

State of Tennessee

PUBLIC CHAPTER NO. 457

SENATE BILL NO. 1068

By Johnson, Powers, Reeves, Jackson

Substituted for: House Bill No. 972

By McCalmon, Gant, Marsh, Travis, Russell

AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 7; Title 39; Title 47; Title 48; Title 55; Title 56; Title 62; Title 66 and Title 67, relative to motor vehicles.

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

SECTION 1. Tennessee Code Annotated, Title 55, Chapter 31, is amended by deleting the chapter and substituting the following:

55-31-101. Short title.

This chapter is known and may be cited as the "Modernization of Towing, Immobilization, and Oversight Normalization (MOTION) Act of 2025."

55-31-102. Chapter definitions.

As used in this chapter:

(1) "Abandoned motor vehicle" means a motor vehicle physically located in this state that:

(A) Is left unattended on public property for more than ten (10) days;

(B) Is in an obvious state of disrepair and is left unattended on public property for more than three (3) days;

(C) Has remained illegally on public property for a period of more than forty-eight (48) hours;

(D) Is left unattended and interferes with or impedes the orderly flow of traffic or is left unattended during or prior to inclement weather conditions;

(E) Is unattended by reason of the arrest of the driver of the motor vehicle;

(F) Is creating a hazard, blocking access to public or private property, or parked illegally;

(G) Has remained on private property without the consent of the owner or person in control of the property for more than forty-eight (48) hours;

(H) Has remained on private residential property without the consent of the owner or person in control of the property; or

(I) Has been stored, parked, or left in a garage, trailer park, or any type of storage or parking lot for more than thirty (30) consecutive days;

(2) "Authorized agent" means:

(A) A person authorized to operate the motor vehicle;

(B) A person in possession or control of private property; or

(C) For an insurer or lienholder, a person authorized to act on behalf of the insurer or lienholder;

(3) "Automatic license plate reader" means one (1) or more mobile or fixed automated high-speed cameras used in combination with computer algorithms to convert images of motor vehicles or license plates into computer-readable data that can be used to determine the ownership of a motor vehicle;

(4) "Boot" or "booting" means the act of installing a vehicle immobilization device on a parked motor vehicle;

(5) "Commercial parking lot":

(A) Means a privately owned parking lot or parking garage used for the temporary storage of motor vehicles, either for a fee or for use by customers of the owner of the parking lot or parking garage; and

(B) Does not include:

(i) A public street;

(ii) A public right-of-way;

(iii) A publicly owned parking lot or parking garage;

(iv) A motor vehicle storage facility; or

(v) An establishment for the servicing, repair, or maintenance of motor vehicles;

(6) "Commercial parking lot owner" means the owner or operator of a commercial parking lot;

(7) "Contracted property" means private or public property, including a commercial parking lot or property owned by a public institution of higher education, that is located within the jurisdiction of a local government that has adopted an ordinance, resolution, regulation, or rule in compliance with § 55-31-201(c), and for which the owner or lessee of the property has entered into a contract with a licensed parking enforcement vendor for the enforcement of parking rules or restrictions on the property or a designated portion of the property;

(8) "Curbstoning" means selling, offering for sale, advertising for sale, or soliciting the sale of:

(A) A motor vehicle without a properly endorsed certificate of title, as required by §§ 55-3-118 and 55-3-127, by a person engaged primarily in the sale of used motor vehicles if the person is not licensed as a motor vehicle dealer pursuant to chapter 17, part 1 of this title; or

(B) More than five (5) motor vehicles in any twelve-month period when the motor vehicles are titled in the person's name engaged primarily in the sale of used motor vehicles if the person is not licensed as a motor vehicle dealer pursuant to chapter 17, part 1 of this title;

(9) "Demolisher" means a person whose business is to convert a motor vehicle into processed scrap or scrap metal, or to otherwise wreck or dismantle motor vehicles;

(10) "Electronic tracking" means a system or method used by a national delivery carrier that provides real-time or near real-time monitoring of the delivery process, including:

(A) A unique tracking number assigned to each shipment;

(B) Recorded timestamps for key delivery events, including acceptance, transit updates, and final delivery; and

(C) Confirmation of receipt, which may include an electronic signature, photograph of delivery, or other verifiable proof that the letter or package was delivered to the intended recipient's address;

(11) "Employee" means a natural person who is required to file a federal form W-2, wage and tax statement, with the federal internal revenue service for the compensation the natural person receives for work performed;

(12) "Garagekeeper":

(A) Means:

(i) A towing company;

(ii) A motor vehicle storage facility; or

(iii) An establishment for the servicing, repair, or maintenance of motor vehicles; and

(B) Does not include:

(i) A commercial parking lot;

(ii) A commercial parking lot owner; or

(iii) A publicly owned parking lot or parking garage;

(13) "Immobile motor vehicle" means a motor vehicle, trailer, semitrailer, or combination or part of a motor vehicle, trailer, or semitrailer that is immobilized and incapable of moving under its own power due to an accident, mechanical breakdown, weather condition, or other emergency situation;

(14) "Law enforcement agency" means:

(A) The Tennessee highway patrol;

(B) The sheriff's department of any county;

(C) The police department of any municipality; or

(D) Any department, board, or commission designated by the legislative body of any county with a metropolitan form of government to perform the duties of a law enforcement agency specified in this chapter;

(15) "Licensed booting operator" means a natural person who:

(A) Is an employee of a licensed parking enforcement vendor;

(B) Holds a valid license issued by a local government pursuant to an ordinance, resolution, regulation, or rule adopted in compliance with § 55-31-201(c) and whose license has not expired, been suspended, or revoked; and

(C) Is employed to enforce parking rules or restrictions on contracted property;

(16) "Licensed parking enforcement vendor" means a person, other than a natural person, who:

(A) Holds a valid license issued by a local government pursuant to an ordinance, resolution, regulation, or rule adopted in compliance with § 55-31-201(c) and whose license has not expired, been suspended, or revoked;

(B) Is contracted to engage in parking enforcement activities on contracted property; and

(C) Has recorded the required surety bond with the register of deeds in the county where the vendor operates as required by the local government pursuant to an ordinance, resolution, rule, or regulation adopted in compliance with § 55-31-201(c);

(17) "Local government" means a municipality, county, or county having a metropolitan form of government;

(18) "Motor vehicle" has the same meaning as defined in § 55-8-101 and includes a tractor or trailer as those terms are defined in § 55-8-101;

(19) "Motor vehicle portal" means the electronic database or online platform established by the department of revenue pursuant to § 55-31-104;

(20) "Obvious state of disrepair" means a motor vehicle that:

- (A) Is inoperable under its own power;
- (B) Is without one (1) or more wheels or inflated tires;
- (C) Is burned throughout; or
- (D) Has more than one (1) broken window;

(21) "Person" includes a natural person, firm, association, corporation, or partnership;

(22) "Release fee" means a fee charged by a towing company to release a motor vehicle after the towing company has begun to tow the motor vehicle;

(23) "Self-releasing device" means a vehicle immobilization device that:

- (A) Allows the vehicle owner or vehicle operator to remove the device without third-party assistance;
- (B) Is equipped with an automated or electronic release mechanism that enables removal of the device immediately upon payment of the fees described in § 55-31-201(b)(5);
- (C) Permits the electronic processing of payment of the fees listed in § 55-31-201(b)(5) by credit card or debit card;
- (D) Provides clear, written, and visual instructions for how to make payment of fees and for device removal; and
- (E) Ensures the device can be safely removed by the vehicle owner or vehicle operator without damaging the vehicle or presenting a hazard;

(24) "Third-party service provider" means an entity that is approved by the department of revenue to create and implement the motor vehicle portal in compliance with § 55-31-104;

(25) "Three-day delivery" means contracting with a national delivery carrier to ship with electronic tracking a document or package to its intended recipient within three (3) business days;

(26) "Towing company" means a person engaged in the business of towing motor vehicles by use of a tow truck; and

(27) "Vehicle immobilization device" means a device that is designed or adapted to be attached to a parked motor vehicle to prohibit the motor vehicle's usual manner of movement or operation.

55-31-103. Penalties.

(a)(1) Except as otherwise provided in subdivision (a)(2):

- (A) A violation of this chapter constitutes a violation of the Tennessee Consumer Protection Act of 1977, compiled in title 47, chapter 18, part 1, is an unfair or deceptive act or practice affecting trade or commerce, and is subject to the penalties and remedies as provided in the Tennessee Consumer Protection Act of 1977, in addition to any penalties and remedies established under this chapter;

(B) The attorney general and reporter has all of the investigative and enforcement authority that the attorney general and reporter has under the Tennessee Consumer Protection Act of 1977 relating to alleged violations of this chapter. If the attorney general and reporter reasonably believes that a person has violated this chapter, then the attorney general and reporter may institute a proceeding under this section; and

(C) Costs of any kind or nature must not be taxed against the attorney general and reporter or the state in actions commenced under this chapter.

(2) Subdivision (a)(1) does not apply to § 55-31-104 or part 3 of this chapter.

(b)(1) Except as otherwise provided in subdivision (b)(2), in addition to the remedy provided in subsection (a), a person injured as a result of a violation of this chapter is entitled to maintain a private right of action for injunctive relief and to recover actual damages, compensatory damages, punitive damages, and reasonable attorney's fees against an alleged violator.

(2) Subdivision (b)(1) does not apply to § 55-31-104 or part 3 of this chapter.

(c)(1) A violation of § 55-31-201, § 55-31-204, § 55-31-205, or § 55-31-206 is a Class B misdemeanor.

(2) A violation of § 55-31-201, § 55-31-204, § 55-31-205, or § 55-31-206 for a second or subsequent offense is a Class A misdemeanor.

55-31-104. Motor vehicle portal.

(a)(1) The department of revenue shall create and implement an electronic database or online platform that allows a law enforcement agency or garagekeeper to input abandoned or immobile vehicle information for public notice to be made through a motor vehicle portal as required by § 55-31-302. The department may contract with a third-party service provider to create and implement the motor vehicle portal.

(2) The department of revenue shall:

(A) Begin the procurement process to create and implement the motor vehicle portal described in subdivision (a)(1) no later than July 1, 2025; and

(B) Implement the motor vehicle portal required under subdivision (a)(1) no later than October 1, 2026.

(b) On and after the ninetieth day after the motor vehicle portal created pursuant to this section is operational and available for use, the department of revenue may charge a user of the portal, other than a law enforcement agency, a fee for entering information or sending notification through the portal, but a fee must not be charged for conducting a public search on the motor vehicle portal. The fee must be charged in an amount to cover the cost of creating, administering, and maintaining the motor vehicle portal created pursuant to this section.

(c) At a minimum, the motor vehicle portal must:

(1) Provide the public with real-time access to locate motor vehicles that have been towed pursuant to this chapter;

(2) Provide retrieval information and requirements of motor vehicles that have been towed pursuant to this chapter;

(3) Provide the fee amounts and payment methods for motor vehicles that have been towed pursuant to this chapter;

(4) Consolidate statewide towing data into one (1) searchable, centralized database available to the public to be searched;

(5) Allow and enable a towing company to submit detailed reports;

(6) Store data relevant to this chapter securely in a centralized database and allow access to law enforcement agencies and the public;

(7) Send notices via mail to the last known registered owner of a motor vehicle and all lienholders of record that a vehicle has been taken into custody;

(8) Provide application programming interface-accessible endpoints for retrieving data by other systems and for integration with other systems; and

(9) Be capable of comparing information input into the portal with vehicle registration, ownership, or other relevant data to determine ownership of a motor vehicle.

(d) The commissioner of revenue is authorized to promulgate rules to effectuate this section. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(e) The commissioner of revenue shall:

(1) Place a notice on the department of revenue's website that notifies the public of the date the motor vehicle portal is operational and available for use and what date is the ninetieth day following such date; and

(2) Notify the Tennessee code commission in writing of the date that the motor vehicle portal is operational and available for use and what date is the ninetieth day following such date.

(f) All revenues received from the fees must be earmarked and used for the administration and maintenance of the motor vehicle portal. All funds generated pursuant to this section must be deposited into a special account earmarked solely for the purposes set forth in this section, and any unexpended funds do not revert to the general fund and must be held in the account for use in accordance with this section.

55-31-105. Removal of firearms from stored vehicles.

A garagekeeper may remove and secure a firearm left in a stored motor vehicle if the firearm can be removed without causing damage to the motor vehicle. If removed, the firearm must be tagged or logged in a manner to tie it to the vehicle from which it was removed, and the firearm must be stored at the business in a firearm safe or other type of secure storage. The business shall notify the owner of the vehicle when a firearm is removed and secured, and such notice must include information regarding how the firearm may be retrieved.

55-31-201. Booting.

(a) It is an offense for any person to boot a motor vehicle, including, but not limited to, a tractor or trailer, as those terms are defined in § 55-8-101, in this state, if the motor vehicle is clearly identifiable by:

(1) A United States department of transportation (USDOT) number issued by the federal motor carrier safety administration (FMCSA);

(2) A registration plate issued and attached to the motor vehicle described in § 55-4-113(a)(2); or

(3) A registration plate issued and attached to a trailer described in § 55-4-113(a)(5).

(b) It is an offense for any person to boot any other motor vehicle not described in subsection (a) unless:

(1) The vehicle immobilization device is a self-releasing device;

(2) The motor vehicle is located on a commercial parking lot or on contracted property;

(3) The person attaching the vehicle immobilization device is an employee of a commercial parking lot owner or is a licensed booting operator;

(4) The commercial parking lot or contracted property posts signage in conspicuous locations on the commercial parking lot or contracted property bearing notice that:

(A) Any motor vehicle not authorized to park on the lot or property is subject to booting;

(B) Is designed and placed in a manner that ensures clear visibility and readability by consumers parking on the lot or property;

(C) Is located at each designated entrance and exit of the lot or property;

(D) Contains:

(i) The phone number that a consumer can call for support with removing the vehicle immobilization device and that is monitored by a natural person twenty-four (24) hours per day, seven (7) days per week; and

(ii) The license number issued by the local government to the licensed parking enforcement vendor contracted to boot on the lot or property, if any; and

(E) This chapter protects consumers from booting violations and that violations may be reported to the attorney general and reporter;

(5) The cost to remove the vehicle immobilization device is not greater than the actual cost of the parking fees owed that led to the attachment of the vehicle immobilization device, if any; plus a vehicle immobilization device removal fee of not greater than seventy-five dollars (\$75.00); and

(6) A fee is not charged to remove a vehicle immobilization device to a person who had paid to park and who was improperly booted.

(c)(1) On or after the effective date of this act, a local government may adopt an ordinance, resolution, regulation, or rule to provide for the licensure of licensed booting operators and licensed parking enforcement vendors; provided, that the ordinance, resolution, regulation, or rule complies with subdivision (c)(2).

(2) An ordinance, resolution, regulation, or rule adopted pursuant to subdivision (c)(1) must:

(A) Require the annual licensure of licensed booting operators and licensed parking enforcement vendors;

(B) Establish minimum identification standards for licensed booting operators to ensure that a person attaching a vehicle immobilization device to motor vehicles can be clearly identified as licensed by the local government;

(C) Issue a unique license number to each licensed booting operator and each licensed parking enforcement vendor;

(D) Establish a method by which consumers may file and track complaints against a licensed booting operator or licensed parking enforcement vendor;

(E) Provide for the suspension or revocation of a license for good cause shown;

(F) Require timely investigation of consumer complaints;

(G) Require, as a condition of licensure, that a licensed parking enforcement vendor file a surety bond in an amount of no less than two hundred fifty thousand dollars (\$250,000) with the local government, which must be recorded with the register of deeds in the county where the vendor operates;

(H) Ensure that each commercial parking lot or contracted property complies with the signage requirements of subdivision (b)(4);

(I) Provide for referral of any licensee to the attorney general and reporter, a law enforcement agency, or both, for a suspected violation of this chapter; and

(J) Maintain a publicly accessible registry of all licensed booting operators and licensed parking enforcement vendors, including license number, license status, and contact information.

(d) Notwithstanding subdivision (b)(5), if a vehicle owner or operator intentionally damages a vehicle immobilization device or fails to return the vehicle immobilization device to a clearly designated on-site storage location, the vehicle owner or operator may be subject to an additional fee not to exceed one hundred dollars (\$100).

(e) If an employee of a commercial parking lot owner or a licensed booting operator removes or causes the removal of a vehicle immobilization device from a vehicle that has been immobilized on the commercial parking lot or contracted property for the purpose of having the motor vehicle towed from the commercial parking lot or contracted property, then the motor vehicle owner or operator must not be assessed the vehicle immobilization device removal fee permitted pursuant to subdivision (b)(5). This subsection (e) does not prohibit a towing company from charging the owner or operator of the motor vehicle any fee authorized by this chapter.

(f) In addition to the remedies in § 55-31-103, a person injured as a result of a violation of this section by a licensed booting operator or licensed parking enforcement vendor may file a claim against the surety bond required under subdivision (c)(2)(G) to recover actual damages incurred as a result of the violation. The surety must be liable up to the amount of the bond for any damages shown to have been caused by a licensee's unlawful or negligent conduct while acting within the scope of parking enforcement activities on a commercial parking lot or contracted property.

55-31-202. Automatic license plate readers.

A commercial parking lot owner shall not utilize an automatic license plate reader to enforce the commercial parking lot owner's parking requirements without first posting signage that:

- (1) Is designed and placed in a manner that ensures clear visibility and readability by consumers parking in the commercial parking lot;
- (2) Contains the language LICENSE PLATE READER IN USE;
- (3) Is located at each designated entrance to the property, if a dedicated entrance to the commercial parking lot exists; and
- (4) Is located on each level of the commercial parking lot, if the commercial parking lot has more than one (1) level.

55-31-203. Parking fees.

(a) A commercial parking lot owner shall not charge a penalty for nonpayment of parking fees unless:

- (1) The commercial parking lot owner posts signage that:
 - (A) Is designed and placed in a manner that ensures clear visibility and readability by consumers parking in the commercial parking lot;
 - (B) Provides notice that motor vehicle owners who leave the commercial parking lot without paying parking fees will be subject to a penalty if the parking fees are not paid within seventy-two (72) hours from the time of the commercial parking lot owner's discovery of the nonpayment of parking fees; and
 - (C) Is located at each designated entrance and exit of the commercial parking lot;
- (2) The actual cost of parking fees owed remains unpaid after seventy-two (72) hours from the time of the commercial parking lot owner's discovery of the nonpayment of parking fees; and
- (3)(A) If the actual cost of parking fees owed remains unpaid for thirty (30) days or less from the date of the commercial parking lot owner's discovery of the nonpayment of parking fees, the fee is not greater than fifty dollars (\$50.00); or

(B) If the actual cost of parking fees owed remains unpaid for greater than thirty (30) days from the date of the commercial parking lot owner's discovery of the nonpayment of parking fees, the fee is not greater than seventy-five dollars (\$75.00).

(b) If an entity requires on-site payment from a consumer for the parking of a motor vehicle on the entity's property, and the entity only accepts payment by use of a quick response (QR) code or a credit or debit card machine, then, in the event the QR code or the credit or debit card machine fails to operate correctly to process the payment transaction, the entity must:

(1)(A) Accept payment from the consumer by cash or check, or through a system that allows the consumer to provide the consumer's credit or debit card information over the phone; or

(B) Allow the consumer to leave the property without providing payment at the time; and

(2) Not charge a penalty or late fee for nonpayment until at least seven (7) business days have passed from the date that the QR machine failed to operate and the individual left the property without paying.

(c)(1) The entity may provide information to a consumer enabling the consumer to mail payment to the entity, or provide the consumer's credit or debit card information over the phone for payment of the services at a later date.

(2) If the entity does not provide the information described in subdivision (c)(1), then the consumer is not required to provide payment at a later date for the service.

(d) For a parking lot that is temporarily or continuously unattended, the entity shall provide notice of the alternative forms of payment accepted on a prominent sign located at each site on the entity's property where payment is taken.

(e) A county, municipality, or other political subdivision of this state shall not enact or enforce an ordinance, resolution, rule, or other requirement that regulates parking in a manner that conflicts with this section.

(f) As used in this section:

(1) "Entity" includes a person, commercial parking lot owner, and this state or a political subdivision of this state;

(2) "On-site" means on an entity's property where parking services are provided; and

(3) "Property" includes, but is not limited to, a publicly owned parking lot or parking garage and a public street.

55-31-204. Towing.

(a) Notwithstanding any other law to the contrary, a person shall not tow a motor vehicle without express written authorization by the owner or authorized agent of the owner of the motor vehicle unless:

(1)(A) An owner or authorized agent of the owner of a commercial parking lot or other private property open to the public has authorized the towing of the motor vehicle left unattended and the owner has posted notice as provided in subdivision (a)(1)(B); and

(B) The notice required by subdivision (a)(1)(A):

(i) Provides notice that any motor vehicle not authorized to park on the private property is subject to towing;

(ii) Is designed and placed in a manner that ensures clear visibility and readability by consumers parking on the private property;

(iii) Is located at each designated entrance and exit of the private property; and

(iv) Contains the following information:

(a) The name of the garagekeeper authorized to tow the vehicle; and

(b) The phone number of the garagekeeper authorized to tow the vehicle;

(2) An owner or authorized agent of the owner of a commercial parking lot or other private property open to the public has authorized the towing of a motor vehicle that:

(A) Has been unattended for more than twelve (12) hours; or

(B) Is creating a hazard, blocking access to public or private property, or parked illegally;

(3) An owner or authorized agent of the owner of private property not open to the public has authorized the towing of a motor vehicle left unattended; or

(4) A law enforcement officer with appropriate jurisdiction requests that the motor vehicle be towed pursuant to § 55-31-301.

(b) The authorization required pursuant to subdivision (a)(4) must include all information required by § 66-19-103(d).

(c) A person attempting to tow a motor vehicle shall immediately release the vehicle that the person has begun to tow if:

(1) The motor vehicle has not left the original parking location; and

(2) The owner or operator of the motor vehicle pays a release fee.

(d)(1) Prior to ninety (90) days after the motor vehicle portal created pursuant to § 55-31-104 is operational and available for use, if the owner of a motor vehicle is not present at the time the motor vehicle is towed, then within one (1) hour of a person towing the motor vehicle pursuant to this chapter, such person must notify the law enforcement agency with jurisdiction over the location from which the motor vehicle was towed of the vehicle identification number (VIN), license plate number, a description of the vehicle, the location of the tow, and the location where the motor vehicle will be stored. A law enforcement agency shall keep a record of all information required by this subsection (d) and must make the information available for public inspection.

(2) On or after ninety (90) days after the motor vehicle portal created pursuant to § 55-31-104 is operational and available for use, if the owner of a motor vehicle is not present at the time the motor vehicle is towed, then within one (1) hour of a person towing the motor vehicle pursuant to this chapter, such person must enter the VIN, license plate number, a description of the vehicle, the location of the tow, and the location where the motor vehicle will be stored into the motor vehicle portal.

55-31-205. Storage of vehicles.

(a) Notwithstanding this part or title 66, chapter 19, part 1, a garagekeeper shall not store a motor vehicle unless the garagekeeper first obtains the express written authorization for storage of the motor vehicle from a law enforcement officer with appropriate jurisdiction, the owner of the motor vehicle or authorized agent of the owner of the motor vehicle, or the owner or the authorized agent of the owner of the private property from which the motor vehicle was towed. The authorization must include all of the information required by § 66-19-103(d).

(b) This section and § 66-19-103(b) do not apply to new or used motor vehicle dealers licensed under chapter 17 of this title.

55-31-206. Towing firm referral fees.

(a) Notwithstanding this chapter to the contrary, a towing company shall not make, confer, or offer any payment or other pecuniary benefit to an owner or manager of property from which the company has towed a motor vehicle with the intent of rewarding the owner or manager for referring the vehicle for towing.

(b) Notwithstanding this chapter to the contrary, an owner or manager of property from which a towing company has towed a motor vehicle shall not solicit or receive any payment or other pecuniary benefit from a towing company in exchange for referring a vehicle for towing to the company.

55-31-207. Fees.

(a) Except as otherwise provided in this section, a garagekeeper shall not charge the owner or lienholder of a stored motor vehicle a storage fee for a period exceeding twenty-one (21) days without the consent of the owner or lienholder, unless the owner or lienholder has been notified that the motor vehicle is available to be released from the garagekeeper and the owner or lienholder refuses to retrieve the motor vehicle.

(b) A garagekeeper shall not charge a storage fee for any day on which the motor vehicle is not available for release to the owner, lienholder, or insurer, unless the failure to release is based on a hold placed on the motor vehicle by law enforcement.

(c) Upon provision of documentation from an insurer or lienholder showing its right to take custody of a motor vehicle, a garagekeeper shall release the motor vehicle to the insurer or lienholder, or an authorized agent or representative for such insurer or lienholder, upon the insurer's or lienholder's payment of reasonable charges due, without requiring additional consent from the owner of the motor vehicle. The insurer or lienholder shall indemnify and hold harmless the releasing person from any action, cause of action, claim, judgment, loss, liability, damage, or cost that it may incur due to wrongful release of the motor vehicle to an authorized agent or representative of the insurer or lienholder.

(d)(1) Prior to ninety (90) days after the motor vehicle portal created pursuant to § 55-31-104 is operational and available for use, a garagekeeper may charge a storage fee for a period exceeding twenty-one (21) days if the last known registered owner of the motor vehicle and all lienholders of record are notified using three-day delivery of the intent to charge a storage fee for a period to exceed twenty-one (21) days. The notice must be sent at least ten (10) days prior to the imposition of any additional storage fee.

(2) On or after ninety (90) days after the motor vehicle portal created pursuant to § 55-31-104 is operational and available for use, a garagekeeper may charge a storage fee for a period exceeding twenty-one (21) days if the garagekeeper notifies all registered owners of the motor vehicle and all lienholders of record of the intent to charge a storage fee for a period to exceed twenty-one (21) days via the online motor vehicle portal.

(e) A garagekeeper, whether as the principal business of the garagekeeper or incidental to the garagekeeper's principal business, shall not charge a person for the towing or storage of a motor vehicle that was towed or stored without the express written authorization of the owner of the motor vehicle to tow or store:

(1) A fee charged at a higher rate than the maximum fee that has been approved by the Tennessee highway patrol district to be charged for the same service by persons engaged in a business described in this section;

(2) A gate, access, or release fee during normal business hours for any day during which daily storage is also being charged; or

(3) A release fee of more than one hundred dollars (\$100).

(f) Subsections (a) and (d) do not apply to a motor vehicle that was towed or stored by a garagekeeper for the purpose of repairing the motor vehicle; provided, that the garagekeeper first obtained the authorization of the owner for the repairs and the owner of the motor vehicle has been notified that the repairs have been completed.

55-31-301. Law Enforcement – abandoned or immobile motor vehicle – motor vehicle used in curbstoning.

(a) A law enforcement agency may take into custody, or utilize a garagekeeper to take into custody, a motor vehicle found abandoned, immobile, or used in curbstoning, or the agency may provide notice that the motor vehicle is abandoned, immobile, or being used in curbstoning prior to taking the motor vehicle into custody, or utilizing a garagekeeper to take the motor vehicle into custody; provided, that a motor vehicle used in curbstoning on residential property must not be taken into custody unless the law enforcement agency provides notice on the motor vehicle at least forty-eight (48) hours prior to the seizure.

(b)(1)(A) Prior to ninety (90) days after the motor vehicle portal created pursuant to § 55-31-104 is operational and available for use, a law enforcement agency or other public agency taking possession, or causing possession to be taken through the use of a garagekeeper, of a motor vehicle pursuant to this section must:

(i) Within three (3) business days after taking the motor vehicle into custody, verify ownership of the motor vehicle through the Tennessee Information Enforcement System (TIES). If a law enforcement agency or other public agency attempts to verify ownership information through TIES and the response is Not on File, then the agency shall contact the department of revenue title and registration division, which must search records not contained in TIES for the ownership information. If the title and registration division locates ownership information through this search, then the division must notify the appropriate public agency and the agency must distribute the information as provided in this subdivision (b)(1); and

(ii) If a law enforcement agency or other public agency utilizes a garagekeeper to take possession of the motor vehicle, then provide the ownership information obtained in subdivision (b)(1)(A) to the garagekeeper responsible for towing or storing the motor vehicle; and

(B) Within three (3) business days after receiving verification of ownership pursuant to subdivision (b)(1)(A)(i) or (ii), the law enforcement agency, other public agency, or the garagekeeper that was responsible for towing the motor vehicle shall send notice using three-day delivery to the last known registered owner of the motor vehicle and all lienholders of record that the vehicle has been taken into custody.

(2) On or after ninety (90) days after the motor vehicle portal created pursuant to § 55-31-104 is operational and available for use, a law enforcement agency, other public agency, or garagekeeper taking possession of a motor vehicle pursuant to this section must, within one (1) hour after taking the motor vehicle into custody, enter the vehicle identification number, license plate number, a description of the vehicle, the location of the tow, and the location where the motor vehicle will be stored into the motor vehicle portal.

(c)(1) The owner or lienholder of an abandoned or immobile motor vehicle may appeal a determination that a motor vehicle is abandoned or immobile. If the owner or lienholder of an abandoned or immobile motor vehicle fails to appeal an action or determination or fails to remove the motor vehicle within twenty (20) days from receipt of the notice that a motor vehicle is abandoned or immobile, then the law enforcement agency or other public agency may take the motor vehicle into custody at any time, including by utilizing a garagekeeper to take the motor vehicle into custody, and no other notice is required.

(2) If the owner or lienholder of an abandoned or immobile motor vehicle that has not been taken into custody by a law enforcement agency pursuant to subdivision (c)(1) appeals, then the law enforcement agency shall not take the motor vehicle into custody while the appeal is pending.

(d) Any notice required by subsection (a) must:

(1) Be written in plain language;

(2) Contain the year, make, model, and vehicle identification number of the motor vehicle, if ascertainable;

(3) Provide the location of the motor vehicle if the motor vehicle has been taken into custody, or provide a statement advising the owner that the law enforcement agency will take the abandoned, immobile, or unattended vehicle into custody in no less than twenty (20) days from the date of receipt of the notice, unless the owner appeals the determination by the law enforcement agency that the vehicle is abandoned or immobile, or the owner removes the vehicle from the property within the twenty-day period;

(4) Inform the owner and any lienholders of the right to reclaim the motor vehicle within twenty (20) days after the date of receipt of the notice, upon payment of all towing, preservation, and storage charges resulting from placing the vehicle in custody; and

(5) State that the failure of the owner or lienholders to exercise the right to reclaim the vehicle will be deemed a waiver by the owner and all lienholders of all right, title, and interest in the vehicle and consent to the demolition of the vehicle or its sale at a public auction.

(e) A law enforcement agency may employ its own personnel, equipment, and facilities or hire persons, equipment, and facilities for the purpose of removing, preserving, and storing motor vehicles that are abandoned, immobile, unattended, or used in curbstoning.

(f) A motor vehicle used in curbstoning is subject to seizure and forfeiture in the same manner as provided by law for seizure and forfeiture of other items under title 40, chapter 33.

(g) Notwithstanding another law to the contrary, this section does not limit a local government's initiative for more restrictive requirements regarding the sale of curbstoned vehicles.

(h) A law enforcement agency requesting another person to tow a motor vehicle pursuant to this section must provide the authorization required pursuant to § 55-31-204(a)(3) to the person to tow prior to requesting the tow.

55-31-302. Notice.

(a)(1) Prior to ninety (90) days after the motor vehicle portal created pursuant to § 55-31-104 is operational and available for use, when any person other than a law enforcement agency or other public agency takes possession of a motor vehicle found abandoned or immobile, the action must be reported immediately to the department of revenue taxpayer and vehicle services division for verification of ownership on a form prescribed and provided by the registrar of motor vehicles.

(2) On or after ninety (90) days after the motor vehicle portal created pursuant to § 55-31-104 is operational and available for use, when any person other than a law enforcement agency or other public agency takes possession of a motor vehicle found abandoned or immobile, the action must be reported to the online motor vehicle portal.

(b)(1) In addition to the notification requirements of § 55-31-301 and subsection (a), a garagekeeper that has in its possession an abandoned or immobile motor vehicle taken into custody by any person shall, within three (3) business days after the motor vehicle is taken into its possession, verify ownership of the motor vehicle. The garagekeeper shall, within three (3) business days after receiving verification of ownership, provide notice to the last known registered owner of the motor vehicle and all lienholders of record. The notification requirements included in § 55-31-301 and subsection (a) apply to the notice required to be provided by a garagekeeper pursuant to this subdivision (b)(1).

(2) A garagekeeper that does not verify ownership of a motor vehicle within three (3) business days after taking possession of the motor vehicle pursuant to this section or that does not notify in the manner required by subsection (a) the owner of the motor vehicle within three (3) business days after receiving verification of ownership from the appropriate state department or agency shall not receive more than six (6) days of storage-related expenses. A garagekeeper that is found by a court of competent jurisdiction to have failed to release a motor vehicle upon the presentment of payment for towing and storage expenses is subject to civil liability to the motor vehicle owner, secured creditor, lessor, or lienholder who prevails in an action brought under this section for reasonable costs and attorney's fees incurred by the person instituting the action.

(3) If the owner of the motor vehicle or the owner's agent is present at the time a garagekeeper commences towing the owner's or agent's motor vehicle, then this subsection (b) does not apply to the garagekeeper; provided, however, that this subdivision (b)(3) does not exempt the garagekeeper from any other notification requirements under this section or another provision of law.

55-31-303. Auctions and auctioneers.

(a) If an abandoned or immobile motor vehicle has not been reclaimed as provided for in § 55-31-301 or § 55-31-302, then the law enforcement agency or garagekeeper must sell the abandoned or immobile motor vehicle at a public auction.

(b) The purchaser of the motor vehicle takes title to the motor vehicle free and clear of all liens and claims of ownership, must receive a sales receipt from the law enforcement agency or garagekeeper, and, upon presentation of the sales receipt, the department of revenue shall issue a certificate of title to the purchaser.

(c) The sales receipt only is sufficient title for purposes of transferring the motor vehicle to a demolisher for demolition, wrecking, or dismantling, and, in this case, further titling of the motor vehicle is not necessary.

(d) The proceeds of the sale of an abandoned or immobile motor vehicle must be used for payment of the expenses of the auction, the costs of towing, preserving, and storing the abandoned or immobile motor vehicle, and all notice and publication costs, including costs to post the motor vehicle on the motor vehicle portal, incurred pursuant to § 55-31-301 or § 55-31-302.

(e) Any remainder from the proceeds of a sale must be held by the law enforcement agency or garagekeeper for the owner of the motor vehicle or entitled lienholder for sixty (60) days from the date of the sale, and then must be deposited in a special fund that must remain available for the payment of auction, towing, preserving, storage, and all notice and publication costs, including costs to post the motor vehicle on the motor vehicle portal, that result from placing other abandoned or immobile vehicles in custody, whenever the proceeds from a sale of other abandoned or immobile motor vehicles are insufficient to meet these expenses and costs.

55-31-304. Garagekeepers.

(a) Notwithstanding this chapter to the contrary, the law enforcement agency through its chief officer, after complying with § 55-31-301, may execute a written waiver of its right to sell a vehicle taken into custody under this chapter in favor of a garagekeeper in whose possession the vehicle was lawfully placed by the law enforcement agency under this chapter. If a garagekeeper has made repairs to a vehicle for which a waiver has been executed, then the garagekeeper may proceed to enforce the lien as provided in § 66-19-103. If the garagekeeper has not made repairs to a vehicle for which a waiver has been executed, then the garagekeeper may proceed to sell the vehicle in accordance with the procedure established in § 55-31-303.

(b) As to third-party purchasers, the sale of the abandoned or immobile vehicle is valid, but the garagekeeper shall sell the vehicle in a commercially reasonable manner.

(c) A person injured as a result of a violation of subsection (b) is entitled to maintain a private right of action for injunctive relief and to recover actual damages, compensatory damages, punitive damages, and reasonable attorney's fees against an alleged violator.

55-31-305. Demolishers.

(a) A person upon whose property or in whose possession is found an abandoned or immobile motor vehicle, or a person being the owner of a motor vehicle whose title certificate is faulty, lost, or destroyed, may apply to the law enforcement agency of the jurisdiction in which the vehicle is situated for authority to sell, give away, or dispose of the vehicle to a demolisher.

(b) The application must set out the name and address of the applicant, the year, make, model, and vehicle identification number of the motor vehicle, if ascertainable, together with any other identifying features, and must contain a concise statement of the facts surrounding the abandonment, or that the title of the motor vehicle is lost or destroyed, or the reasons for the defect of title. The applicant must execute an affidavit stating that the facts alleged therein are true and that no material fact has been withheld.

(c) If the law enforcement agency finds that the application is executed in proper form and shows that the motor vehicle has been abandoned or immobile upon the property of the applicant, or if it shows that the motor vehicle is not reported stolen and is not abandoned or immobile but that the applicant appears to be the rightful owner, then the law enforcement agency shall follow the notification procedures set forth in § 55-31-301 or § 55-31-302.

(d) If an abandoned or immobile motor vehicle is not reclaimed in accordance with § 55-31-301 or § 55-31-302, then the law enforcement agency shall give the applicant a certificate of authority to sell the motor vehicle to any demolisher for demolition, wrecking, or dismantling. The demolisher shall accept the certificate in lieu of the certificate of title to the motor vehicle.

(e) Notwithstanding this part to the contrary, a person upon whose property or in whose possession is found an abandoned or immobile motor vehicle, or the owner of a motor vehicle whose title certificate is faulty, lost, or destroyed, may dispose of the motor vehicle to a demolisher without the motor vehicle's title and without the notification procedures of § 55-31-301 or § 55-31-302, if the motor vehicle is over ten (10) years old and has no engine or is otherwise totally inoperable.

(f)(1) If a vehicle has an engine, and is properly licensed but otherwise fits the description of this section, then such vehicle left on a public highway or street and towed at the direction of local or state law enforcement officials must be held at least ten (10) days. If, at the end of that period, no claim has been received for the vehicle, then the vehicle may be disposed of in accordance with this section.

(2) Subdivision (f)(1) does not apply in counties with a metropolitan form of government, in which counties subsection (e) remains in full force and effect.

55-31-306. Demolishers - Surrender of certificate of title or auction sales receipt for cancelation - Records and recordation.

(a) A demolisher who purchases or otherwise acquires a motor vehicle for purposes of wrecking, dismantling, or demolition is not required to obtain a certificate of title for the motor vehicle in the demolisher's name. After the motor vehicle has been demolished, processed, or changed so that it physically is no longer a motor vehicle, the demolisher shall make the required notification to the National Motor Vehicle Title Information System and surrender for cancelation the certificate of title or auction sales receipt. The department of revenue taxpayer and vehicle services division shall issue forms and rules governing the surrender of auction sales receipts and certificates of title as are appropriate.

(b) A demolisher shall keep an accurate and complete record of all motor vehicles purchased or received in the course of the demolisher's business. The records must contain the name and address of the person from whom each motor vehicle was purchased or received, the date when the purchase or receipt occurred, and the date reported to the National Motor Vehicle Title Information System. The demolisher shall make the records open for inspection by any law enforcement agency at any time during normal business hours. A record required by this section must be kept by the demolisher for at least one (1) year after the date of the transaction to which it applies.

SECTION 2. Tennessee Code Annotated, Section 66-14-104, is amended by designating the current language as subsection (a) and adding the following language:

(b) On or after ninety (90) days after the motor vehicle portal created pursuant to § 55-31-104 is operational and available for use, in the event the good is a motor vehicle or another good requiring a certificate of title pursuant to title 55, the newspaper advertisement is not required, and the public sale notice must be posted through the online motor vehicle portal created pursuant to § 55-31-104 and must contain the year; make; model; license plate number; vehicle identification number, if applicable; and the time and date of the sale of the motor vehicle.

SECTION 3. Tennessee Code Annotated, Section 66-19-103, is amended by deleting subsection (a) and substituting:

(a) As used in this section:

(1) "Garagekeeper" has the same meaning as defined in § 55-31-102;

(2) "Rental vehicle company" means a person or entity, or a subsidiary or affiliate of a person or entity, including a franchisee, in the business of renting motor vehicles to the public; and

(3) "Three-day delivery" has the same meaning as defined in § 55-31-102.

SECTION 4. Tennessee Code Annotated, Section 66-19-103(b)(1)(A), is amended by deleting subdivision (i) and substituting:

(i) Is only required to advertise the sale on the motor vehicle portal developed pursuant to § 55-31-104; and

SECTION 5. Tennessee Code Annotated, Section 66-19-103(b)(1)(B), is amended by deleting the language "a nationally recognized overnight delivery carrier, other than the United States postal service, requesting proof of delivery" and substituting instead "three-day delivery".

SECTION 6. Tennessee Code Annotated, Section 66-19-103(b)(6), is amended by deleting "§ 55-32-308" and substituting "§ 55-31-205".

SECTION 7. Tennessee Code Annotated, Section 66-19-103(c), is amended by deleting "chapter 32" and substituting "chapter 31".

SECTION 8. Tennessee Code Annotated, Section 47-18-104(b)(65), is amended by deleting "§ 55-31-204" and substituting "§ 55-31-202".

SECTION 9. Tennessee Code Annotated, Section 47-18-104(b)(66), is amended by deleting "§ 55-31-307" and substituting "§ 55-31-204".

SECTION 10. Tennessee Code Annotated, Section 47-50-120, is amended by deleting the section.

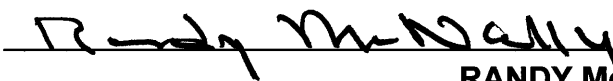
SECTION 11. The headings in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 12. Upon receipt by the Tennessee Code Commission of the written notice from the Commissioner of Revenue pursuant to § 55-31-104(f), which includes the date that is ninety (90) days after the motor vehicle portal becomes operational and available for use, the Commission is requested to update the Code to reflect that date in §§ 55-31-104(b), 55-31-204(d), 55-31-207(d), 55-31-301(b), 55-31-302(a) and 66-14-104(b).

SECTION 13. This act takes effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 1068

PASSED: April 22, 2025


RANDY McNALLY
SPEAKER OF THE SENATE


CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 9th day of May 2025


BILL LEE, GOVERNOR