

SENATE BILL 1202

By Norris

AN ACT to amend Tennessee Code Annotated, Title 45, Chapter 13; Title 45, Chapter 15; Title 45, Chapter 18; Title 45, Chapter 5 and Title 56, Chapter 37, relative to the regulation of non-depository financial institutions.

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

SECTION 1. Tennessee Code Annotated, Section 45-13-208, is amended by deleting subsections (b) and (c).

SECTION 2. Tennessee Code Annotated, Section 45-5-203, is amended by deleting subsection (a) and substituting instead the following:

(a) A certificate of registration issued pursuant to this chapter expires on December 31. A certificate of registration may be renewed for the ensuing twelve-month period upon application by the registrant showing continued compliance with the requirements of § 45-5-201 and payment of the nonrefundable supervision fee, as provided in § 45-1-118(i). A registrant making timely and complete application and payment for renewal of its certificate of registration may continue to operate under its existing certificate of registration until its application is approved or denied. The completed renewal application and the payment of the annual supervision fee must be sent to the department on or before December 31, but no earlier than November 1, of each year.

SECTION 3. Tennessee Code Annotated, Section 45-5-203, is further amended by deleting subsection (b) and substituting instead the following:

(b) A registrant submitting an application for renewal of a certificate of registration expiring on March 31, 2018, must pay the supervision fee as provided in §

45-1-118(i). The completed renewal application and payment must be sent to the department on or before March 1, 2018. A renewal certificate of registration with a beginning effective date of April 1, 2018, expires on December 31, 2018.

SECTION 4. Tennessee Code Annotated, Title 45, Chapter 5, Part 2, is amended by adding the following new sections:

45-5-208.

(a) In addition to any other powers imposed upon the commissioner by law, the commissioner is authorized to require persons subject to this chapter to be registered through a multi-state automated licensing system. Pursuant to this authority, the commissioner may:

(1) Promulgate any rules reasonably necessary for participation in, transition to, or operation of a multi-state automated licensing system;

(2) Establish relationships or enter into agreements reasonably necessary for participation in, transition to, or operation of a multi-state automated licensing system. The agreements may include, but are not limited to, operating agreements, information sharing agreements, interstate cooperative agreements, and technology licensing agreements;

(3) Require that applications for registration under this chapter and renewals of such registrations be filed with a multi-state automated licensing system;

(4) Require that any fees required to be paid under this chapter be paid through a multi-state automated licensing system;

(5) Establish deadlines for transitioning registrations to a multi-state automated licensing system. The commissioner may deny any applications or renewal applications not filed with a multi-state automated licensing system after the deadlines have passed, notwithstanding any other deadlines established elsewhere in this chapter. The commissioner shall provide reasonable notice of any transition deadlines to registrants; and

(6) Take such further actions as are reasonably necessary to give effect to this section.

(b) Nothing in this section authorizes the commissioner to require a person who is not subject to this chapter to submit information to, or participate in, a multi-state automated licensing system.

(c) Notwithstanding any other provision of this section, the commissioner retains full authority and discretion to register persons under this chapter and to enforce this chapter. Nothing in this section reduces or derogates that authority and discretion.

(d) Applicants for and holders of registrations issued under this chapter must pay all costs associated with submitting an application or transitioning a registration to a multi-state automated licensing system, as well as all costs associated with maintaining and renewing any registration issued by the commissioner on a multi-state automated licensing system.

45-5-209.

In order to promote more effective regulation and reduce regulatory burden through supervisory information sharing:

(1) The requirements under any federal or state law regarding the privacy or confidentiality of any information or material provided to a multi-state automated licensing system, and any privilege arising under federal or state law, including the rules of any federal or state court, with respect to such information or material, continue to apply to the information or material after it has been disclosed to a multi-state automated licensing system. The information or material may be shared with all state and federal regulatory officials with consumer finance industry oversight authority without the loss of privilege or

confidentiality protections provided by federal or state law, including the protection available under § 45-1-120;

(2) For purposes of subdivision (1), the commissioner may enter into agreements or sharing agreements with other governmental agencies, the Conference of State Bank Supervisors, or other associations representing governmental agencies, as established by rule, regulation, or order of the commissioner;

(3) Information or material that is subject to a privilege or confidentiality protection under subdivision (1) is not subject to:

(A) Disclosure under any federal or state law governing disclosure to the public of information held by an officer or agency of the federal government or the respective state; or

(B) Subpoena or discovery or admission into evidence in any private civil action or administrative process, unless the person to whom such information or material pertains, in the person's discretion, waives any applicable privilege held by a multi-state automated licensing system, in whole or in part;

(4) This section supersedes any inconsistent provisions of title 10, chapter 7, part 5, pertaining to the records open to public inspection; and

(5) This section does not apply to information or material relating to publicly adjudicated disciplinary and enforcement actions against persons subject to this chapter that is included in a multi-state automated licensing system for access by the public.

SECTION 5. Tennessee Code Annotated, Section 45-15-106, is amended by deleting subsection (i) and substituting instead the following:

(i) Licenses issued pursuant to this chapter expire on December 31. A license may be renewed for the ensuing twelve-month period upon application by the license holder showing continued compliance with the requirements of this section and the payment of the nonrefundable supervision fee, as provided in § 45-1-118(i). A licensee making timely and complete application for renewal of its license may continue to operate under its existing license until its application is approved or denied. The completed renewal application and the payment of the annual supervision fee must be sent to the department on or before December 31, but no earlier than November 1, of each year.

SECTION 6. Tennessee Code Annotated, Section 45-15-109(c)(1), is amended by deleting the language "commissioner, commencing on December 1, 2015, and every odd-numbered year thereafter" and substituting instead the language "commissioner on the date of submission of the renewal application required under § 45-15-106(i), in every odd-numbered year".

SECTION 7. Tennessee Code Annotated, Title 45, Chapter 15, Part 1, is amended by adding the following language as a new section:

45-15-121.

(a) In addition to any other powers imposed upon the commissioner by law, the commissioner is authorized to require persons subject to this chapter to be licensed through a multi-state automated licensing system. Pursuant to this authority, the commissioner may:

- (1) Promulgate any rules reasonably necessary for participation in, transition to, or operation of, a multi-state automated licensing system;
- (2) Establish relationships or enter into agreements reasonably necessary for participation in, transition to, or operation of a multi-state

automated licensing system. The agreements may include, but are not limited to, operating agreements, information sharing agreements, interstate cooperative agreements, and technology licensing agreements;

(3) Require that applications for licensing under this chapter and renewals of such licenses be filed with a multi-state automated licensing system;

(4) Require that any fees required to be paid under this chapter be paid through a multi-state automated licensing system;

(5) Establish deadlines for transitioning licenses to a multi-state automated licensing system. The commissioner may deny any applications or renewal applications not filed with a multi-state automated licensing system after the deadlines have passed, notwithstanding any other deadlines established in this chapter. The commissioner shall provide reasonable notice of any transition deadlines to licensees; and

(6) Take such further actions as are reasonably necessary to give effect to this section.

(b) Nothing in this section authorizes the commissioner to require a person who is not subject to this chapter to submit information to, or participate in, a multi-state automated licensing system.

(c) Notwithstanding any other provision of this section, the commissioner retains full authority and discretion to license persons under this chapter and to enforce this chapter, and nothing in this section reduces or derogates this authority and discretion.

(d) Applicants for and holders of licenses issued under this chapter must pay all costs associated with submitting an application or transitioning a license to a multi-state automated licensing system, as well as all costs associated with maintaining and

renewing any license issued by the commissioner on a multi-state automated licensing system.

SECTION 8. Tennessee Code Annotated, Title 45, Chapter 15, Part 1, is amended by adding the following language as new sections:

45-15-122.

The commissioner is authorized to use a multi-state automated licensing system as an agent for channeling information, whether criminal or noncriminal in nature, and whether derived from or distributed to the United States department of justice, any other state or federal governmental agency, or any other source that the commissioner is authorized to request or distribute under this chapter.

45-15-123.

In order to promote more effective regulation and reduce regulatory burden through supervisory information sharing:

(1) The requirements under any federal or state law regarding the privacy or confidentiality of any information or material provided to a multi-state automated licensing system, and any privilege arising under federal or state law, including the rules of any federal or state court, with respect to such information or material, continue to apply to the information or material after it has been disclosed to a multi-state automated licensing system. The information or material may be shared with all state and federal regulatory officials with title pledge lending oversight authority without the loss of privilege or confidentiality protections provided by federal or state law, including the protection available under § 45-1-120;

(2) For purposes of subdivision (1), the commissioner may enter into agreements or sharing agreements with other governmental agencies, the

Conference of State Bank Supervisors, or other associations representing governmental agencies, as established by rule, regulation, or order of the commissioner;

(3) Information or material that is subject to a privilege or confidentiality protection under subdivision (1) is not subject to:

(A) Disclosure under any federal or state law governing disclosure to the public of information held by an officer or agency of the federal government or the respective state; or

(B) Subpoena or discovery or admission into evidence in any private civil action or administrative process, unless the person to whom such information or material pertains, in this person's discretion, waives any applicable privilege held by a multi-state automated licensing system, in whole or in part;

(4) This section supersedes any inconsistent provisions of title 10, chapter 7, part 5, pertaining to the records open to public inspection; and

(5) This section does not apply to information or material relating to publicly adjudicated disciplinary and enforcement actions against persons subject to this chapter that is included in a multi-state automated licensing system for access by the public.

SECTION 9. Tennessee Code Annotated, Section 45-18-109(a), is amended by deleting subdivision (1) and substituting instead the following:

(1) Licenses issued pursuant to this chapter expire on December 31. A license may be renewed for the ensuing twelve-month period upon application by the license holder showing continued compliance with the qualifications for a license, filing of the completed renewal form, and payment of the nonrefundable supervision fee, as provided

in § 45-1-118(i). A licensee making timely and complete application and payment for renewal of its license may continue to operate under its existing license until its application is approved or denied. The completed renewal application and the payment of the annual supervision fee must be sent to the department on or before December 31, but no earlier than November 1, of each year.

SECTION 10. Tennessee Code Annotated, Section 45-18-109(a), is further amended by deleting subdivision (2) and substituting instead the following:

(2) A license holder submitting a renewal application pursuant to this chapter for a license expiring on March 31, 2018, must pay the supervision fee as provided in § 45-1-118(i) for each location. The completed renewal application and payment must be sent to the department on or before March 1, 2018. A renewed license issued under this chapter with a beginning effective date of April 1, 2018, expires on December 31, 2018.

SECTION 11. Tennessee Code Annotated, Title 45, Chapter 18, Part 1, is amended by adding the following language as new sections:

45-18-122.

(a) In addition to any other powers imposed upon the commissioner by law, the commissioner is authorized to require persons subject to this chapter to be licensed through a multi-state automated licensing system. Pursuant to this authority, the commissioner may:

(1) Promulgate any rules reasonably necessary for participation in, transition to, or operation of a multi-state automated licensing system;

(2) Establish relationships or enter into agreements reasonably necessary for participation in, transition to, or operation of a multi-state automated licensing system. The agreements may include, but are not limited to,

operating agreements, information sharing agreements, interstate cooperative agreements, and technology licensing agreements;

(3) Require that applications for licensing under this chapter and renewals of such licenses be filed with a multi-state automated licensing system;

(4) Require that any fees required to be paid under this chapter be paid through a multi-state automated licensing system;

(5) Establish deadlines for transitioning licenses to a multi-state automated licensing system. The commissioner may deny any applications or renewal applications not filed with a multi-state automated licensing system after the deadlines have passed, notwithstanding any other deadlines established in this chapter. The commissioner shall provide reasonable notice of any transition deadlines to licensees; and

(6) Take such further actions as are reasonably necessary to give effect to this section.

(b) Nothing in this section authorizes the commissioner to require a person who is not subject to this chapter to submit information to, or participate in, a multi-state automated licensing system.

(c) Notwithstanding any other provision of this section, the commissioner retains full authority and discretion to license persons under this chapter and to enforce this chapter. Nothing in this section reduces or derogates that authority and discretion.

(d) Applicants for and holders of licenses issued under this chapter must pay all costs associated with submitting an application or transitioning a license to a multi-state automated licensing system, as well as all costs associated with maintaining and renewing any license issued by the commissioner on a multi-state automated licensing system.

45-18-123.

The commissioner is authorized to use a multi-state automated licensing system as an agent for channeling information, whether criminal or noncriminal in nature, and whether derived from or distributed to the United States department of justice, any other state or federal governmental agency, or any other source that the commissioner is authorized to request or distribute under this chapter.

45-18-124.

In order to promote more effective regulation and reduce regulatory burden through supervisory information sharing:

(1) The requirements under any federal or state law regarding the privacy or confidentiality of any information or material provided to a multi-state automated licensing system, and any privilege arising under federal or state law, including the rules of any federal or state court, with respect to such information or material, continue to apply to the information or material after it has been disclosed to a multi-state automated licensing system. The information or material may be shared with all state and federal regulatory officials with check-cashing industry oversight authority without the loss of privilege or confidentiality protections provided by federal or state law, including the protection available under § 45-1-120;

(2) For purposes of subdivision (1), the commissioner may enter into agreements or sharing agreements with other governmental agencies, the Conference of State Bank Supervisors, or other associations representing governmental agencies, as established by rule, regulation, or order of the commissioner;

(3) Information or material that is subject to a privilege or confidentiality protection under subdivision (1) is not subject to:

(A) Disclosure under any federal or state law governing disclosure to the public of information held by an officer or agency of the federal government or the respective state; or

(B) Subpoena or discovery or admission into evidence in any private civil action or administrative process, unless the person to whom such information or material pertains, in the person's discretion, waives any applicable privilege held by a multi-state automated licensing system, in whole or in part;

(4) This section supersedes any inconsistent provisions of title 10, chapter 7, part 5, pertaining to the records open to public inspection; and

(5) This section does not apply with respect to information or material relating to publicly adjudicated disciplinary and enforcement actions against persons subject to this chapter that is included in a multi-state automated licensing system for access by the public.

SECTION 12. Tennessee Code Annotated, Section 56-37-103(b), is amended by deleting subdivision (1) and substituting instead the following:

(1) Licenses issued pursuant to this chapter expire on December 31. A license may be renewed for the ensuing twelve-month period upon application by the license holder showing continued compliance with the requirements of this section and payment of the nonrefundable supervision fee, as provided in § 45-1-118(i). The supervision fee is applicable to each location. A licensee making timely and complete application for renewal of its license may continue to operate under its existing license until its application is approved or denied. The completed renewal application and the payment

of the annual supervision fee must be sent to the department on or before December 31, but no earlier than November 1, of each year.

SECTION 13. Tennessee Code Annotated, Section 56-37-103(b), is further amended by deleting subdivision (2) and substituting instead the following:

(2) A licensee submitting a renewal application pursuant to this chapter for a license expiring on March 31, 2019, must pay the supervision fee as provided in § 45-1-118(i) for each location. The completed renewal application and payment must be sent to the department on or before March 1, 2019. A renewed license issued under this chapter with a beginning effective date of April 1, 2019, expires on December 31, 2019.

SECTION 14. Tennessee Code Annotated, Title 56, Chapter 37, Part 1, is amended by adding the following language as new sections:

56-37-116.

(a) In addition to any other powers imposed upon the commissioner by law, the commissioner is authorized to require persons subject to this chapter to be licensed through a multi-state automated licensing system. Pursuant to this authority, the commissioner may:

(1) Promulgate any rules reasonably necessary for participation in, transition to, or operation of a multi-state automated licensing system;

(2) Establish relationships or enter into agreements reasonably necessary for participation in, transition to, or operation of a multi-state automated licensing system. The agreements may include, but are not limited to, operating agreements, information sharing agreements, interstate cooperative agreements, and technology licensing agreements;

(3) Require that applications for licensing under this chapter and renewals of such licenses be filed with a multi-state automated licensing system;

(4) Require that any fees required to be paid under this chapter be paid through a multi-state automated licensing system;

(5) Establish deadlines for transitioning licenses to a multi-state automated licensing system. The commissioner may deny any applications or renewal applications not filed with a multi-state automated licensing system after the deadlines have passed, notwithstanding any other deadlines established in this chapter. The commissioner shall provide reasonable notice of any transition deadlines to licensees; and

(6) Take such further actions as are reasonably necessary to give effect to this section.

(b) Nothing in this section authorizes the commissioner to require a person who is not subject to this chapter to submit information to, or participate in, a multi-state automated licensing system.

(c) Notwithstanding any other provision of this section, the commissioner retains full authority and discretion to license persons under this chapter and to enforce this chapter. Nothing in this section reduces or derogates that authority and discretion.

(d) Applicants for and holders of licenses issued under this chapter must pay all costs associated with submitting an application or transitioning a license to a multi-state automated licensing system, as well as all costs associated with maintaining and renewing any license issued by the commissioner on a multi-state automated licensing system.

56-37-117.

The commissioner is authorized to use a multi-state automated licensing system as an agent for channeling information, whether criminal or noncriminal in nature, and whether derived from or distributed to the United States department of justice, any other

state or federal governmental agency, or any other source that the commissioner is authorized to request or distribute under this chapter.

56-37-118.

In order to promote more effective regulation and reduce regulatory burden through supervisory information sharing:

(1) The requirements under any federal or state law regarding the privacy or confidentiality of any information or material provided to a multi-state automated licensing system, and any privilege arising under federal or state law, including the rules of any federal or state court, with respect to such information or material, continue to apply to the information or material after it has been disclosed to a multi-state automated licensing system. The information or material may be shared with all state and federal regulatory officials with premium finance company oversight authority without the loss of privilege or confidentiality protections provided by federal or state law, including the protection available under § 45-1-120;

(2) For purposes of subdivision (1), the commissioner may enter into agreements or sharing agreements with other governmental agencies, the Conference of State Bank Supervisors, or other associations representing governmental agencies, as established by rule, regulation, or order of the commissioner;

(3) Information or material that is subject to a privilege or confidentiality protection under subdivision (1) shall not be subject to:

(A) Disclosure under any federal or state law governing disclosure to the public of information held by an officer or agency of the federal government or the respective state; or

(B) Subpoena or discovery or admission into evidence in any private civil action or administrative process, unless the person to whom such information or material pertains, in the person's discretion, waives any applicable privilege held by a multi-state automated licensing system, in whole or in part;

(4) This section supersedes any inconsistent provisions of title 10, chapter 7, part 5, pertaining to the records open to public inspection; and

(5) This section does not apply with respect to information or material relating to publicly adjudicated disciplinary and enforcement actions against persons subject to this chapter that is included in a multi-state automated licensing system for access by the public.

SECTION 15. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared severable.

SECTION 16. Sections 2 and 9 of this act shall take effect April 1, 2018, the public welfare requiring it. Section 12 of this act shall take effect April 1, 2019, the public welfare requiring it. Sections 13 and 14 of this act shall take effect July 1, 2018, the public welfare requiring it. All other sections of this act shall take effect July 1, 2017, the public welfare requiring it.