



# State of Tennessee

## PUBLIC CHAPTER NO. 533

### SENATE BILL NO. 508

By Johnson

Substituted for: House Bill No. 443

By Sargent, Durham, Casada, Goins

AN ACT to amend Tennessee Code Annotated, Title 55, Chapter 17, relative to the sale of used motor vehicles.

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

SECTION 1. Tennessee Code Annotated, Section 55-17-120, is amended by adding the following language as a new subsection:

(d)(1) Notwithstanding this part to the contrary, a motor vehicle dealer license shall not be required to purchase nonrepairable vehicles, salvage vehicles, or a combination of nonrepairable and salvage vehicles from an automobile auction if the automobile auction primarily sells motor vehicles on consignment.

(2) A natural person who resides in this state may purchase at retail no more than five (5) nonrepairable vehicles or salvage vehicles, or any combination thereof, within a twelve-month period.

(3) Each automobile auction engaged in the sale of nonrepairable vehicles, salvage vehicles, or a combination of nonrepairable and salvage vehicles, shall:

(A) Keep an electronic record of all sales of each vehicle and include in the record the make, model, year, vehicle identification number, and the name and address of the purchaser and seller of the vehicle;

(B) Obtain from the purchaser of each vehicle a copy of the purchaser's driver license, passport, or other government-issued identification. The automobile auction shall maintain each copy obtained under this subdivision (d)(3)(B) for a period of two (2) years from the date of obtaining the copy; and

(C) Obtain from the purchaser of each vehicle a copy of any license or other authorization required to do business under this chapter or, if the purchaser represents a third party authorized to purchase the vehicle under this chapter, a copy of the third party's license or other authorization required to do business under this chapter and a copy of any document authorizing the purchaser to act on behalf of the third party. The automobile auction shall maintain each copy obtained under this subdivision (d)(3)(C) for a period of two (2) years from the date of obtaining the copy.

(4) Each automobile auction required to maintain records pursuant to subdivision (d)(3) shall make the records available, upon written request, to:

(A) Law enforcement officers;

(B) The department of revenue; or

(C) The motor vehicle commission.

(5) This subsection (d) shall not limit:

(A) The sale of nonrepairable vehicles or salvage vehicles to a person who resides outside of this state; or

(B) The sale of nonrepairable vehicles or salvage vehicles titled in a state or jurisdiction other than this state.

(6) A violation of this subsection (d) is a Class A misdemeanor, punishable by a fine of no less than one thousand dollars (\$1,000) and no more than two thousand five hundred dollars (\$2,500).

(7) An action to impose any penalty under this subsection (d) may be brought in any court of competent jurisdiction by a district attorney or the attorney general and reporter.

(8) Monies generated from any fine imposed pursuant to subdivision (d)(6) shall be used only for purposes of enforcement, investigation, prosecution, and training as those purposes relate to violations of this subsection (d).

(9) As used in this subsection (d):

(A) "Nonrepairable vehicle" has the same meaning as defined in § 55-3-211; and

(B) "Salvage vehicle" has the same meaning as defined in § 55-3-211.

SECTION 2. Tennessee Code Annotated, Section 55-17-114(d)(1), is amended by deleting the semicolon and substituting instead the following:

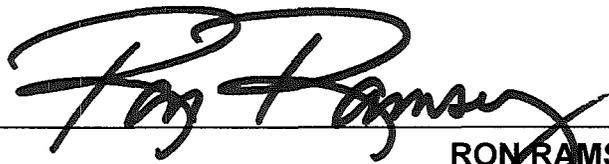
, unless a motor vehicle dealer license is not required by law;

SECTION 3. If any provision of this act or its application to any person or circumstance is held invalid, then all provisions and applications of this act shall be invalid and void.

SECTION 4. This act shall take effect July 1, 2016, the public welfare requiring it.

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PASSED: February 10, 2016

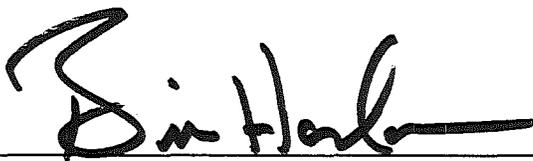


RON RAMSEY  
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 24<sup>th</sup> day of February 2016



BILL HASLAM, GOVERNOR