

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1489 - HB 1782

January 20, 2016

SUMMARY OF BILL: Establishes “Lara’s Law” for the purpose of prohibiting a motor vehicle dealer from offering for sale any used motor vehicle until the dealer has obtained a recall database report for such vehicle. Motor vehicle dealers are required to update the recall database report 48 hours prior to the sale of a used motor vehicle. If a recall database report indicates that a used motor vehicle is subject to a stop-sale-stop-drive recall, the dealer is prohibited from selling such motor vehicle until the recall repair has been performed. If a recall database report indicates that a used motor vehicle is subject to a manufacturer’s safety recall that has not been repaired, the dealer is prohibited from selling such vehicle until the recall repair has been performed or the dealer discloses the manufacturer’s safety recall by providing a copy of the recall database report to the consumer prior to the sale of the used motor vehicle and the consumer signs a disclosure acknowledging that such vehicle has a manufacturer’s safety recall that has not been repaired. Compliance with “Lara’s Law” may not be waived by the consumer. Any violation of “Lara’s Law” constitutes an unfair or deceptive act or practice affecting trade or commerce and shall be subject to the penalties and remedies as provided in the Tennessee Consumer Protection Act of 1977.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

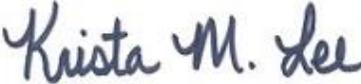
Assumption:

- According to the Department of Commerce and Insurance, this legislation will likely result in additional consumer complaints submitted to the Division of Consumer affairs; however, any additional complaints can be accommodated utilizing existing staff during regular work hours.
- There will be no direct and significant fiscal impact upon state or local government.
- Unfair or deceptive acts or practices affecting trade or commerce are Class B misdemeanors under the Tennessee Consumer Protection Act. There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Handwritten signature of Krista M. Lee in blue ink.

Krista M. Lee, Executive Director

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