

SENATE BILL 266

By Tracy

AN ACT to amend Tennessee Code Annotated,  
Title 55, Chapter 3, relative to transfers of  
titles of motor vehicles.

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

SECTION 1. Tennessee Code Annotated, Title 55, Chapter 3, Part 1, is amended by adding the following new sections thereto:

55-3-141.

(a) Whenever the owner of a vehicle registered under this title sells or transfers title or interest in, and delivers the possession of, the vehicle to another, the owner shall, within five (5) calendar days, notify the department of the sale or transfer giving the date of such sale or transfer, the name and address of the owner and of the transferee, and the description of the vehicle that is required in the appropriate form provided for that purpose by the department.

(b) If the registered owner is not in possession of the vehicle that is sold or transferred, the person in physical possession of such vehicle shall give the notice required by subsection (a). If the registered owner sells or transfers the vehicle through a dealer conducting a wholesale motor vehicle auction, the owner shall furnish the information required by subsection (a) to such dealer.

55-3-142.

(a) Every dealer, upon transferring by sale, lease or otherwise any vehicle, whether new or used, of a type subject to registration under this title, shall not later than the end of the fifth calendar day after such

transfer, not counting the day of sale, give written notice of the transfer to the department upon an appropriate form provided by the department.

(b) A sale is deemed completed and consummated when the purchaser of the vehicle has paid the purchase price, or has signed a purchase contract or security agreement, and has taken physical possession or delivery of the vehicle.

55-3-143. An owner who has made a bona fide sale or transfer of a vehicle and has delivered possession of the vehicle to a purchaser is not the owner of the vehicle so as to be subject to civil liability or criminal liability for the parking, abandoning or operation of the vehicle by another when the selling or transferring owner, in addition to such bona fide sale or transfer and delivery of the vehicle, has:

(1) Made proper endorsement and delivery of the title as provided in § 55-3-118; and

(2) Delivered to the department or has placed in the United States mail, addressed to the department:

(A) The notice as provided in § 55-3-141 or § 55-3-142; or

(B) The appropriate documents and fees for registration of the vehicle to the new owner pursuant to the sale or transfer.

SECTION 2. For the purpose of developing forms required by this act, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect January 1, 2012, the public welfare requiring it.