

**CHAPTER NO. 683**

**SENATE BILL NO. 2570**

**By Kilby**

**Substituted for: House Bill No. 3092**

**By Winningham, Hargett, Roach, Lois DeBerry, Pleasant**

AN ACT to amend Tennessee Code Annotated, Title 47, Chapter 18, Part 1, relative to debit cards.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, Part 1, is amended by adding a new section thereto, as follows:

Section 47-18-127.

(a) Any person providing goods or services who initiates a preauthorized debit card transaction that is more than twenty-five percent (25%) of the actual transaction amount, or fifty dollars (\$50.00), whichever is greater, shall disclose at the time and point of sale that a hold will be placed on the customer's debit card account. The person initiating such hold shall disclose the dollar amount of the hold if such amount is known. If the hold is initiated at an unmanned remote terminal, service device, or gas pump, the disclosure shall be made in conspicuous type at a location proximate to the point of payment. If the hold initiated is subject to a contractual agreement, order of the purchaser, or other written document, the notice shall be placed in conspicuous type in a segregated box on the front of the document.

(b) A violation of this section constitutes an unfair and deceptive act or practice.

SECTION 2. This act shall take effect July 1, 2006, the public welfare requiring it.

**PASSED: May 8, 2006**

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 18<sup>th</sup> day of May 2006**

  
PHIL BREDESEN, GOVERNOR