

SENATE BILL 1098

By Bailey

AN ACT to amend Tennessee Code Annotated, Title 55,
Chapter 3, relative to records related to the
dismantling or scrapping of motor vehicles.

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

SECTION 1. Tennessee Code Annotated, Section 55-3-202(b)(1)(A)(viii), is amended
by deleting the semi-colon “;” at the end of the subdivision and adding the following:

, that the vehicle is not subject to any security interest or lien, and an acknowledgement
that a person who falsifies any information contained in this statement is subject to
criminal sanctions and restitution for losses incurred as a result of the sale of the vehicle
based on falsified information contained in this statement;

SECTION 2. Tennessee Code Annotated, Section 55-3-202, is amended by deleting
subsections (c)–(f) and substituting instead the following:

(c) Any motor vehicle dismantler and recycler required to be licensed pursuant to
§ 55-17-109, or scrap metal processor as defined in § 55-3-211, who purchases a motor
vehicle for scrap or parts, shall submit to the National Motor Vehicle Title Information
System (NMVTIS) all information required pursuant to 28 C.F.R 25.56 within twenty-four
(24) hours, not counting weekends or legal holidays, of the close of business of the day
the motor vehicle was received.

(d)

(1) Any person who knowingly violates this section, knowingly fails to
report as required by subsection (c), falsifies the statement required under
subsection (b), or knowingly sells a vehicle which is the subject of any security

interest or lien commits a Class A misdemeanor and shall pay a minimum fine of one thousand dollars (\$1,000).

(2) Actions to impose the penalty provided in subdivision (d)(1) may be brought by any local or state law enforcement agency, any district attorney general, or the attorney general and reporter in any court of competent jurisdiction.

(3)

(A) One-half (1/2) of the monies generated from penalties for violation of subdivision (d)(1) shall be deposited in a special fund for use by the department of revenue's vehicle services division.

(B) One-half (1/2) of the monies generated from penalties for violation of subdivision (d)(1) shall be:

(i) Deposited in the general fund of the municipality if the suit was brought by an officer of the municipality;

(ii) Deposited in the general fund of the county if the suit was brought by an officer of the county; or

(iii) Allocated to the appropriate state agency, if the suit was brought by a state agency.

(4) A court of competent jurisdiction shall also order a defendant seller under this section to make restitution to the lienholder and to the motor vehicle dismantler and recycler or scrap metal processor for any damage or loss caused by the defendant seller arising out of an offense committed by the defendant seller, including attorneys' fees.

(e) Any motor vehicle used to transport a motor vehicle illegally sold under this section shall be subject to seizure and forfeiture by any law enforcement officer authorized to effectuate an arrest. The seizure and forfeiture shall be conducted in accordance with the procedure set out in title 40, chapter 33, part 1.

(f) The records required to be maintained by this section shall be open to inspection by a representative of the commissioner of revenue's office or a law enforcement officer, or both, during reasonable business hours.

(g) As used in this section, "motor vehicle" or "vehicle" does not include any motor vehicle that has been mechanically flattened, crushed, baled, or logged, so that the vehicle is less than fifty percent (50%) of its original volume, is no longer the motor vehicle as described by the certificate of title, and is sold for purposes of scrap metal only.

(h)

(1) Any motor vehicle dismantler and recycler or scrap metal processor who purchases a motor vehicle shall verify with the department of revenue's vehicle services division whether or not the motor vehicle has been reported stolen.

(2) The department of revenue's vehicle services division shall develop a process to allow a motor vehicle dismantler and recycler or scrap metal processor to verify that the vehicle has not been reported stolen. This process shall allow:

(A) Verification to occur at the time of the transaction;

(B) Verification to occur through the use of the Internet;

(C) Verification to occur at no cost to the vehicle dismantler and recycler or scrap metal processor; and

(D) The department of revenue's vehicle services division's response to be printed and retained by the person making the request.

(3) With respect to the department of revenue's vehicle services division's response to a verification request:

(A) If the department of revenue's vehicle services division confirms that the motor vehicle has been reported stolen, the motor vehicle dismantler and recycler or scrap metal processor shall not complete the transaction and shall notify the appropriate local law enforcement agency of the current location of the vehicle and the identifying information of the person attempting to transfer the vehicle; and

(B) If the department of revenue's vehicle services division confirms that the motor vehicle has not been stolen, the motor vehicle dismantler and recycler or scrap metal processor may proceed with the transaction and shall not be held criminally or civilly liable in the event that the motor vehicle was a stolen vehicle, unless the motor vehicle dismantler and recycler or scrap metal processor had knowledge that the motor vehicle was a stolen vehicle.

(4) If the department of revenue's vehicle services division has not received information from a federal, state, or local department or an independent source that a vehicle has been stolen and reports pursuant to this section that a vehicle is not stolen, any person damaged does not have a cause of action against the division.

SECTION 3. Nothing in this act shall be construed to be an appropriation of funds, and no funds shall be obligated or expended pursuant to this act unless authorized in a general appropriation act.

SECTION 4. This act shall take effect July 1, 2015, the public welfare requiring it.