

SENATE BILL 2457

By Massey

AN ACT to amend Tennessee Code Annotated, Title 55,
Chapter 4, relative to registration and titling of fleet
motor vehicles.

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

SECTION 1. Tennessee Code Annotated, Title 55, Chapter 4, Part 1, is amended by adding a new section thereto, as follows:

55-4-136.

(a) As used in this section, unless the context otherwise requires, "fleet" means one thousand (1,000) or more vehicles owned or long-term leased by a corporation or other legal entity and registered in Tennessee.

(b) The department may contract with any business entity to allow such business entity to provide any specific service, or all services, normally performed by the department or by a county clerk relative to the titling and the registration of a fleet of motor vehicles. The existence of such a contract shall not be interpreted to diminish, restrict, or limit the authority of the department to administer or enforce applicable provisions of any law with which a motor vehicle within the fleet is not in compliance.

(c) Contracts with business entities entered into by the department pursuant to this section shall set forth in detail the duties and responsibilities of each party, shall require compliance with all applicable federal and state laws, shall not contain provisions that are contrary to any federal or state statute, and shall comply with the Federal Drivers' Privacy Protection Act, 18 U.S.C. § 2721 et seq., and the Uniform Motor Vehicle Records Disclosure Act, compiled in chapter 25 of this title.

(d) A contract entered into under the authority of this section shall be at no cost to the department except for the cost of license plates, decals, forms and administrative

costs that the department would normally incur in titling and registering motor vehicles were it not for such contract.

(e)

(1) A contract entered into under the authority of this section shall, in addition to all other requirements, require the contracting business entity to:

(A) Keep all records, inventories, copies and other related paperwork that a county clerk would be required to keep if such clerk were titling and registering motor vehicles under chapters 1-6 of this title;

(B) Forward to the department no later than the tenth day of each month, copies of all applications, certificates of title, certificates of registration, completed forms, or other related documents or paperwork required by the department that have been issued, completed or processed by the contracting business entity during the prior month;

(C) No later than the tenth day of each month, remit to the department all fees and other moneys related to the titling and registering of motor vehicles during the prior month that would have been required to be collected by the department or a county clerk were it not for the contract entered into under this section; and

(D) Timely make all reports that the department requires, including all applicable reports that a county clerk would be required to make if such clerk were titling and registering motor vehicles under chapters 1 through 6 of this title.

(2) A delinquency in forwarding to the department any remittance, report, application, document, form or paperwork required of the contracting entity by law or by contract shall result in a penalty of five percent (5%) of the delinquent

remittance, or the remittance associated with the delinquent report, application, document, form or paperwork, as the case may be, for each thirty (30) days or fraction thereof that the delinquency continues; provided, however, that such penalty may be waived by the commissioner upon the showing of good and reasonable cause. The penalty provided for in this subdivision shall not exceed twenty five percent (25%) of the remittance base.

(3) If the department enters into a contract with a business entity under this section and such business entity fails to comply strictly with any requirement or provision of such contract, the contract may be rescinded in its entirety and canceled at the discretion of the commissioner; provided, that the effective date of such cancellation shall be thirty (30) business days after the date the department gives notice by certified mail to the contracting business entity that the contract is being rescinded and canceled.

(4)

(A) To ensure the proper exercise of all the components of a contract pursuant to this subsection (e), the commissioner may require a performance bond or other such financial instrument. All funds from the forfeiture of bonds or other instruments required pursuant to this subdivision shall be placed in a special departmental account that shall not revert to the general fund. Interest accruing on investments and deposits of the fund shall be returned to the fund and remain a part of the fund. Such account shall be known as the fleet vehicle registration fund. Moneys placed in the fund shall be used for the issuance of motor vehicle registrations to persons or business entities suffering a loss from a contract with a business entity to obtain motor vehicle registrations.

(B) The performance bond required by this subdivision (e)(4) shall be in the form and upon the terms specified by the department in rules and regulations. Upon agreement of the department and the entity obtaining a bond or other financial instrument pursuant to this act, the terms may, in lieu of any specified forfeiture procedure, include a requirement for immediate payment to the department.

(f) The department shall promulgate rules and regulations to implement this section. The rules and regulations shall require a business entity providing services pursuant to this section to give the department:

(1) A bond issued by a fidelity or surety company authorized to do business in this state;

(2) A corporate guarantee, provided the corporation passes a financial test specified by the department; or

(3) A personal bond supported by cash, securities, insurance policies, letters of credit or other collateral specified by the department.

(g) No business entity under this section shall obtain registration for a fleet vehicle based in a county that has been designated by the air pollution control board to have a motor vehicle inspection and maintenance program in order to attain or maintain compliance with national ambient air quality standards, except in accordance with terms and conditions as are established in rules of the board.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.