



State of Tennessee

PUBLIC CHAPTER NO. 462

HOUSE BILL NO. 82

By Representatives Williams, Cameron Sexton, Hazlewood

Substituted for: Senate Bill No. 1486

By Senator Bailey

AN ACT to amend Tennessee Code Annotated, Title 55, relative to notation of liens on certificates of title and related services.

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

SECTION 1. Tennessee Code Annotated, Section 55-3-103(d), is amended by deleting the subsection and substituting instead the following:

(d) The county clerk of the county where a vehicle is to be registered shall act as the agent of the department in receiving the application for certificate of title pursuant to this section. By receiving the application, the transfer of title and any liens noted on the title shall be deemed perfected, subject only to the action of the department in declining for good cause shown to issue the title or action of the county clerk in declining for good cause shown to note such lien on the title.

SECTION 2. Tennessee Code Annotated, Section 55-3-114(a), is amended by deleting the subsection and substituting instead the following:

(1) The commissioner shall, upon receipt of an application for a certificate of title, and after determining by an examination of its records that the applicant is entitled to a certificate of title, issue the same.

(2) Except as provided by subdivision (a)(3), the several county clerks are designated deputies to perform, at their option, duties in connection with services normally performed by the department related to the issuance of titles or issuance of replacement certificates of title.

(3) The several county clerks shall perform duties in connection with services related to the notation of liens and encumbrances and the extension of mortgages on certificates of title.

(4) For each certificate of title issued by a county clerk, the department shall pay the clerk a fee of two dollars (\$2.00).

(5) For each certificate of title issued by a county clerk, the department shall pay the clerk an additional fee of thirty-five cents (35¢), which funds shall be earmarked for office supplies and equipment required to perform titling and registration services. Such funds shall be preserved for these purposes and shall not revert to the county general fund at the end of a budget year if unexpended.

(6) For purposes of this subsection (a), the clerk shall be deemed to have issued the certificate of title if the clerk performed the examination of the application for a certificate of title and entered the required data into the state computer system for the purpose of printing or electronically producing the certificate of title.

SECTION 3. Tennessee Code Annotated, Section 55-3-123(a), is amended by deleting the language "with proof of the lien required by the reasonable rules and regulations of the commissioner directly to the department" and substituting instead the language "with proof of the lien required by the reasonable rules and regulations of the commissioner directly to the county clerk".

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SECTION 4. Tennessee Code Annotated, Section 55-3-123(a), is amended by deleting the language "The department" wherever it appears and substituting instead the language "The county clerk".

SECTION 5. Tennessee Code Annotated, Section 55-3-123, is amended by deleting subsection (b) and substituting instead the following:

(b) In the event the certificate of title is in the possession of some prior lienor, the new or subordinate lienor shall forward to the county clerk the required fee for noting the lien, together with proof of the lien required by the reasonable rules and regulations of the commissioner, and the county clerk, when satisfied of the right of the lienor to have the lien noted on the certificate of title, shall forward the application and proof of lien to the department. The department shall procure the certificate of title from the lienor in whose possession it is being held, for the sole purpose of noting the new lien on the certificate of title, and shall return the certificate of title to the lienor from whom it was obtained and shall further notify the new lienor of the fact that the lien has been noted on the certificate of title.

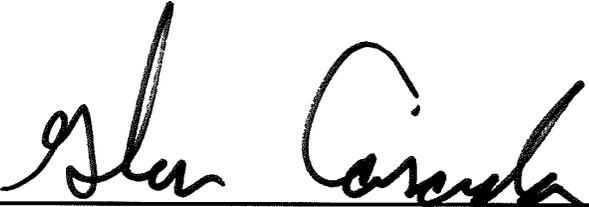
SECTION 6. Tennessee Code Annotated, Section 55-3-124, is amended by deleting the language "the department" wherever it appears and substituting instead the language "the county clerk".

SECTION 7. Tennessee Code Annotated, Section 55-3-126(c), is amended by deleting the language "either the department or the county clerk acting as agent for the department" and substituting instead the language "the county clerk".

SECTION 8. This act shall take effect July 1, 2019, the public welfare requiring it.

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PASSED: April 30, 2019



GLEN CASADA, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 21st day of May 2019



BILL LEE, GOVERNOR