

SENATE BILL 923

By Johnson

AN ACT to amend Tennessee Code Annotated, Title 47;  
Title 48 and Title 67, relative to gift cards.

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

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 50, is amended by adding the following as a new section:

(a) As used in this section, "gift card" means a restricted monetary equivalent that is issued by a retailer or bank to be used as an alternative to a nonmonetary gift.

(b) No retailer in this state shall sell or add monetary value to, or offer to sell or add monetary value to, a gift card to a consumer other than through a person-to-person transaction by which the retailer, or an employee or agent of the retailer, physically accepts payment from the consumer.

(c)

(1) The division of consumer affairs in the department of commerce and insurance, acting upon its own initiative or upon a report submitted to the division, may investigate any suspected violation of this section.

(2) If the division determines that any retailer has not complied with subsection (b), after reasonable notice to the retailer of the determination of noncompliance and a reasonable opportunity for the retailer to demonstrate compliance with subsection (b), the division shall notify any county clerk or city official that has issued the retailer a license pursuant to § 67-4-723 that the retailer is ineligible for renewal of that license and that no new license may be issued to that retailer pursuant to § 67-4-723 for a one-year period immediately following the expiration date of the retailer's license that was in effect on the date

that the division issued the notice of its determination of noncompliance to the county clerk or city official.

SECTION 2. Tennessee Code Annotated, Section 67-4-723(a), is amended by deleting subdivision (2) and substituting the following:

(2)

(A) In addition to the initial license issued under subdivision (a)(1), and except as provided in subdivision (a)(2)(B), the issuing official shall renew the license upon notification from the department that the taxpayer has filed the return required under § 67-4-715 and remitted the amount shown to be due on the return.

(B) If an issuing official receives a notice of a determination of noncompliance with Section 1 of this act from the division of consumer affairs in the department of commerce and insurance, the issuing official shall not:

(i) Renew that retailer's license; or

(ii) Issue that retailer a new license for a one-year period

immediately following the expiration date of the retailer's license that was in effect on the date that the division issued the notice of its determination of noncompliance to the issuing official.

(C) There shall be no fee charged for the renewal of a license issued under this subsection (a).

SECTION 3. This act shall take effect July 1, 2015, and shall apply to all retail transactions involving the sale of, or adding monetary value to, gift cards that occur in this state on or after July 1, 2015, the public welfare requiring it.