

March 29, 2024

TO THE HONORABLE MEMBERS OF THE SENATE:

I am vetoing Senate Bill 466 in its entirety.

This bill would prohibit a payment card network or its agent from requiring the use of a firearms code approved by the International Organization for Standardization as a merchant category code in a way that distinguishes a firearms retailer from general merchandise or sporting goods retailers. The bill would require the Attorney General to investigate alleged violations of this prohibition and to pursue an injunction in the event of a continuing violation. It would also, subject to certain exceptions, prohibit a payment card issuer or payment card network or its agents from declining or refusing to process a lawful payment card transaction at a firearms retailer based solely on whether a firearms code is assigned. The bill would also prohibit state agencies or local governments from maintaining a list of people who own firearms, except for purposes of criminal investigations, prosecutions, or determining compliance with court orders or injunctions. Under the bill, the Department of Justice must ensure that records from background checks resulting from firearm purchases are not stored, maintained or formatted into a list that identifies firearm owners prior to the destruction of these records.

I am vetoing this bill for several reasons. First, I am vetoing this bill because I object to the Legislature inserting itself into the decision-making process of the private sector. Businesses use merchant category codes for various reasons, including (among other things) fraud protection, risk management, rewards, determining interchange rates and tax reporting. As they do for virtually every other business and industry, payment card issuers and networks are in the best position to determine which merchant category codes they use to conduct business. No other merchant category code is prohibited by state law. I am also concerned that carving out and prohibiting the use of merchant category codes for one industry, for political purposes, would set a precedent for other industries and undermine the business judgment of the private sector.

I am also vetoing this bill because I object to legislation that is confusing, contradictory and administratively burdensome for the private sector to comply with. Although the bill would not prohibit declining or refusing to process a lawful payment card transaction for reasons other than solely the assignment or nonassignment of a firearms code, the bill includes additional specifically identified exceptions, casting doubt on the intended scope of the prohibition. I am concerned that these exceptions are contradictory and not clear enough for businesses to comply with the bill and conduct their business.

I am further vetoing this bill because I object to the chilling effect that it could have on criminal investigations, prosecutions, and determining compliance with court orders. Despite the bill



including these purposes as exceptions to the general prohibition on maintaining gun ownership lists, I am concerned that they are not strong enough to overcome the additional administrative burdens, which could cause second-guessing and paralysis that would jeopardize public and community safety.

Finally, I am vetoing this bill because I object to its encroachment on executive authority. The bill requires the Attorney General to take certain, specific enforcement actions, including pursuing an injunction against a person found to be violating the prohibitions against using firearms codes. By curbing the Attorney General's authority and discretion to pursue appropriate legal remedies, the bill could run afoul of the separation of powers under the Wisconsin Constitution.

I once again invite the Legislature to have a meaningful, thoughtful dialogue about common-sense solutions to address gun violence that will both respect and uphold Wisconsinites' rights while keeping our communities safe.

Respectfully submitted,

Tony Evers Governor