



State of Tennessee

PUBLIC CHAPTER NO. 867

HOUSE BILL NO. 2402

By Representatives Travis, Ragan, Hardaway

Substituted for: Senate Bill No. 2334

By Senator Tracy

AN ACT to amend Tennessee Code Annotated, Title 47; Title 55, Chapter 23 and Title 66, relative to towing of vehicles and related services.

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

SECTION 1. Tennessee Code Annotated, Section 55-23-103, is amended by designating the existing language as subsection (a) and adding the following language as new subsections:

(b) Persons engaged in the businesses described in subsection (a) shall not charge a storage fee for any day on which the vehicle is not available for release to the owner, lienholder, or insurer, unless such failure to release is based on a hold placed on the vehicle by law enforcement.

(c) Upon provision of documentation from an insurer or lienholder showing its right to take custody of the vehicle, persons engaged in the businesses described in subsection (a) shall release the 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 vehicle. The insurer or lienholder shall indemnify and hold harmless the releasing person or entity from any action, cause of action, claim, judgment, loss, liability, damage, or cost that it may incur due to wrongful release of the vehicle to an authorized agent or representative of the insurer or lienholder.

(d) For purposes of subsection (c), "reasonable charges" do not include the following:

(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 the businesses described in subsection (a) that serve on the Tennessee highway patrol dispatch towing list; and

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

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to vehicles taken in to storage on or after such date.

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PASSED: April 7, 2016



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES



RON RAMSEY
SPEAKER OF THE SENATE

APPROVED this 10th day of April 2016



BILL HASLAM, GOVERNOR