

SENATE BILL 2220

By Powers

AN ACT to amend Tennessee Code Annotated, Title 29;  
Title 45 and Title 47, relative to the use of  
merchant codes.

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

SECTION 1. Tennessee Code Annotated, Title 45, is amended by adding the following  
as a new chapter:

**45-21-101.**

As used in this chapter:

- (1) "Commissioner" means the commissioner of financial institutions;
- (2) "Department" means the department of financial institutions;
- (3) "Entity" means a financial institution, merchant acquiring entity, payment settlement entity, payment card network, payment card issuer, third-party settlement organization, or an entity involved in facilitating or processing a payment card transaction;
- (4) "Financial institution" means a bank organized under the laws of this state;
- (5) "Merchant acquiring entity" has the same meaning as defined in § 6050w of the Internal Revenue Code (26 U.S.C. § 6050w);
- (6) "Payment settlement entity" has the same meaning as defined in § 6050w of the Internal Revenue Code (26 U.S.C. § 6050w); and
- (7) "Third-party settlement organization" has the same meaning as defined in § 6050w of the Internal Revenue Code (26 U.S.C. § 6050w).

**45-21-102.**

An entity shall not assign a merchant code to or otherwise classify a merchant that is a seller of firearms or ammunition separately from a general merchandise retailer or sporting goods retailer.

**45-21-103.**

(a) The department shall investigate alleged violations of § 45-21-102. Upon finding a violation, the commissioner may:

(1) Assess a civil penalty of no more than ten thousand dollars (\$10,000) for each merchant or seller coded or classified in violation of § 45-21-102; or

(2) Bring an action in the chancery court of Davidson County to enjoin a violation of § 45-21-102, in accordance with § 45-1-107.

(b) An entity aggrieved by:

(1) A penalty assessed in accordance with subdivision (a)(1), may seek judicial review of the penalty as provided in title 27, chapter 9; and

(2) An action brought in accordance with subdivision (a)(2), is entitled to judicial review as provided in the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 2. This act takes effect July 1, 2024, the public welfare requiring it.