

**PUBLIC CHAPTER NO. 1007****HOUSE BILL NO. 4194****By Representative Odom****Substituted for: Senate Bill No. 4192****By Senator Kyle**

AN ACT to amend Tennessee Code Annotated, Title 55; Title 65; Title 67 and Chapter 660 of the Public Acts of 2004, relative to taxation, titling, registration, and regulation of motor vehicles.

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

SECTION 1. Tennessee Code Annotated, Section 55-3-201, is amended by deleting subsection (a) in its entirety and by substituting instead the following:

(a) Any owner dismantling or wrecking any registered vehicle shall immediately forward to the department the certificate of title issued to such owner for the vehicle, but may retain the certificate of registration and registration plates for the purpose of transferring the same to any other motor vehicle as provided in § 55-4-101.

SECTION 2. Tennessee Code Annotated, Section 55-4-115, is amended by deleting the language "the commissioner" each place that it appears in subdivisions (1) and (2) of subsection (a) and in subdivision (1) of subsection (b) and by substituting instead in each place the language "the commissioner or the commissioner's designee".

SECTION 3. Tennessee Code Annotated, Section 55-4-213(b)(1)(C), is amended by deleting the language "of no fewer than ten (10)".

SECTION 4. Tennessee Code Annotated, Section 55-4-222(d), is amended by deleting the last sentence in its entirety and by substituting instead the following language:

The county clerk shall issue no plates to a local rescue squad member until receiving a list of all eligible members from the captain of the local rescue squad. Emergency medical technicians or paramedics not affiliated with a local rescue squad shall be required to present a current, valid paramedic or emergency medical technician's license prior to issuance of a plate under this section.

SECTION 5. Tennessee Code Annotated, Section 55-21-103(a), is amended by adding the following as a new, appropriately designated subdivision:

( ) Notwithstanding any provision of this subsection to the contrary, an owner or lessee of a motor vehicle who is a resident of the State of Tennessee and is the parent or legal guardian of an individual who is permanently disabled,

whose permanent disability is certified by the physician's statement, and who does not own and is incapable of operating a motor vehicle, shall receive a disabled plate upon payment of any applicable fees. The certificate of title and registration shall remain in the name of the parent or legal guardian. In order to receive a disabled plate under this subdivision, the parent or legal guardian shall verify under penalty of perjury upon a form prescribed by the department that he or she is the parent or legal guardian of the permanently disabled individual.

SECTION 6. Tennessee Code Annotated, Section 55-4-101, is amended by adding the following language at the end of subsection (f):

If a vehicle is permanently withdrawn from a proportionally registered fleet and a replacement vehicle is added to the fleet in the same calendar month, the replacement vehicle shall be considered fully registered as provided in this section if the vehicle is registered for a weight equal to or less than the vehicle permanently withdrawn or if the additional registration fee, one dollar (\$1.00) transfer fee, and clerk's fee are paid when the replacement vehicle is registered for a weight greater than the vehicle withdrawn. If a vehicle is permanently withdrawn from a proportionally registered fleet and is not replaced by another vehicle in the same calendar month, credit shall be allowed as follows. Such credit shall be a sum equal to the amount paid with respect to such vehicle when it was first proportionally registered in the registration year, reduced by one-twelfth (1/12) for each calendar month or fraction thereof elapsing since the beginning of the registration year. The credit may be applied against subsequent additions to the fleet or for other additional registration fees assessed. In no event shall credit be allowed for fees beyond such registration year, nor shall any such amount be subject to refund.

SECTION 7. Tennessee Code Annotated, Section 55-3-101(a), is amended by inserting the following as a new, appropriately numbered subdivision immediately following subdivision (6) and by renumbering the remaining subdivisions accordingly:

( ) Subject to the approval of the commissioner, no certificate of title need be obtained for a vehicle that is part of a proportionally registered fleet in this state if the owner has a valid certificate of title in another state and the vehicle is engaged in interstate commerce;

SECTION 8. Tennessee Code Annotated, Section 55-3-114, is amended by adding the following language as a new, appropriately designated subsection:

( ) The department may, in its sole discretion, contract with any business entity that maintains a fleet of two hundred (200) or more motor vehicles to allow such business entity to provide any specific service, or all services, normally performed by the department or by a county clerk relative to the titling and the registration of otherwise qualified motor vehicles within the business entity's fleet of motor vehicles. The existence of such a contract shall not be interpreted to diminish, restrict, or limit the authority of the department to administer or enforce applicable provisions of any law with which a motor vehicle within the contracting business entity's fleet is not in compliance. Such contract shall require that the department group vehicles by county of domicile. The department shall collect and distribute to county governments and county government officials the same

taxes and fees as would be applicable if the vehicles were registered in the county.

(1) Contracts with business entities entered into by the department under the provisions of this subsection shall set forth in detail the duties and responsibilities of each party, shall require compliance with all applicable federal and state laws, shall not contain provisions that are contrary to any federal or state statute, and shall comply with the Federal Drivers' Privacy Protection Act, Title 18 U.S.C. § 2721 et seq., and the Uniform Motor Vehicle Records Disclosure Act, § 55-25-101 et seq.

(2) A contract entered into under the authority of this subsection shall be at no cost to the department except for the cost of license plates, decals, forms and administrative costs that the department would normally incur in titling and registering motor vehicles within the business entity's fleet were it not for such contract.

(3) A contract entered into under the authority of this subsection shall, in addition to all other requirements included therein, require the contracting business entity to:

(A) keep all records, inventories, copies and other related paperwork that a county clerk would be required to keep if such clerk were titling and registering motor vehicles within the contracting business entity's fleet under chapters 1 through 6 of this title;

(B) forward to the department no later than the tenth (10<sup>th</sup>) day of each month, copies of all applications, certificates of title, certificates of registration, completed forms, or other related documents or paperwork required by the department that have been issued, completed or processed by the contracting business entity during the prior month;

(C) no later than the tenth (10<sup>th</sup>) day of each month, remit to the department all fees and other moneys related to the titling and registering of motor vehicles within the contracting business entity's fleet during the prior month that would have been required to be collected by the department or a county clerk were it not for the contract entered into under the provisions of this subdivision; and

(D) timely make all reports that the department requires, including all applicable reports that a county clerk would be required to make if such clerk were titling and registering motor vehicles within the contracting business entity's fleet under chapters 1 through 6 of this title.

(4) A delinquency in forwarding to the department any remittance, report, application, document, form or paperwork required of the contracting entity by law or by contract shall result in a penalty of five percent (5%) of the delinquent remittance, or the remittance associated with the delinquent report, application, document, form or paperwork, as the case may be, for each thirty (30) days or fraction thereof that the delinquency continues; provided, however, that such penalty may be waived by the commissioner upon the showing of good and

reasonable cause. In no case shall the penalty provided for in this subdivision exceed twenty five percent (25%) of the remittance base.

(5) If the department enters into a contract with a business entity under this subsection and such business entity fails to strictly comply with any requirement or provision of such contract, the contract may be rescinded in its entirety and canceled at the discretion of the commissioner; provided, however that the effective date of such cancellation shall be thirty (30) business days after the date the department gives notice by certified mail to the contracting business entity that the contract is being rescinded and canceled.

SECTION 9. Tennessee Code Annotated, Section 67-3-1202, is amended by adding the following language as a new, appropriately designated subsection:

( ) The department may, in its sole discretion, contract with any business entity that maintains a fleet of two hundred (200) or more motor vehicles to allow such business entity to provide any specific service, or all services, normally performed by the department relative to issuance of a permit or license authorized by this part that would have otherwise been provided by the department for each qualified motor vehicle in its fleet to be operated upon the highways of this state. The existence of such a contract shall not be interpreted to diminish, restrict, or limit the authority of the department to administer or enforce applicable provisions of any law with which a motor vehicle within the contracting business entity's fleet is not in compliance.

(1) Contracts with business entities entered into by the department under the provisions of this subsection shall set forth in detail the duties and responsibilities of each party, shall require compliance with all applicable federal and state laws, shall not contain provisions that are contrary to any federal or state statute, and shall comply with the Federal Drivers' Privacy Protection Act, Title 18 U.S.C. § 2721 et seq., and the Uniform Motor Vehicle Records Disclosure Act, § 55-25-101 et seq.

(2) A contract entered into under the authority of this subsection shall be at no cost to the department except for the cost of decals, forms and administrative costs that the department would normally incur in issuing any permit or license authorized by this part for motor vehicles within the contracting business entity's fleet were it not for such contract.

(3) A contract entered into under the authority of this subsection shall, in addition to all other requirements included therein, require the contracting business entity to:

(A) keep all records, inventories, copies and other related paperwork that the department would keep if it were issuing any permit or license authorized by this part for qualified motor vehicles within the contracting business entity's fleet;

(B) forward to the department no later than the tenth (10<sup>th</sup>) day of each month, copies of all applications, permits, licenses and other related documents, completed forms, or other paperwork that the department

requires and that have been issued, completed or processed by the contracting business entity during the prior month;

(C) no later than the tenth (10<sup>th</sup>) day of each month, remit to the department all fees and other moneys related to issuance of permits and licenses authorized by this part for qualified motor vehicles within the contracting business entity's fleet that would have been required to be collected during the prior month were it not for the contract entered into under the provisions of this subdivision; and

(D) timely make all reports that the department requires, including all applicable reports that a county clerk would be required to make if such clerk were issuing permits or licenses authorized by this part for qualified motor vehicles within the contracting business entity's fleet.

(4) A delinquency in forwarding to the department any remittance, report, application, document, form or paperwork required of the contracting entity by law or by contract shall result in a penalty of five percent (5%) of the delinquent remittance, or the remittance associated with the delinquent report, application, document, form or paperwork, as the case may be, for each thirty (30) days or fraction thereof that the delinquency continues; provided, however, that such penalty may be waived by the commissioner upon the showing of good and reasonable cause. In no case shall the penalty provided for in this subdivision exceed twenty five percent (25%) of the remittance base.

(5) If the department enters into a contract with a business entity under this subsection and such business entity fails to strictly comply with any requirement or provision of such contract, the contract may be rescinded in its entirety and canceled at the discretion of the commissioner; provided, however that the effective date of such cancellation shall be thirty (30) business days after the date the department gives notice by certified mail to the business entity that the contract is being rescinded and canceled.

SECTION 10. Tennessee Code Annotated, Section 55-4-295, is amended by adding the following language to the end of subdivision (a)(2):

The new specialty earmarked plates shall also commemorate the NCAA Division I Women's Basketball Championship won by the University of Tennessee Lady Volunteers in 2008, which marks the team's eighth national championship.

SECTION 11. Section 6 of this act shall take effect on September 1, 2008, the public welfare requiring it. All remaining sections of this act shall take effect on July 1, 2008, the public welfare requiring it.

**PASSED: May 7, 2008**



JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES



RON RAMSEY, SPEAKER  
SENATE OF THE SENATE

APPROVED this 21st day of May 2008



PHIL BREDESEN, GOVERNOR