



February 05, 2025

Credit Card Numbers and Credit Reports

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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As county governments have begun allowing citizens to use credit cards for payment of taxes and fees, government records keepers encounter some new regulations and challenges in managing records that contain information related to those credit accounts. Credit card numbers of persons using an account to make payments to the government are confidential under T.C.A. § 10-7-504(a)(19). Additionally, there are notification requirements that apply when a breach of security has allowed improper access to electronic account information or other personal information that could be used for identity theft purposes.

Finally, local governments that use credit reports as a part of background checks must comply with the Fair Credit Reporting Act (FCRA) as amended by the Fair and Accurate Credit Transactions Act (FACTA) and related rules and regulations of the Federal Trade Commission^[1]. The FCRA requires employers that use private agencies to perform background checks (whether related to credit history, criminal background or driving record checks) on job applicants to comply with notice, consent, and disclosure requirements related to such checks and reports. FACTA added the requirement that entities possessing consumer information related to these reports must properly dispose of such information in a manner that preserves confidentiality and requires those possessing such information to take reasonable measures to ensure against unauthorized access or use of the information. Therefore, if your county uses private reporting agencies for background checks during the employment process or for other purposes, make sure anyone in your county possessing this information properly protects this sensitive consumer information.

[1] Fair Credit Reporting Act, 15 U.S.C. 1681 *et seq.*, as amended by the Fair and Accurate Credit Transactions Act of 2003, Pub L. 108-159, 117 Stat. 1952 with related regulations found in 16 CFR Part 682.

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