

HOUSE BILL NO. 5240

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

A bill to amend 2003 PA 215, entitled
"Credit union act,"
by amending section 220 (MCL 490.220) and by adding section 401a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 220. (1) Subject to subsection (2), if the commissioner
2 finds that a credit union has violated this act or a rule
3 promulgated under this act, the commissioner may assess a civil
4 fine against the credit union or an official of the credit union of
5 not more than \$1,000.00 for each violation, **or not more than the**
6 **amount included in section 401a(3) against a domestic credit union**

1 **for a violation of section 401a(1)**, plus the costs of
2 investigation. Each injury to an individual or other person by a
3 violation of this act or a rule **promulgated under this act** is a
4 separate violation.

5 (2) ~~The~~ **Except for civil fines against a domestic credit union**
6 **for a violation of section 401a(1)**, the commissioner may not assess
7 civil fines under subsection (1) against a credit union or an
8 official of the credit union that in the aggregate are more than
9 \$10,000.00, plus the costs of investigation, for multiple
10 violations of this act or rules promulgated under this act that
11 arise from the same transaction.

12 (3) The attorney general may commence an action to recover a
13 civil fine assessed under subsection (1) or (2) by and in the name
14 of the commissioner. The attorney general shall collect and enforce
15 a civil fine and may utilize summary proceedings.

16 (4) In determining the amount of a fine under subsection (1)
17 or (2), the commissioner shall consider the extent to which the
18 violation was a knowing and willful violation and the extent of the
19 injury suffered because of the violation. If the violation was
20 committed by a credit union, the commissioner shall also consider
21 any corrective action taken by the credit union to ensure that the
22 violation will not be repeated and the record of the credit union
23 in complying with this act.

24 (5) The commissioner shall conduct a proceeding under this
25 section in accordance with the administrative procedures act of
26 1969, 1969 PA 306, MCL 24.201 to 24.328.

27 **Sec. 401a. (1) A domestic credit union shall not deny,**
28 **restrict, or cancel a financial service to an agriculture producer**
29 **based, in whole or in part, on the agriculture producer's**

1 greenhouse gas emissions, use of fossil fuel-derived fertilizer, or
2 use of fossil fuel-powered machinery. If a domestic credit union
3 denies, restricts, or cancels a financial service to an agriculture
4 producer and the domestic credit union has made an environmental,
5 social, and governance commitment, the domestic credit union's
6 denial, restriction, or cancelation is presumed to violate this
7 subsection. Evidence that a domestic credit union has made an
8 environmental, social, and governance commitment may include, but
9 is not limited to, any of the following:

10 (a) The domestic credit union's advertising.

11 (b) The domestic credit union's public or private statements,
12 resolutions, explanations, reports, memoranda, or other
13 communications.

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

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

25 (3) A domestic credit union that violates subsection (1) is
26 subject to a civil fine of not more than \$10,000.00.

27 (4) As used in this section:

28 (a) "Agriculture producer" means a person that owns or
29 operates a farm as that term is defined in section 2 of the

1 Michigan right to farm act, 1981 PA 93, MCL 286.472.

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

4 (i) A public or private commitment by a domestic credit union,
5 the board of directors of a domestic credit union, or a subsidiary,
6 affiliate, or officer of a domestic credit union to use the
7 domestic credit union's market position, market power, influence,
8 or ability to withhold or provide its services to do either of the
9 following:

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

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

14 (ii) A domestic credit union's participation in an initiative
15 or organization that encourages or requires customers of the
16 domestic credit union to meet environmental, social, or political
17 goals.

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