

HOUSE BILL 2215

By Parkinson

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 8, Chapter 13; Title 8, Chapter 16 and Title
66, relative to real property.

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

SECTION 1. This act is known and may be cited as the "Real Estate Fraud Reduction Act."

SECTION 2. Tennessee Code Annotated, Title 8, Chapter 13, is amended by adding the following new section:

(a) As used in this section:

(1) "Identification card" means a valid, government-issued identification card that bears the cardholder's name, address, and photograph, and that contains a unique identifying series of numbers or letters, or both, as applicable to the type or category of government-issued identification card; and

(2) "Real estate transaction":

(A) Means the sale, transfer, or assignment of an interest in real property and the sale, transfer, or assignment of a contract, agreement, or right to purchase an interest in real property; and

(B) Does not include a transaction involving a leasehold, easement, life estate, or short- or long-term rental agreement; and

(b) Notwithstanding another law to the contrary, when a register records a document relating to a real estate transaction, including any type of deed or lien with respect to real property, the register shall:

(1) Verify the identity of the person recording the document by requiring the person to present an identification card. If the document is recorded:

(A) In person, the register shall make a physical copy of the identification card to be recorded and maintained as part of the register's permanent records; or

(B) Electronically in accordance with § 8-13-108(e) or another provision of this chapter, a legible, digital copy of the identification card must be submitted with the document to be recorded and maintained as part of the register's permanent records;

(2) Record as a permanent record with the name and description of the document:

(A) The name and address of the person recording the document as indicated on the identification card; and

(B) The type or category of the identification card and the unique identifying series of numbers or letters, or both, associated with the identification card; and

(3) Not less than ten (10) business days after recording the document, cause notice to be mailed to the last person of record who paid property taxes on the real property that is the subject property of the recorded document. The notice must include the information recorded under subdivision (b)(2).

SECTION 3. Tennessee Code Annotated, Title 8, Chapter 16, Part 2, is amended by adding the following new section:

(a) As used in this section:

(1) "Identification card" has the same meaning as defined in Section 1;

and

(2) "Real estate transaction" has the same meaning as defined in Section 1.

(b) Notwithstanding another law to the contrary, when a notary public notarizes a document relating to a real estate transaction, including any type of deed or lien with respect to real property, the notary public shall:

(1) Verify the identity of the person notarizing the document by requiring the person to present an identification card. If the document is notarized electronically in accordance with chapter 16, part 3 of this title, a legible, digital copy of the identification card must be submitted with the document to be notarized and maintained as part of the notary public's permanent records; and

(2) Record as a permanent record with the name and description of the document:

(A) The name and address of the person notarizing the document as indicated on the identification card; and

(B) The type or category of the identification card and the unique identifying series of numbers or letters, or both, associated with the identification card.

(c) If a notary public fails to comply with this section:

(1) For a first and each subsequent violation, the notary public is subject to a fine of five hundred dollars (\$500), to be paid to and collected by the secretary of state;

(2) For a second violation, the notary public's commission must be revoked for one (1) year; and

(3) For a third violation, the notary public's commission must be revoked permanently.

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