

SENATE BILL 996

By Yager

AN ACT to amend Tennessee Code Annotated, Title 45  
and Title 47, Chapter 18, relative to online  
payment systems.

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

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

**47-18-135.**

(a) As used in this section, "online payment system":

(1) Means an online or mobile system that facilitates the exchange of  
currency through the internet, including a money transfer or payment; and

(2) Does not include an online or mobile system provided by:

(A) A state or national bank;

(B) A state or federal savings and loan association; or

(C) A state or federal credit union.

(b) An online payment system shall not freeze the funds of a user without first  
providing the user with a ninety-day written notice of the online payment system's intent  
to freeze the user's funds.

(c) A violation of this section by an online payment system constitutes an unfair  
or deceptive act prohibited under § 47-18-104, and is punishable as provided in this part.

SECTION 2. Tennessee Code Annotated, Section 47-18-104(b), is amended by adding  
the following as a new subdivision:

( ) A violation of § 47-18-135;

SECTION 3. This act takes effect July 1, 2023, the public welfare requiring it, and applies to contracts or agreements entered into, amended, or renewed on or after that date.