

Tennessee Sports Wagering  
Advisory Council



500 James Robertson Parkway  
Davy Crockett Tower, 5<sup>th</sup> Floor  
Nashville, Tennessee 37243

Mary Beth Thomas  
Executive Director

(615) 770-3947  
mary.beth.thomas@tn.gov

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**MEMORANDUM**

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**TO:** Tennessee Licensed Sports Betting Operators and Registered Vendors

**FROM:** Mary Beth Thomas, Executive Director

**RE:** Funding of Patron Accounts

**DATE:** April 12, 2022

Pursuant to the Tennessee Sports Gaming Act and the Sports Wagering Advisory Council (SWAC) Rules, sports wagering accounts in Tennessee may not be funded using credit.

The Tennessee Sports Gaming Act provides: “A licensee shall not: ... (2) Offer, accept, or extend credit to a bettor.” Tenn. Code Ann. § 4-49-118(a). A violation of this provision is a violation of the Sports Wagering Act as well as a crime (a class B misdemeanor for the first offense and a class A misdemeanor for the second or subsequent offense.) *See* Tenn. Code Ann. § 4-49-118 (b).

The Act further provides: “Once a bettor account is created, a bettor may only fund the account through: (1) Electronic bank transfer of funds, including such transfers through third parties; (2) Debit cards; (3) Online and mobile payment systems that support online money transfers; and (4) Any other method approved by the rule of the council that is initiated with cash.” Tenn. Code Ann. § 4-49-125(f).

Additionally, SWAC Rule 1350-01-.08(7) provides: “A Sports Gaming Account may be funded using: (a) Debit cards; (b) Electronic bank transfers, including such transfers through third parties; (c) Online and mobile payment systems that support online money transfers; and (d) Winnings or payouts.”

The clear intent of both the statute and the rules is to prevent the use of credit in player accounts. Thus, sports wagering accounts cannot be funded with a payment method that simply circumvents this rule by allowing a player to utilize a credit card or another form of credit to directly fund a payment method.

***Licensed operators must ensure that they are not accepting credit from players and that they are not utilizing the services of vendors who are directly accepting credit from players. Moreover, payment processors must be able to segregate the payment method received from a customer to prevent funding of player accounts with credit.***

Please do not hesitate to contact me with any questions regarding the above. Otherwise, please reply to this memorandum via email to [Susan.Godino@tn.gov](mailto:Susan.Godino@tn.gov) acknowledge receipt.