

Amendment No. _____

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Date _____
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Signature of Sponsor

AMEND Senate Bill No. 1013*

House Bill No. 1182

by adding the following as new subdivisions in § 47-18-5602 in SECTION 1:

() "Affiliate" means a person who controls, is controlled by, or is under common control with a licensee. As used in this subdivision (), "control" means the direct or indirect possession of the power to direct or cause the direction of the management of a licensee, whether through ownership of more than fifteen percent (15%) of the voting securities, by contract, or otherwise;

() "Financial institution" means a bank, including a commercial bank, savings bank, savings and loan association, credit union, mortgage bank, or a trust company, in each case engaged in the business of banking, that is chartered under federal or state law and regulated by a federal or state banking regulatory agency;

() "Material" means, with respect to any disclosure required by this part, information as to which a reasonable person would attach a financial impact of greater than ten thousand dollars (\$10,000);

AND FURTHER AMEND by deleting subdivision (2) in § 47-18-5602 in SECTION 1.

AND FURTHER AMEND by deleting subdivision (10) in § 47-18-5602 in SECTION 1 and substituting the following:

() "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, or any other commercial entity. "Person" does not include a government or government subdivision, agency or instrumentality;



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AND FURTHER AMEND by deleting subsection (b) in § 47-18-5603 in SECTION 1 and substituting the following:

(b) Receipt of a license by a licensee is deemed consent to the jurisdiction of this state.

AND FURTHER AMEND by deleting subsection (f) in § 47-18-5603 in SECTION 1.

AND FURTHER AMEND by deleting subdivision (2) in § 47-18-5604 in SECTION 1 and renumbering existing subdivisions accordingly.

AND FURTHER AMEND by adding the following to the end of subsection (b) in § 47-18-5607 in SECTION 1:

However, the commissioner may suspend the license pursuant to § 47-18-5608(c).

AND FURTHER AMEND by deleting § 47-18-5607(c) in SECTION 1 and substituting the following:

(c) Except as provided in § 4-5-320, a licensee must receive notice and a hearing before the commissioner revokes or suspends a license. This subsection (c) must be liberally construed to permit the summary suspension of a license when the agency finds that the public health, safety, or welfare imperatively requires emergency action.

AND FURTHER AMEND by deleting § 47-18-5608 in SECTION 1 and substituting the following:

(a) The commissioner may promulgate rules as necessary for the administration and enforcement of this part and may require a reasonable licensure and investigations fee in connection with the issuance of any license required by this part.

(b) The Uniform Administrative Procedures Act, compiled in title 4, chapter 5, governs all matters and procedures respecting the hearing and judicial review of any violation or contested case arising under this part.

(c) If the commissioner finds that a delay in issuing any order under this part will threaten the health, safety, or welfare such that emergency action is required, then the commissioner may summarily suspend the license pursuant to § 4-5-320.

(d) Any order issued pursuant to this section is subject to review by appeal to the Davidson County chancery court, pursuant to § 4-5-322.

AND FURTHER AMEND by deleting subdivision (c)(14) in § 47-18-5611 in SECTION 1 and substituting the following:

(14) Whether the consumer's rights are subject to mandatory arbitration of any and all disputes. However, nothing in this subdivision (c)(14) supersedes the requirement of § 47-18-5616(b).

AND FURTHER AMEND by adding the following as new sections in SECTION 1:

47-18-5624. Severability.

If any provision of this part or its application to any person or circumstance is held invalid, then the invalidity does not affect other provisions or applications of this part that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

47-18-5625.

Notwithstanding this part or any other law, the Uniform Debt-Management Services Act, compiled in part 55 of this chapter, does not apply to the licensure and operation of a licensee providing only debt resolution services.

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AMEND Senate Bill No. 1504

House Bill No. 562*

by deleting all language after the enacting clause and substituting the following:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, is amended by adding the following language as a new part:

67-4-1501.

As used in this part:

- (1) "Authorized agent" means an entity designated by a licensee to sell or issue payment instruments or engage in the business of transmitting money on behalf of a licensee;
- (2) "Commissioner" means the commissioner of revenue, or the commissioner's designee;
- (3) "Department" means the department of revenue;
- (4) "Driver license" means:
 - (A) A valid Tennessee driver license or photo identification license issued by the department of safety; and
 - (B) A valid driver license or photo identification license issued by another state where the issuance requirements are at least as strict as those in this state, as determined by the department of safety and as posted by the department of safety on the department's website;
- (5) "Licensee" means a person licensed under the Tennessee Money Transmitter Act of 1994, compiled in title 45, chapter 7, part 2;
- (6) "Payment instrument":



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(A) Means any check, draft, money order, travelers check, or other instrument or written order for the transmission or payment of money, sold or issued to one (1) or more persons, regardless of whether the instrument is negotiable; and

(B) Does not include any credit card voucher, any letter of credit, or any instrument that is redeemable by the issuer in goods or services;

(7) "Person" means any individual, partnership, association, joint-stock association, trust, corporation, or any other organization or group of persons; and

(8) "Transaction":

(A) Means a sale or issuance of a payment instrument or a transmission of money originating in this state to a location outside of the United States, District of Columbia, or territories of the United States by any and all means, including, but not limited to, payment instrument, wire, facsimile, or electronic transfer; and

(B) Does not include a sale or issuance of a payment instrument or a transmission of money made through a money transfer system operated by a business only on the internet or on a phone application.

67-4-1502.

(a) Prior to processing a transaction, a licensee or an authorized agent shall require the customer requesting the transaction to produce the customer's driver license. If the customer requesting the transaction fails to produce a driver license, then the licensee or authorized agent shall collect from each customer a fee per transaction consisting of:

(1) Ten dollars (\$10.00); and

(2) One percent (1%) of the amount of any transaction in excess of five hundred dollars (\$500).

(b) The commissioner shall administer and collect the fee imposed pursuant to subsection (a). All fees, penalties, and any interest collected under this part, less the amounts withheld pursuant to subsection (c), must be deposited into the money laundering prevention fund as established in subsection (d).

(c)

(1) For the purpose of compensating the licensee in accounting for and remitting the fee, a licensee may deduct a portion of the fee due, reported, and paid to the department in the amount of ten percent (10%) of the fee imposed pursuant to subdivision (a)(1). No deduction from the fee is allowed if the report or payment of the fee is delinquent.

(2) For the purposes of implementing and administering this part, the department shall retain one percent (1%) of the fee imposed pursuant to subdivision (a)(1).

(d)

(1) There is established within the state general fund a special account to be known as the money laundering prevention fund. Fee proceeds, interest, and penalties imposed pursuant to §§ 67-4-1504(c) and 67-4-1505 must be deposited to the money laundering prevention fund as provided in this section. Fee proceeds, interest, and penalties collected must be retained in the account until such time as the proceeds are unencumbered. Fee proceeds, interest, and penalties are unencumbered when there is no right to a refund of the proceeds and the time to file suit relative to collection of the fee proceeds or imposition of interest and penalties has expired.

(2) Amounts in the money laundering prevention fund:

(A) Do not revert to the general fund of the state but must, together with interest income credited to the fund, be carried forward into each subsequent fiscal year; and

(B) Must be invested by the state treasurer pursuant to title 9, chapter 4, part 6 for the sole benefit of the fund.

(3) Unencumbered amounts in the money laundering prevention fund are to be allocated as follows:

(A) Twenty-five percent (25%) into a law enforcement subaccount that may be accessed by the director of the Tennessee bureau of investigation. The director is authorized to direct funds in the subaccount only to programs designed to prevent and detect money laundering activities or in the enforcement of laws related to money laundering. In addition to the use of funds by the Tennessee bureau of investigation for such purposes, funds may be granted by the director to a local law enforcement agency or judicial district task force to be used to prevent and detect money laundering activities or in the enforcement of laws related to money laundering. Applications for grants must be submitted to and approved by the director before funds may be directed to the local law enforcement agency or judicial district task force;

(B) Twenty-five percent (25%) into a separate law enforcement subaccount that may be accessed by the commissioner of safety. The commissioner of safety is authorized to direct funds in the subaccount only to programs designed to prevent and detect money laundering activities or in the enforcement of laws related to money laundering. In addition to the use of funds by the department of safety for such purposes, funds may be granted by the commissioner of safety to a local law enforcement agency or judicial district task force to be used to prevent and detect money laundering activities or in the enforcement of laws related to money laundering. Applications for grants must be submitted to and approved by the commissioner of safety before funds

may be directed to the local law enforcement agency or judicial district task force; and

(C) Fifty percent (50%) into a border security subaccount. The commissioner of finance and administration shall direct funds in the subaccount, to the extent permitted by law, to the United States department of homeland security for the purpose of securing the southern border of the United States. Any funds that are not permitted to be directed for those purposes under state or federal law, must be directed instead to either local jails and sheriff departments in this state that hold or detain persons not legally present in the United States or to district attorneys that prosecute persons not legally present in the United States or persons involved in money laundering.

(e) A licensee shall retain a record of the driver license number and state of issuance for each customer producing a driver license pursuant to subsection (a) for at least one (1) year following the customer's transaction. A licensee shall make these records available to the commissioner upon written request by the commissioner.

67-4-1503.

(a) A licensee shall register for each of the licensee's business locations in this state, including each location of any authorized agent, with the commissioner upon forms prescribed and furnished by the commissioner.

(b) The fee imposed by this part is payable by a licensee for quarterly periods as follows:

- (1) January 1 through March 31;
- (2) April 1 through June 30;
- (3) July 1 through September 30; and
- (4) October 1 through December 31.

(c) All licensees shall, on or before the twenty-fifth day of the month immediately following the close of the periods set out in subdivisions (b)(1)-(4), transmit to the commissioner, upon forms prescribed and furnished by the commissioner, returns containing information necessary to ensure a full collection from licensees and an accounting for the fees due. A separate return must be filed for each separate location or place of business.

(d) The return must be accompanied by payment of all fees due.

(e) Each licensee and authorized agent shall post a conspicuous notice in a form prescribed by the department stating that customers may file for a refund from the department of the fee paid pursuant to § 67-4-1502 and describing the guidelines established by the department pursuant to § 67-4-1504.

67-4-1504.

(a) A customer who pays a fee pursuant to § 67-4-1502 may apply to the department for a refund of the fee. The deadline for filing the application with the department depends on the quarterly period during which the fee was assessed, as follows:

(1) If assessed January 1 through March 31, then the application must be filed on or before July 1;

(2) If assessed April 1 through June 30, then the application must be filed on or before October 1;

(3) If assessed July 1 through September 30, then the application must be filed on or before January 1; and

(4) If assessed October 1 through December 31, then the application must be filed on or before April 1.

(b)

(1) To receive a refund under this section, a claimant must file an application with the department that includes the aggregate amount requested by

the claimant in connection with fees paid pursuant to § 67-4-1502. The department shall only accept four (4) applications per claimant per year.

(2) A refund under this section must be made by the department directly to the claimant and shall not be made by a licensee to the claimant. All refunds under this section must be paid from the money laundering prevention fund.

(3) All applications for refund must be submitted as prescribed by the department and must include satisfactory proof of payment of the fee and any other information or documentation that the department may require in addition to the claimant's social security number or federal tax identification number.

(4) The department shall develop guidelines concerning the administration of this section, which must be posted on the website of the department.

(c) The department may assess a civil penalty not to exceed twenty-five thousand dollars (\$25,000) against any person that knowingly files a false or fraudulent application for refund under this section. Any claimant that is assessed a penalty under this subsection (c) is entitled to the remedies provided in § 67-1-1801.

(d) Any refund made pursuant to this section is subject to § 67-1-1808.

67-4-1505.

(a) Chapter 1, parts 8, 13, 14, 15, 17, and 18 of this title apply to all fees collected and administered by the commissioner under this part, except as provided in § 67-4-1504.

(b) In addition to any other action authorized by law, the department may bring suit directly on the licensee's security device pursuant to § 45-7-208 or may request that the department of financial institutions bring suit on behalf of the department for fees, interest, and penalties due and unpaid as required by this part.

67-4-1506.

The director of the Tennessee bureau of investigation, the commissioner of safety, and the commissioner of revenue are each authorized to promulgate rules in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, to carry out their responsibilities under this part and to implement this part.

SECTION 2. This act shall not be construed to be an appropriation of funds and funds shall not be obligated or expended pursuant to this act unless the funds are specifically appropriated by the general assembly in the general appropriations act.

SECTION 3. For the purpose of promulgating rules, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect January 1, 2020, the public welfare requiring it.

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Amendment No. _____

Signature of Sponsor

AMEND Senate Bill No. 1174

House Bill No. 673*

by deleting all language after the enacting clause and substituting the following:

SECTION 1. Tennessee Code Annotated, Section 56-9-103, is amended by adding the following as a new subdivision:

() "Federal home loan bank" means an institution chartered under the Federal Home Loan Bank Act (12 U.S.C. § 1421, et seq.), as amended, or its successor statute;

SECTION 2. Tennessee Code Annotated, Section 56-9-105, is amended by adding the following as a new subsection:

() Notwithstanding subsections (a) and (b) and any other provision of this title, a federal home loan bank shall not be stayed, enjoined, or prohibited from exercising or enforcing any right or cause of action regarding collateral pledged under a security agreement or under any pledge agreement, security agreement, collateral agreement, or other similar arrangement or credit enhancement relating to a security agreement to which the federal home loan bank is a party.

SECTION 3. Tennessee Code Annotated, Section 56-9-304, is amended by adding the following as a new subsection:

() Notwithstanding subsections (a) and (b) and any other provision of this title, a federal home loan bank shall not be stayed, enjoined, or prohibited from exercising or enforcing any right or cause of action regarding collateral pledged under a security agreement or under any pledge agreement, security agreement, collateral agreement, or other similar arrangement or credit enhancement relating to a security agreement to which the federal home loan bank is a party.



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SECTION 4. Tennessee Code Annotated, Section 56-9-310(a)(13), is amended by adding the following language after the word "party":

. However, the liquidator shall not disavow, reject, or repudiate a federal home loan bank security agreement or any pledge agreement, security agreement, collateral agreement, guarantee agreement, or other similar arrangement or credit enhancement relating to a security agreement to which a federal home loan bank is a party

SECTION 5. Tennessee Code Annotated, Section 56-9-315, is amended by adding the following as a new subsection:

() Notwithstanding this section and any other provision of this title, a receiver shall not avoid any transfer of, or any obligation to transfer, money or any other property arising under or in connection with a federal home loan bank security agreement or any pledge agreement, security agreement, collateral agreement, guarantee agreement, or other similar arrangement or credit enhancement relating to a security agreement to which a federal home loan bank is a party. However, a transfer may be avoided under this section if it was made with the actual intent to hinder, delay, or defraud either existing or future creditors.

SECTION 6. Tennessee Code Annotated, Section 56-9-317, is amended by adding the following as a new subsection:

() Notwithstanding subdivision (a)(2) and any other provision of this title, a liquidator or rehabilitator shall not avoid any preference arising under or in connection with a federal home loan bank security agreement or any pledge agreement, security agreement, collateral agreement, guarantee agreement, or other similar arrangement or credit enhancement relating to a security agreement to which a federal home loan bank is a party.

SECTION 7. Tennessee Code Annotated, Title 56, Chapter 9, Part 3, is amended by adding the following as a new section:

(a) Notwithstanding any other provision of this title, any secured claim that a federal home loan bank has on an insurer who is subject to a delinquency proceeding under this chapter is governed exclusively by this section.

(b) Notwithstanding any other provision of this title, a receiver shall not void a redemption or repurchase of any stock or equity securities made by a federal home loan bank within four (4) months of the commencement of the delinquency proceedings or that received prior approval of the receiver. However, a transfer is voidable if the transfer is made with the actual intent to hinder, delay, or defraud the insurer member, the receiver for the insurer member, existing creditors, or future creditors.

(c) If a federal home loan bank exercises its rights regarding collateral pledged by an insurer member who is subject to a delinquency proceeding, then the federal home loan bank shall repurchase any capital stock that is in excess of the amount of federal home loan bank stock that the insurer member is required to hold as a minimum investment, to the extent the federal home loan bank in good faith determines the repurchase to be permissible under applicable laws, regulations, regulatory obligations, and the federal home loan bank's capital plan, and consistent with the federal home loan bank's current capital stock practices applicable to its entire membership.

(d) Following the appointment of a receiver for an insurer member, the federal home loan bank, within ten (10) business days after a request made by the receiver, shall provide a process and establish timelines for the:

(1) Release of collateral that exceeds the lendable collateral value, as determined pursuant to the advance agreement with the federal home loan bank, required to support secured obligations remaining after any repayment of advances;

(2) Release of any of the insurer member's collateral remaining in the federal home loan bank's possession following repayment in full of all outstanding secured obligations of the insurer member;

(3) Payment of fees owed by the insurer member and the operation of deposits and other accounts of the insurer member with the federal home loan bank; and

(4) Possible redemption or repurchase of federal home loan bank stock or excess stock of any class that an insurer member is required to own.

(e) Upon request from the receiver for an insurer member, the federal home loan bank shall provide any available options that an insurer member may exercise to renew or restructure an advance to defer associated prepayment fees, subject to the following:

(1) Market conditions;

(2) The terms of the advances outstanding to the insurer member;

(3) The applicable policies of the federal home loan bank; and

(4) Compliance with the Federal Home Loan Bank Act (12 U.S.C. § 1421, et seq.) and corresponding regulations.

(f) After the tenth day following the commencement of a delinquency proceeding in this state involving an insurer member of the federal home loan bank, the federal home loan bank must not be stayed or prohibited from exercising its rights regarding collateral pledged by that insurer member.

SECTION 8. This act shall take effect upon becoming a law, the public welfare requiring

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