



State of Tennessee
PUBLIC CHAPTER NO. 1015

SENATE BILL NO. 2890

By Kelsey, Ford

Substituted for: House Bill No. 2888

By Coley, Watson, Maggart, Lundberg, Matheny, Camper, Moore, Richardson, Hardaway, Lollar

AN ACT to amend Tennessee Code Annotated, Title 39, Chapter 17, Part 1, to create the offense of drawing a lien without legal basis.

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

SECTION 1. Tennessee Code Annotated, Title 39, Chapter 17, Part 1, is amended by adding the following as a new section:

(a)(1) It is an offense for any person to knowingly prepare, sign, or file any lien or other document with the intent to encumber any real or personal property when such person has no reasonable basis or any legal cause to place such lien or encumbrance on such real or personal property.

(2) As used in this subsection (a), "person" includes any individual or entity.

(b) Upon conviction for an offense pursuant to this section, any court having or exercising circuit court jurisdiction may order the removal from any record the lien or document evidencing an encumbrance, and order that the document be void and of no legal effect, and, if so ordered, the court shall cause the removal of any cloud on a title that may have arisen because of the document.

(c) This section shall not apply to:

(i) A licensed attorney who prepares a document in the course of representation of a client;

(ii) A financial institution regulated by the Tennessee Department of Financial Institutions, the federal reserve board, the office of the comptroller of the currency, the farm credit administration, or the national credit union administration, qualified commercial financing entity, as defined in § 67-4-2004, or an employee or agent of any of those entities, who prepares, signs or files a lien or other document in the ordinary course of business;

(iii) A title insurance company or agent who prepares, signs, or files a lien or other document in the ordinary course of business; or

(iv) A real estate licensee operating in compliance with the Tennessee Real Estate Broker License Act of 1973, compiled in Title 62, Chapter 13.

(d) A violation of subsection (a) is a Class A misdemeanor.

SECTION 2. This act shall take effect July 1, 2012, the public welfare requiring it.

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PASSED: April 26, 2012

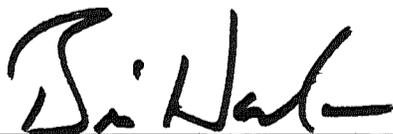


RON RAMSEY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 15th day of May 2012



BILL HASLAM, GOVERNOR