



State of Tennessee

PUBLIC CHAPTER NO. 746

HOUSE BILL NO. 2100

By Representatives Zachary, Sparks, Grills, Raper, Russell, McCalmon, Davis, Fritts, Brock Martin, Carringer, Rudd, Cepicky, Terry, Lafferty, Moody, Littleton, Hulsey, Richey, Howell, Hawk, Doggett, White, Burkhart, Sherrell

Substituted for: Senate Bill No. 2148

By Senators Johnson, Crowe, Haile, Hensley, Jackson, Niceley, Stevens, Taylor, Walley, White

AN ACT to amend Tennessee Code Annotated, Title 4; Title 9; Title 45; Title 47 and Title 56, relative to consumer protection.

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

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

45-1-128.

(a) As used in this section:

(1) "Financial institution" means, notwithstanding § 47-18-111, a state or national bank, a savings and loan association, savings bank, credit union, industrial loan and thrift company, or mortgage lender that has more than one hundred billion dollars (\$100,000,000,000) in assets; and

(2) "Services":

(A) Means a financial product or service offered by a financial institution; and

(B) Does not include a loan, as defined in § 45-4-601.

(b) Financial institutions shall make determinations about the provision or denial of services based on an analysis of risk factors unique to each current or prospective customer and shall not engage in a practice described in subsection (c). This subsection (b) does not restrict a financial institution that claims a religious purpose from making such determinations based on the current or prospective customer's religious beliefs, religious exercise, or religious affiliations.

(c) A financial institution shall not deny or cancel its services to a person, or otherwise discriminate against a person in making available such services or in the terms or conditions of such services, on the basis of:

(1) The person's political opinions, speech, or affiliations;

(2) Except as provided in subsection (b), the person's religious beliefs, religious exercise, or religious affiliations;

(3) Any factor if it is not a quantitative, impartial, and risk-based standard, including any such factor related to the person's business sector; or

(4) The use of a rating, scoring, analysis, tabulation, or action that considers a social credit score based on factors including:

(A) The person's political opinions, speech, or affiliations;

(B) Except as provided in subsection (b), the person's religious beliefs, religious exercise, or religious affiliations;

(C) The person's lawful ownership of a firearm;

(D) The person's engagement in the lawful manufacture, distribution, sale, purchase, or use of firearms or ammunition;

(E) The person's engagement in the exploration, production, utilization, transportation, sale, or manufacture of fossil fuel-based energy, timber, mining, or agriculture;

(F) The person's support of the state or federal government in combatting illegal immigration, drug trafficking, or human trafficking;

(G) The person's engagement with, facilitation of, employment by, support of, business relationship with, representation of, or advocacy for any person described in this subsection (c); or

(H) The person's failure to meet or commit to meet, or expected failure to meet, any of the following as long as such person is in compliance with applicable state or federal law:

(i) Environmental standards, including emissions standards, benchmarks, requirements, or disclosures;

(ii) Social governance standards, benchmarks, or requirements, including environmental or social justice;

(iii) Corporate board or company employment composition standards, benchmarks, requirements, or disclosures based on characteristics protected under title 4, chapter 21; or

(iv) Policies or procedures requiring or encouraging employee participation in social justice programming, including diversity, equity, or inclusion training.

(d) If a financial institution refuses to provide, restricts, or terminates service to a person, then that person may request a statement of specific reasons for the refusal, restriction, or termination within ninety (90) days after receiving notice of the refusal to provide, restriction of, or termination of service. The person may request the statement from a customer service representative or designated account representative by phone, mail, or electronic mail. Unless otherwise prohibited by federal law, the financial institution shall transmit the statement of specific reasons by mail and electronic mail, if known to the financial institution, within thirty (30) days of receiving the person's request. The statement of specific reasons must include:

(1) A detailed explanation of the basis for the denial, restriction, or termination of service, including a description of any of the person's speech, religious exercise, business activity with a particular industry, or other conduct that was, in whole or in part, the basis of the financial institution's denial, restriction, or termination of service;

(2) A copy of the terms of service agreed to by the person and the financial institution; and

(3) A citation to the specific provisions of the terms of service upon which the financial institution relied to refuse to provide, restrict, or terminate service.

(e) This section does not prohibit a financial institution from declining to provide financial services to a person that is engaged in fraud, criminal conduct, incitement to unlawful actions, or that creates obscenity or another form of expression that is not protected by the Constitution of Tennessee or the United States Constitution.

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(f) In addition to the remedies and penalties provided under this part, a violation of this section constitutes a violation of the Tennessee Consumer Protection Act of 1977, compiled in title 47, chapter 18, part 1. A violation of this section constitutes an unfair or deceptive act or practice affecting trade or commerce and is subject to the penalties and remedies of the Tennessee Consumer Protection Act of 1977.

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

() A violation of § 45-1-128;

SECTION 3. Tennessee Code Annotated, Title 56, Chapter 8, Part 1, is amended by adding the following as a new section:

56-8-114.

(a) Insurers shall make determinations about the provision of services based on an analysis of sound underwriting and actuarial principles related to actual or reasonably anticipated loss experience unique to each current or prospective customer and shall not engage in a practice described in subsection (b). This subsection (a) does not restrict an insurer that claims a religious purpose from making such determinations based on the current or prospective customer's religious beliefs, religious exercise, or religious affiliations.

(b) Except as otherwise provided in subsection (a), an insurer shall not refuse to insure, or charge a different rate to a person, solely on the basis of:

(1) The person's political opinions, speech, or affiliations; or

(2) The person's religious beliefs, religious exercise, or religious affiliations.

(c) A violation of this section constitutes an unfair trade practice and is subject to the remedies as provided under this part.

SECTION 4. Tennessee Code Annotated, Section 56-8-104, is amended by adding the following as a new subdivision:

() A violation of § 56-8-114;

SECTION 5. This act takes effect July 1, 2024, the public welfare requiring it.

