

Tennessee's New Commercial-Driver Statutes: Key Risks for Motor Carriers

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Two new Tennessee statutes took effect on July 1, 2026, creating both criminal and civil exposure for motor carriers that knowingly employ unlawfully present commercial drivers. Section 55-50-403 makes it a criminal offense to allow such individuals to operate commercial motor vehicles, while Section 55-50-419 creates a new strict-liability cause of action when an unlawfully present driver causes injury or property damage. Together, the statutes increase the importance of work-authorization verification, documentation, and insurance review.

Who is Covered?

Both statutes focus on a driver's direct employer, the entity that hires, pays, and directly supervises the driver. Brokers, shippers, consignees, and customers that contract for transportation services are expressly excluded. The statutes define an unlawfully present individual by reference to federal immigration law. The definition includes not only individuals who entered the country without authorization, but also those whose lawful status has expired, been revoked, or otherwise terminated. As a result, a driver's status may change after hire, making ongoing compliance efforts important.

Criminal Liability Under § 55-50-403

Section 55-50-403 prohibits a direct employer from knowingly allowing an unlawfully present individual to operate a commercial motor vehicle.

The statute makes it a Class A misdemeanor for:

- A direct employer to knowingly employ and permit an unlawfully present person to operate a commercial motor vehicle in Tennessee; and
- An unlawfully present individual to operate a commercial vehicle when a CDL is required.

The key element is knowledge. The statute does not impose liability for innocent mistakes, but targets employers that knowingly allow disqualified drivers to continue operating. The law also requires notification of federal immigration authorities when arrests occur under the statute, increasing the likelihood that traffic stops, inspections, or crashes may trigger additional enforcement activity.

Civil Liability Under § 55-50-419

The more significant development for most carriers is Section 55-50-419, which creates a new civil cause of action against direct employers. Under the statute, a direct employer that knowingly employs and permits an unlawfully present individual to operate a commercial motor vehicle may be held strictly, jointly, and severally liable for personal injury or property damage caused by that driver's operation of the vehicle. Unlike a traditional negligence claim, the statute focuses on whether the employer knowingly employed an unlawfully present driver rather than on the reasonableness of the employer's conduct after a crash. Once the statutory requirements are met, liability may attach without proof of ordinary negligence. The statute also authorizes substantial damages, including compensatory damages, punitive damages where appropriate, court costs, and reasonable attorney's fees. These provisions will likely increase both litigation costs and settlement exposure. In addition, Tennessee law governs claims arising under the statute regardless of contractual choice-of-law provisions.

The Most Important Defense: Verification Compliance

The statute provides a significant protection for employers that comply with Tennessee's employment-verification requirements. A direct employer is presumed not to have acted knowingly if it complies with Tenn. Code Ann. §§ 50-1-103 and 50-1-703. Because both the criminal and civil statutes depend on proof of knowing conduct, documented compliance with these verification requirements may be the most important defense available to carriers. Motor carriers should review onboarding procedures, confirm compliance with applicable verification requirements, and maintain records demonstrating that compliance. Given that lawful status can change after employment begins, employers should consider whether their current processes adequately address ongoing verification issues.

Insurance Coverage Concerns

Carriers should also carefully review their liability insurance policies. Section 55-50-419 provides that an employer's liability policy should not be construed to cover claims created by the statute unless coverage is expressly provided. As a result, a carrier could face liability under the statute even if it assumes existing coverage applies. Policyholder review is warranted to determine whether this new exposure is expressly covered and, if not, whether additional coverage is available.

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