



Municipal Technical Advisory Service  
INSTITUTE for PUBLIC SERVICE

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## Financial Responsibility Law

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Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](http://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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## Financial Responsibility Law

**Reference Number:** MTAS-1588

T.C.A. § 55-12-139(e)(2) prohibits a judge from dismissing any violation of Financial Responsibility charge if the defendant did not have insurance at the time the citation was issued, even if the defendant later obtained insurance. The court should submit a Court Action Report indicating that the defendant was “guilty.”

If a defendant is able to show proof that he did have insurance in effect at the time the citation was issued, the court must dismiss the charge on a first offense. If so, the court cannot charge any fines, costs or fees. The court may dismiss upon second or subsequent offenses, but is not required to do so. T.C.A. § 55-12-139(e)(1).

The Municipal Court would lose jurisdiction if a person is not in compliance with the financial responsibility requirements at the time of an accident that resulted in *bodily injury or death* and such person was at fault for the accident. A person is at fault for an accident if the person acted with criminal negligence, as defined in § 39-11-106, in the operation of such person's motor vehicle.

If the driver of a motor vehicle fails to provide evidence of financial responsibility, a law enforcement officer may tow the motor vehicle as long as the officer's law enforcement agency has adopted a policy that describes the procedure for towing a motor vehicle.

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