

HOUSE BILL 2627
By Odom

AN ACT to amend Tennessee Code Annotated, Title 55, relative to titling and registration of motor vehicles.

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

SECTION 1. Tennessee Code Annotated, Title 55, is amended by deleting Sections 55-3-126 and 55-3-137 in their entirety and by substituting as a new section 55-3-126 the following:

(a) A lien or security interest in a vehicle of the type for which a certificate is required shall be perfected and shall be valid against subsequent creditors of the owner, subsequent transferees, and the holders of security interest and liens on the vehicle by compliance with this chapter.

(b)

(1) A security interest or lien is perfected by delivery to the division of motor vehicles or the county clerk of the existing certificate of title, if any, title extension form, or manufacturer's statement of origin and an application for a certificate of title containing the name and address of the holder of a security interest or lien with vehicle description and the required fee.

(2) The security interest is perfected as of the time of its creation if the delivery is completed within twenty (20) days thereafter, otherwise as of the date of the delivery to the county clerk or the division of motor vehicles.

(c) When the security interest is perfected as provided for in this section, it shall constitute notice of all liens and encumbrances against the vehicle described therein to creditors of the owner, to subsequent purchasers and encumbrances, except such liens

as may be authorized by law dependent upon possession. Constructive notice shall date the time of first delivery of the request for the notation of the lien or encumbrance upon the certificate of title by either the division or the county clerk acting as agent for the division, as shown by its endorsements of the date of delivery on such document.

(d) The method provided in this section and § 55-3-125 of obtaining a lien or encumbrance upon a motor vehicle, mobile home, house trailer or other mobile structure, whether or not taxed as real property, subject to the provisions of chapters 1-6 of this title relative to the issuance of certificates of title, shall be exclusive except as to liens depending upon possession and the lien of the state for taxes established pursuant to Title 67, Chapter 1, Part 14; provided, that §§ 66-24-101, 66-26-101, 66-26-105 and 66-26-110, or any other sections, shall not be construed to require the deposit, filing or other record whatsoever of a chattel mortgage, deed of trust conveyance intended to operate as a mortgage, trust receipt, or other similar instrument. It is the intent of this section that any mortgage, trust receipt or other similar instrument of indebtedness required by chapters 1-6 of this title shall be perfected by delivery and then noted upon the certificate of title only, and shall not be required to be made a public record elsewhere.

(e) With respect to implements of husbandry and special mobile equipment, the perfection of a security interest under chapters 1-6 of this title is not effective until the lienholder has complied with the provisions of applicable law which otherwise relate to the perfection of security interest in personal property, and any person who receives transfer of an interest in such equipment without knowledge of the certificate is not prejudiced by reason of its existence.

SECTION 2. Tennessee Code Annotated, Section 55-6-105(a)(5), is amended by deleting the language of the subdivision in its entirety and substituting instead the following:

(5) Forward all applications for certificates of title received by such clerk, together with the proper fee therefor and the original copy of the certificate of registration

or transfer certificate of registration issued by the clerk to the division within five (5) working days from when the applications shall be filed with the clerk and the certificate of registration or transfer certificate of registration issued by the clerk; provided, however, an additional five (5) working days shall be allowed for any clerk that issues certificates of title for the state under contract with the state.

SECTION 3. Tennessee Code Annotated, Section 55-4-103(b)(3), is amended by adding the following language to the end of the subdivision:

Wheel tax records shall be maintained by the county clerk for the same period of time as registration records prior to disposition.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.

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