



State of Tennessee
PUBLIC CHAPTER NO. 884

HOUSE BILL NO. 3274

By Representatives Elam, Eldridge, Casada, Floyd, Hensley, Ryan Williams, Sparks, Roach, Ford, Parkinson

Substituted for: Senate Bill No. 2950

By Senator Kelsey

AN ACT to amend Tennessee Code Annotated, Title 55, relative to loaner vehicles.

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

SECTION 1. Tennessee Code Annotated, Section 55-10-311, is amended by designating the existing subsection (b) as subsection (c) and by adding the following as a new subsection (b):

(b) Any automobile dealer who provides a loaner vehicle to a customer without charge while the customer's vehicle is being serviced or repaired by the dealer shall not be vicariously liable under any vicarious liability theory, to any person injured as the result of an accident caused in whole or in part by a customer driving a loaner vehicle provided by the dealer where the dealer was provided with proof of insurance by the customer prior to the customer being provided with the loaner vehicle.

SECTION 2. Tennessee Code Annotated, Section 55-10-312, is amended by designating the current language as subsection (a) and by adding the following as a new subsection thereto:

(b) Subsection (a) shall not apply any automobile dealer who provides a customer a loaner vehicle without charge while the customer's vehicle is being serviced or repaired by the dealer. The dealer shall not be vicariously liable under any vicarious liability theory, to any person injured as the result of an accident caused in whole or in part by a customer driving a loaner vehicle provided by the dealer where the dealer was provided with proof of insurance by the customer prior to the customer being provided with the loaner vehicle.

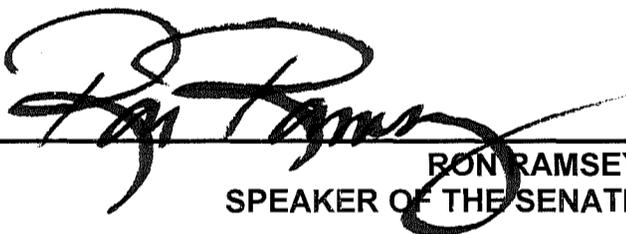
SECTION 3. This act shall take effect July 1, 2012, the public welfare requiring it.

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PASSED: APRIL 19, 2012



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES



RON RAMSEY
SPEAKER OF THE SENATE

APPROVED this 9th day of May 2012



BILL HASLAM, GOVERNOR