduced by Reps. Neyer, Borton, Bollin, Kelly, Rigas, Slagh, DeBoyer, Woolford, Steele, Harris, Bruck, BeGole, Aragona and Maddock and referred to Committee on Economic Competitiveness.

A bill to amend 1999 PA 276, entitled

"Banking code of 1999,"

(MCL 487.11101 to 487.15105) by amending the title, as amended by 2016 PA 175, and by adding section 4101a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to revise and codify the laws relating to banks, out-of-state banks, and foreign banks; to provide for their regulation and supervision; to prescribe the powers and duties of banks; to prescribe the powers and duties of certain state agencies and officials; to create the state bank regulatory fund; **to provide for remedies**; to prescribe penalties; and to repeal acts and parts of acts.

Sec. 4101a. (1) A bank shall not deny, restrict, or cancel a financial service to an agriculture producer based, in whole or in part, on the agriculture producer's greenhouse gas emissions, use of fossil fuel-derived fertilizer, or use of fossil fuel-powered machinery. If a bank denies, restricts, or cancels a financial service to an agriculture producer and the bank has made an environmental, social, and governance commitment, the bank's denial, restriction, or cancelation is presumed to violate this subsection. Evidence that a bank has made an environmental, social, and governance commitment may include, but is not limited to, any of the following:

(a) The bank's advertising.

(b) The bank's public or private statements, resolutions, explanations, reports, memoranda, or other communications.

(c) The bank's participation in, affiliation with, or status as a signatory to a coalition, initiative, joint statement of principles, or agreement, the purpose of which is to use business activity to further environmental, social, or political goals.

(2) The presumption in subsection (1) may be rebutted by clear and convincing evidence that the bank's denial, restriction, or cancelation was based solely on a documented ordinary business purpose, was not related to an environmental, social, and governance commitment, and was not intended to further environmental, social, or political goals.

(3) A bank that violates subsection (1) is subject to a civil fine of not more than $10,000.00.

(4) As used in this section:

(a) "Agriculture producer" means a person that owns or operates a farm as that term is defined in section 2 of the Michigan right to farm act, 1981 PA 93, MCL 286.472.

(b) "Environmental, social, and governance commitment" means either of the following:

(*i*) A public or private commitment by a bank, the board of directors of a bank, or a subsidiary, affiliate, or officer of a bank to use the bank's market position, market power, influence, or ability to withhold or provide its services to do either of the following:

(A) Eliminate, reduce, offset, or disclose greenhouse gas emissions.

(B) Achieve an environmental standard or objective beyond the standards and objectives required by law.

(*ii*) A bank's participation in an initiative or organization that encourages or requires customers of the bank to meet environmental, social, or political goals.

(c) "Financial service" means a product or service that is of a financial nature. Financial service includes, but is not limited to, lending, funds transfers, fiduciary activities, trading activities, and deposit taking.