



Change in State Fee for Notation of Liens

Department of Revenue

June 2015

New Legislation Increases State Fee to Note a Lien

This year, the Tennessee General Assembly passed a law that increases the state fee to note a lien on a vehicle's certificate of title from \$5.50 to \$11. Likewise, the law increases the state fee to note the extension of a mortgage on a certificate of title from \$5.50 to \$11. The \$5.50 increase covers the cost of subsequently discharging the lien or mortgage extension. This has previously been done without a fee to pay for the cost to the state.

The Department of Revenue is also using this opportunity to address the administration of the state lien notation fees. In any transaction involving the notation of a new lien, the Department and the county clerk offices are required to charge the \$11 state fee for noting the lien. Additionally, since the notation of a lien involves the issuance of a new certificate of title, the \$5.50 state fee for issuing a certificate of title applies.

The county title issuance fee remains \$5.50. Therefore, the ultimate price customers pay to a county clerk's office to note a lien is typically \$22, not including any other applicable county fees. The breakdown of the fees is: an \$11 state fee for the notation of the lien, a \$5.50 state fee for the issuance of the certificate of title, a \$5.50 county title issuance fee, plus any other applicable county fees.

These changes become effective for motor vehicle transactions requiring a noting of lien submitted on or after August 1, 2015.

Application of How Fees Apply

Below are some examples of how the new law and the administrative changes apply to the relevant fees.

Example One: A customer owns a vehicle. The customer takes the existing certificate of title for the vehicle to a creditor and obtains a loan secured by the vehicle. Creditor applies to have the lien noted on the certificate of title through the county clerk's office. The county clerk's office issues a new certificate of title with the lien noted. The county clerk's office charges the \$11 state fee for noting the lien, the \$5.50 state fee for issuing the certificate of title, and the \$5.50 county title issuance fee. The total amount of fees the county clerk charges would be \$22, excluding any other applicable county fees.

Example Two: Same facts as above apply, except the creditor applies for a notation of lien directly through the Department. Only the \$11 state fee for noting the lien and the \$5.50 state fee for issuing the certificate of title applies. The total amount of fees the state charges is \$16.50.

Example Three: Customer purchases a motor vehicle. To finance the purchase price, the customer obtains a loan from a creditor secured by the vehicle. The customer applies for a certificate of title for the vehicle. On the application for certificate of title, the creditor applies for notation of the lien. The county clerk's office charges the \$11 state fee for noting the lien, the \$5.50 state fee for the issuance of the certificate of title, and the \$5.50 county title issuance fee. The total amount of fees due would be \$22, excluding any applicable county fees.

Please note, however, that when a customer submits an application to note multiple new liens on a certificate of title at the same time, the \$11 state fee for the notation of a lien applies per lien.

Example Four: Customer owns a vehicle. Customer obtains a loan from two different creditors. The loans are secured by the same vehicle. Both creditors apply to have their respective liens noted on the certificate of title by using the same application—that is, the creditors submit only one multipurpose form that lists the senior lienholder as “first lienholder” and the junior lienholder as “second lienholder.” Tennessee charges a separate \$11 state fee for the notation of each of the creditors' liens. Therefore, the county clerk's office charges two \$11 state fees for noting the liens, the \$5.50 state fee for the issuance of the certificate of title, and the \$5.50 county title issuance fee, as well as any applicable county fees. The total amount of fees the county clerk charges in this instance would be \$33, excluding any applicable county fees.

Contact Us

If you have any questions regarding this notice, please contact the Department through Revenue Help at <https://revenue.support.tn.gov/hc/en-us>. Click “submit a request” and then select and complete the “vehicle title and registration” form. You may also call us at (888) 871-3171 or (615) 741-3101.