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S.B. 58
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Final Analysis

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Primary Sponsors: Sens. Gavarone and Johnson

Effective date: April 9, 2025

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SUMMARY

Firearm and knife liability insurance or fees

- Prohibits any license, permission, restriction, delay, or process, including by ordinance, rule, regulation, resolution, practice, or other action, or any threat of citation, prosecution, or other legal process from requiring an individual to possess firearm liability insurance or pay a fee for the possession of a firearm, firearm parts, firearm components, ammunition, or a knife.
- Preempts, supersedes, and declares null and void any license, permission, restriction, delay, or process that would require the possession of firearm liability insurance or the payment of a fee for the possession of a firearm, firearm parts, firearm components, ammunition, or a knife.
- Defines “firearm liability insurance” as a policy of liability insurance covering losses resulting from the use of a firearm owned by the person covered by the policy.

Second Amendment Financial Privacy Act

- Prohibits government entities from keeping any list of privately owned firearms or owners of firearms.
- Prohibits financial institutions from assigning a firearms code in a way that distinguishes between a firearms retailer and other retailers.
- Prohibits financial institutions from declining a payment card transaction involving a firearms dealer merely because the transaction is assigned a firearms code.
- Requires the Attorney General to investigate alleged violations of the act’s financial privacy provisions.
- Specifies that materials obtained by the Attorney General in conducting such an investigation are not public records.

- Expressly allows a court to order the destruction of records kept by a person or entity in violation of the act's financial privacy provisions.
- Names the financial privacy provisions of the act the Second Amendment Financial Privacy Act.

DETAILED ANALYSIS

Firearm and knife liability insurance or fees

The act prohibits any license, permission, restriction, delay, or process, including by any ordinance, rule, regulation, resolution, practice, or other action or any threat of citation, prosecution, or other legal process from requiring an individual to possess firearm liability insurance or pay a fee for the possession of a firearm, firearm parts, firearm components, ammunition, or a knife. Continuing law similarly prohibits all manner of regulating possession or conduct associated with firearms, firearm parts, firearm components, ammunition, or knives. Furthermore, the act “preempts, supersedes, and declares null and void any such further license, permission, restriction, delay, or process” that would require the possession of firearm liability insurance or the payment of such a fee.¹

The act allows a person, group, or entity who is affected by a requirement to possess firearm liability insurance or pay a fee for the possession of a firearm, firearm parts, firearm components, ammunition, or a knife to bring a civil action against a political subdivision in order to seek damages, declaratory relief, injunctive relief, or a combination of those remedies. Any damages awarded as a result of such an action must be paid by the offending political subdivision, which must also pay for reasonable expenses either (1) if the plaintiff prevails in the civil action or (2) if the ordinance, rule, regulation, resolution, practice, or action or the manner of enforcement being challenged is repealed or rescinded after the civil action is filed but before a final court determination is made.²

Under continuing law, the prohibition against the regulation of firearms or knives does not apply to zoning ordinances that regulate or prohibit the commercial sale of knives, firearms, firearm components, or ammunition in areas zoned for residential or agricultural uses. Nor does the prohibition against the regulation of firearms or knives apply to a zoning ordinance that specifies the hours of operation or the geographic areas where the commercial sale of knives, firearms, firearm parts, firearm components, or ammunition may occur, as long as such zoning does not result in a *de facto* prohibition of the commercial sale of such items.

“Firearm liability insurance” is defined in the act as a policy of liability insurance covering losses resulting from the use of a firearm owned by the person covered by the policy.³

¹ R.C. 9.68(A).

² R.C. 9.68(B).

³ R.C. 9.68(C).

Second Amendment Financial Privacy Act (SAFPA)

The act enacts a series of regulations, entitled the Second Amendment Financial Privacy Act (SAFPA), related to the confidentiality or anonymity of purchases of firearms and ammunition. SAFPA also prohibits certain actions by financial institutions that might differentiate or disfavor firearms merchants or transactions involving firearms and ammunition.⁴

Government records of privately owned firearms

SAFPA prohibits government entities from knowingly keeping a list, record, or registry of privately owned firearms or firearms owners. The prohibition applies to the state; a political subdivision; any court, agency, or instrumentality of the state or a political subdivision; public employees; and government officials. The act allows an exception for firearm records required by law or those kept during the regular course of a criminal investigation or prosecution.⁵

Financial institutions and firearm retailers

Firearms codes

SAFPA prohibits financial institutions from assigning a firearms code to distinguish firearms retailers from other retailers. It defines “firearms retailer” as a person or entity that is lawfully engaged in selling or trading firearms and ammunition (including antique firearms and ammunition) from a physical place of business in Ohio. A “firearms code” is a merchant category code approved by the International Organization for Standardization, or an equivalent successor organization, and specifically assigned to a firearms retailer.

Under the act, a firearms code is “assigned” if the financial institution’s policy, process, or practice labels, links, or otherwise associates the code with a merchant or payment card transaction in a way that allows the financial institution or a facilitating or processing entity to identify whether the merchant is a firearms retailer or whether the transaction involves the sale of firearms or ammunition.⁶

Firearms transactions

SAFPA also prohibits a financial institution from declining a “payment card transaction” (i.e., a transaction involving a credit card, charge card, debit card, or any other card that allows an authorized user to purchase goods or services from a merchant) involving a firearms retailer solely on the assignment of a firearms code. However, the act preserves the ability of financial intuitions to decline or refuse to process a firearms-related payment as necessary to comply with applicable state or federal laws, if requested by the customer, to implement fraud controls, or for the purpose of merchant category exclusions offered by a financial institution for the purpose of expenditure control or corporate card control. Financial intuitions may also continue to take action related to dispute processing, fraud risk, credit management, or other controls in the

⁴ Section 3 of the act.

⁵ R.C. 1349.84(H) and 1349.85(A).

⁶ R.C. 1349.84 and 1349.85(B)(1).

ordinary course of business, protecting against illegal activities, and restricting the use or availability of a firearms code.⁷

Enforcement

The act requires the Attorney General to investigate reasonable allegations of SAFPA violations. It also empowers the Attorney General to administer oaths, subpoena witnesses, present evidence, and require the production of relevant matter relating to such an investigation.

A person or entity subpoenaed by the Attorney General in such an investigation may file a motion in the court of common pleas for any county to either extend the return day, or to modify or quash the subpoena. This motion must be filed within 20 days after the subpoena is served, and it must include a statement describing good cause for the extension, modification, or quashing. If a person or entity fails to obey a subpoena or to produce relevant matter requested under the act without a lawful excuse, the Attorney General may seek an order compelling compliance from the court of common pleas for any county in Ohio.

If the Attorney General determines that SAFPA was violated, written notice must be provided to the violator, who then has 30 days to cease the violation. If the violation does not cease within 30 days, the Attorney General must file an action against the violator in the court of common pleas of any county. If the court finds that the person or entity violated SAFPA and has not ceased the violation, it must enjoin the person from continuing that activity and may award any other relief the court considers appropriate. Additional relief may include the destruction of records kept in violation of SAFPA.

If the violator purposefully fails to comply within 30 days of receiving the injunction, the Attorney General must petition the court to impose a fine of not more than \$1,000 per violation. The court must consider various factors in assessing the fine, including the financial resources of the violator, and the harm or risk of harm to Second Amendment rights resulting from the violation.

The injunction and civil fine described above are the exclusive remedies for SAFPA violations.

None of the following records are considered public records for the purposes of Ohio's public records law when obtained by the Attorney General as part of a SAFPA investigation:

- A list, record, or registry of privately owned firearms or owners of those firearms, kept by a government entity or official, or agent or employee of a governmental entity;
- Records distinguishing a firearms retailer from other retailers due to the assignment of a firearms code kept by a financial institution or an agent of a financial institution;
- Records identifying any persons whose payment card transactions were declined by a financial institution or an agent of a financial institution;

⁷ R.C. 1349.84(I) and (J) and 1349.85(B)(2), (C), and (D).

- Records identifying a financial institution or an agent of a financial institution alleged to have engaged in conduct prohibited by SAFPA, other than records of an action or court order under the act's enforcement provisions.

Additionally, the act prohibits any person from releasing or otherwise publicly disseminating those records unless required by a court order to do so.⁸

HISTORY

Action	Date
Introduced	02-14-23
Reported, S. Veterans & Public Safety	04-25-23
Passed Senate (24-7)	04-26-23
Reported, H. Insurance	12-10-24
Passed House (63-27)	12-11-24
Senate concurred in House amendments (25-6)	12-18-24

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⁸ R.C. 1349.86.