



County Technical Assistance Service  
INSTITUTE *for* PUBLIC SERVICE

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# Motor Vehicle Tax

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Dear Reader:

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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 county 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 CTAS website material.

Sincerely,

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# Motor Vehicle Tax

## Private Acts of 1967-68 Chapter 283

**SECTION 1.** (a) That for the privilege of using the public roads and highways in Montgomery County, except state-maintained roads, there is levied upon motor-driven vehicles and upon the privilege of the operation thereof a special privilege tax for the benefit of Montgomery County, which tax shall be in addition to all other taxes, and which shall be in the amount of twenty dollars (\$20.00) for each motor-driven vehicle. This tax shall apply to and shall be paid on each motor-driven vehicle, whose owner resides or usually stays in Montgomery County.

If the controlling provisions of Tennessee general law, including Tennessee Code Annotated, Section 7-51-702, are repealed or amended so as to permit counties to tax nonresident motorist for the privilege of using local roads, then such a tax shall be imposed in Montgomery County. Such tax shall be equal in amount to the tax levied on resident motorists.

(b) "Motor-driven vehicle", for purposes of taxation under this act, shall mean every device in, upon, or by which any persons or property is or may be transported or drawn upon a highway, which is not expressly excluded as herein follows. Expressly excluded from taxation under this act are devices moved by human power or used expressly upon stationary rails or tracks, farm tractors, self-propelled farm machines not usually used for operation upon public highways and roads, motor-driven bicycles and scooters, mobile homes, house trailers, and trailers without motive power designed to carry persons or property and to be drawn by a motor vehicle. No vehicle is exempted from taxation under this act unless it falls within one of the express exclusions above. Provided, further, that motorcycles are motor-driven vehicles for purposes of taxation under this act. "Motorcycle" shall mean every motor vehicle having a saddle for the use of the rider and designed to be driven on not more than three (3) wheels in contact with the ground but excluding a tractor or motorized bicycle, and this definition shall not be construed to exempt any motor-driven vehicle with more than three wheels on that criterion alone. Provided, further, that this Act shall apply to self-propelled motor homes.

As amended by: Private Acts of 1982, Chapter 290

**SECTION 2.** The tax herein levied shall be collected by the County Court Clerk of Montgomery County at the same time that he collects the state privilege tax upon the operation of motor-driven vehicles over the public highways. The clerk shall not issue a state license for the operation of motor-driven vehicles to any person who does not purchase, at the same time, the appropriate license as hereinafter provided for the operation of a motor-driven vehicle under this Act. Payment of the license fee herein imposed shall be evidenced by a tax or emblem to be appropriately displayed upon some prominent part of the motor driven vehicle in question. The design of the emblem and the place and manner of display on the vehicle shall be determined by the County Court Clerk, and the expense incident thereto shall be paid from the County General Fund. The tax herein levied shall entitle the owner of a motor-driven vehicle to operate the same from April 1 of each year to the next succeeding March 31; and the same proportionate reduction shall be made as it is now made in the case of state registration of motor-driven vehicles where such motor-driven vehicle is registered after April 1, for any reason whatsoever.

For his services in issuing such licenses, the County Court Clerk shall be entitled to a fee of 50 cents for each license so issued, to be collected from the person purchasing same. The Clerk shall faithfully account for, make proper reports of, and pay over to the Trustee of the Counties to which this Act applies at monthly intervals, all funds paid to and received by him for the aforesaid privilege tax, and such funds shall be applied as herein provided.

In the event any motor-driven vehicle for which the privilege tax have been paid and the emblem or decal issued and placed thereon, becomes unusable, or is destroyed or damaged to the extent that this motor-driven vehicle can no longer be operated as such, and the owner ceases to operate same on the public streets, roads, or highways of said County, or in the event the owner transfers the title to said motor-driven vehicle, and completely removes therefrom and destroys the emblem or decal issued and placed thereon or affixed thereto, and the owner makes proper application for the issuance of a duplicate decal or emblem to be used by him on the same or on another motor-driven vehicle for the unexpired term for which the original decal or emblem was issued, and the Clerk is satisfied that this owner is entitled to the issuance of such duplicate decal or emblem, and the owner pays into the hands of the Clerk the sum of 50 cents as a privilege tax for reassignment of said decal, and a 50 cent Clerk's fee therefor, the Clerk will then issue to such owner a duplicate receipt, canceling the original receipt delivered to him by the owner, and will deliver to the owner a duplicate decal or emblem, and this shall entitle the owner to drive the vehicle on the streets, roads, and highways of such County until the next following March 31st. Likewise, in the event a decal or emblem become obliterated, erased, or defaced or is destroyed under the

provisions of this Act, and is therefore illegible and unusable by the owner, upon proper application made by the owner and filed with the Clerk, showing such circumstances and facts to be true, then the Clerk, upon receipt from the owner of 50 cents as a privilege tax for replacement of said decal and a 50 cent Clerk's fee, may issue and deliver to the owner, a duplicate decal or emblem.

As amended by: Private Acts of 1967-68, Chapter 346  
Private Acts of 1982, Chapter 290

**SECTION 3.** That the proceeds of the tax herein imposed, when collected and paid into the hands of the County Trustee, shall be deposited in the General Purpose School Fund of the County and shall be used exclusively for public education.

As amended by: Private Acts of 1967-68, Chapter 346  
Private Acts of 1982, Chapter 290

**SECTION 4.** That it is the intent of the General Assembly that this Act be construed as a measure providing for additional revenues in the Counties affected, to be used exclusively for the financing of the program of public education in such Counties.

**SECTION 5.** That this Act shall have no effect unless the same shall have been approved by two-thirds vote of the Quarterly County Court of any County to which it may apply on or before the next regular or special meeting of said Quarterly County Court after its approval by the Governor or after its otherwise becoming a law. Its approval or non-approval shall be proclaimed by the presiding officer of the body having jurisdiction to approve or the reverse, and shall be certified by him to the Secretary of State.

That this Act shall have no effect unless the same shall have been submitted by resolution of the County Court to a referendum election of the people and approved by a majority of the qualified voters of said County voting in such referendum election held for said purpose. Within ten (10) days after the passage of such resolution by the County Court authorizing such referendum election, it shall be the duty of the County Board of Election Commissioners of the County to which this Act applies to call an election for the County to be held not less than 20 nor more than 40 days from the date of such call for the purpose of accepting or rejecting the provisions of this Act. The ballots used in such election shall have printed thereon the title of this Act and voters shall vote for or against its adoption. The votes cast at such election shall be canvassed by the County Board of Election Commissioners upon the first Monday occurring five (5) or more days next after the date of such election and the results shall be proclaimed by such Board and certified to the Secretary of State. The qualifications of voters shall be that provided by law for participation in general election held hereunder. The cost of said election shall be paid by the County to which this Act applies.

**SECTION 6.** That this Act shall be effective from and after its passage, the public welfare requiring it, but the provisions hereof shall not become operative until validated as provided in Section 5 herein.

Passed: May 18, 1967.

## Private Acts of 1982 Chapter 290

**COMPILER'S NOTE:** Sections 1, 2, 3, and 4 of the act amend Private Acts of 1967-68, Chapter 283, and are incorporated into that act which is reprinted above.

**SECTION 5.** The tax provided for in this act applies to and shall be paid on motor-driven vehicles owned by a manufacturer or dealer who is required to purchase a special plate or plates issued to such owner as prescribed in Tennessee Code Annotated, Title 55, Chapter 4, Part 2; provided, that such manufacturer or dealer shall pay the privilege tax for each dealer plate purchased up to and including the tenth (10th) plate or twenty-five percent (25%) of the total number of dealer plates purchased, whichever is greater. The privilege tax decal shall be displayed at the appropriate location on the dealer tag as designated by the county clerk.

As amended by: Private Acts of 2000, Chapter 81

**SECTION 6.** Any person who violates this Act and fails to pay the privilege tax imposed hereunder shall be fined fifteen dollars (\$15.00). Each day of violation constitutes a separate offense, and a fine of fifteen dollars (\$15.00) shall be assessed for each offense.

**COMPILER'S NOTE:** See Private Acts of 1967-68, Chapter 283, reprinted above, for provisions of the privilege tax.

**SECTION 7.** If any provision of this Act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to that end the provisions of this Act are declared to be severable.

**SECTION 8.** That this Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the

county legislative body of Montgomery County, on or before the next regular or special meeting of said legislative body, after its becoming a law. Its approval or nonapproval shall be proclaimed by the presiding officer of such county legislative body and certified by him to the Secretary of State.

**SECTION 9.** For the purpose of approving or rejecting the provisions of this Act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 8.

Passed: March 25, 1982.

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