

SENATE BILL 2360

By Yarbro

AN ACT to amend Tennessee Code Annotated, Title 66, Chapter 11, Part 1, relative to the filing of certain types of liens.

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

SECTION 1. Tennessee Code Annotated, Title 66, Chapter 11, Part 1, is amended by adding the following as a new section:

(a) Any jurisdiction that requires a person, firm, or corporation be licensed pursuant to title 62, chapter 6, in order to record a lien otherwise authorized by this chapter, shall devise a method whereby the licensure status of the person, firm, or corporation seeking to record an otherwise authorized lien may be verified prior to acceptance and recordation of the lien by the register of deeds. Each applicable jurisdiction shall have a verification method in place no later than October 1, 2018.

(b) The jurisdiction may require either or both of the following in order to verify the licensure status of a person, firm, or corporation seeking the lien:

(1) Require the person, firm, or corporation seeking the lien to provide proof of licensure pursuant to title 62, chapter 6, at the same time as the lien is presented for recordation; or

(2) Hold the lien unrecorded until such time as the register of deeds contacts the state board for licensing contractors to verify the licensure status.

(c) A jurisdiction may also adopt any other method of verifying licensure status that is reasonably likely to prevent the filing and recordation of a fraudulent or unauthorized lien.

(d) If verification of the licensure status of a person, firm, or corporation seeking a lien otherwise authorized by this chapter shows that the person, firm, or corporation attempting to have a lien recorded is not licensed pursuant to title 62, chapter 6, the register of deeds shall refuse to accept or record the lien until such time as proof of licensure is presented.

SECTION 2. For the purpose of Section 1(a), (b), and (c), this act shall take effect upon becoming a law, the public welfare requiring it. For the purpose of refusing to accept or record an unverified lien pursuant to Section 1(d), this act shall take effect January 1, 2019, the public welfare requiring it.