

SENATE BILL 1805

By Robinson

AN ACT to amend Tennessee Code Annotated, Title 39,
Chapter 14, Part 1 and Title 45, Chapter 18,
relative to fraudulent checks.

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

SECTION 1. Tennessee Code Annotated, Section 39-14-115, is amended by deleting the period at the end of subdivision (a)(2)(B) and adding the following:

, including any equipment, instrument, machine, or supplies designed for use, intended for use, or used to counterfeit the check of another person by taking the account and routing numbers from the other person's valid check and counterfeiting a new check containing the valid numbers.

SECTION 2. Tennessee Code Annotated, Title 45, Chapter 18, is amended by adding the following new section:

(a) This section applies to:

(1) Any company licensed pursuant to this part to engage in the business of cashing payment instruments; and

(2) Any company or business that is not a licensed check cashing company but, as part of the business of the company, engages in cashing payment instruments for consideration.

(b) This section does not apply to:

(1) Any bank, trust company, credit union, building and loan association, savings bank, or mutual bank organized under the laws of any state or the United States; and

(2) Persons who offer a check cashing service without receiving, directly or indirectly, any consideration or fee.

(c) In addition to the requirements established for licensed check companies pursuant to this part, all entities to which this section applies shall, prior to the transaction being made, require any employee of an entity who cashes payment instruments on behalf of the entity to do the following:

(1) Record information on the person wishing to cash the payment instrument, including:

- (A) Name;
- (B) Race;
- (C) Sex;
- (D) Height;
- (E) Weight;
- (F) Date of birth;
- (G) Residence address; and
- (H) Identification numbers from the items used as identification;

(2) Accept only one (1) of the following documents as valid form of identification:

- (A) A state-issued driver license;
- (B) A state-issued identification card;
- (C) A passport;
- (D) A valid military identification;
- (E) A nonresident alien border crossing card;
- (F) A resident alien border crossing card; or
- (G) A United States immigration and naturalization service

identification; and

(3) Record the date and amount of the payment instrument seeking to be cashed.

(d)

(1) Before the transaction is completed, the payment instrument casher shall ensure that the name the person signs or endorses on the payment instrument is the same name and visually the same signature as the name of the person's identification.

(2) If the name of the person signing or endorsing the payment instrument is not the same as the person on the identification proffered, no transaction shall occur and the payment instrument casher shall, within three (3) days from the date the transaction is denied, notify the applicable police department and report the name of the person attempting to cash the payment instrument.

(e)

(1) It is an offense for any employee of an entity covered by subsection (a) who cashes payment instruments for consideration to cash a payment instrument if the employee knows or should know the payment instrument is fraudulent or otherwise invalid.

(2) It is an offense for any employee of an entity that cashes payment instruments and is covered by subsection (a) to cash a payment instrument without recording the information required by subdivision (c)(1), (2), and (3), cash the payment instrument without comparing the identification signature and the payment instrument signature as required by subsection (d), or complete the transaction knowing the signatures are not the same.

(3)

(A) A violation of subdivision (e)(1) is a Class A misdemeanor.

(B) A violation of subdivision (e)(2) is a Class C misdemeanor.

(C) If the entity is licensed as a check cashing company or holds another kind of license that permits the primary operation of the entity, then, in addition to the penalties in subdivisions (e)(3)(A) and (e)(3)(B) and other licensure penalties provided by law, the license of the entity must be suspended for a period of thirty (30) days.

(D) Any consideration received for a payment instrument cashed in violation of this subdivision (e)(1) or (e)(2) must be forfeited to the state general fund.

SECTION 3. This act shall take effect July 1, 2020, the public welfare requiring it.