

HOUSE BILL 1163

By Ogles

AN ACT to amend Tennessee Code Annotated, Title 47
and Title 62, relative to travel promoters.

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 the following new section:

(a) For purposes of this section:

(1) "Travel promoter" means a person who sells, provides, furnishes, contracts for, or arranges travel services for a fee, commission, or other valuable consideration. "Travel promoter" does not include a transportation carrier if the carrier provides, furnishes, contracts for, or arranges only transportation services that are directly provided by the transportation carrier as the substantial portion of the transportation carrier's business; and

(2) "Travel services" means arranging or booking vacation or travel packages, travel reservations, or travel accommodations.

(b)

(1) Each travel promoter shall post a bond in an amount of ten thousand dollars (\$10,000) for each of the promoter's business locations in this state. The bond must be made with a bond issued by a corporate surety authorized to do business in this state.

(2) The bond must be maintained for two (2) years following the date on which the travel promoter location ceases to conduct business in this state.

(c) In an action brought by the attorney general and reporter pursuant to this part, the attorney general and reporter has the right to request that the total amount of

the bond posted by the travel promoter be awarded to the state for consumer restitution. Any consumer who has entered into an agreement with a travel promoter that is not fulfilled by the travel promoter may make a claim against the bond.

(d) This section does not apply to any travel promoter that has, for at least seven (7) consecutive years, operated under substantially the same ownership and control. Any travel promoter claiming the exemption pursuant to this subsection (d) shall maintain documentation as of January 1 of each year in which the exemption is claimed that demonstrates the required period of ownership. The documentation must be retained for a period of at least five (5) years from the end of the year in which the exemption is claimed. The documentation must be made available for examination upon request of any law enforcement agency or the division. A refusal to provide the documentation constitutes a violation of this part.

(e)

(1) In lieu of the surety bond required in this section, a travel promoter may maintain a current audited financial statement prepared by a certified public accountant licensed in this state that demonstrates that the travel promoter has a financial net worth of at least one million dollars (\$1,000,000) available to satisfy any claims.

(2) Any travel promoter claiming the exemption pursuant to this subsection (e) shall maintain documentation as of January 1 of each year in which the exemption is claimed that demonstrates that at least one million dollars (\$1,000,000) is available to satisfy any claims. Such proof must be retained for a period of at least five (5) years from the end of the year in which the exemption is claimed. This documentation must be made available for examination upon request of any law enforcement agency or the division. A refusal to provide the documentation constitutes a violation of this part.

SECTION 2. This act shall take effect January 1, 2020, the public welfare requiring it.