

SENATE BILL 389

By Kelsey

AN ACT to amend Tennessee Code Annotated, Title 39
and Title 66, relative to drawing of deeds without
actual ownership.

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

SECTION 1. Tennessee Code Annotated, Title 39, Chapter 17, Part 1, is amended by adding the following new, appropriately designated section thereto:

(a)

(1) It is an offense for any person to knowingly cause to be prepared, sign, or file of record any property transfer document when the transferor, grantor or person applying for registration knows the transferor or grantor has no legal nor equitable interest to convey, or when there is no reasonable basis for assumption that the transferor or grantor has any interest in the property.

(2) As used in this subsection (a), "person" includes any individual, corporation, firm, company, partnership, or association.

(b) Upon a guilty verdict for an offense pursuant to this section, any court or other tribunal having jurisdiction may order the expungement of any and all documents related to such offense.

(c) This statute shall not be applicable to any licensed attorney who, in good faith, after an examination of the public records and the facts presented to the attorney, prepares such a transfer document, after concluding that the grantor has a right to convey the property to be transferred or some interest therein, or color of title to the property to be transferred.

(d) A violation of subsection (a) shall be a Class E felony.

SECTION 2. Tennessee Code Annotated, Section 66-3-104, is amended by designating the existing language as subsection (a) and adding the following language as a new subsection (b):

(b) Any person who transfers or applies for recordation of any transfer of land by execution of either a general warranty deed or quit-claim deed, or any other devise, with knowledge that the transferor or grantor has no legal nor equitable interest to convey such land commits a Class E felony. Failure to file a correction deed or repudiate the prior fraudulent deed within seven (7) days after notice and proof that another person holds legal or equitable interest in the land, and the conveyance instrument or recordation clouds the title of the person providing sufficient and reasonable proof of an ownership interest, shall constitute and be deemed sufficient knowledge and intent to defraud under this section and title 39, section 17, part 1.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it.