



March 31, 2025

Bonding and Insuring Vehicles for Hire

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county 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 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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Bonding and Insuring Vehicles for Hire

Private Acts of 1925 Chapter 729

SECTION 1. (a) That the word taxi-cab, when used in this Act means a motor-driven conveyance for hire at designated places at a fare proportioned to the length of the trips of the several passengers who are taken to be carried to destinations without regard to any route adopted or uniformly conformed to by the operator thereof; (b) That all motor driven vehicles, coming within the provisions of this Act, are hereby declared to be common carriers.

SECTION 2. That in all counties having a population of more than 110,000 by the Federal Census of 1920, or any subsequent Federal Census, it shall be unlawful for any person, firm or corporation to operate any motor vehicle, not running on fixed tracks, for the transportation of passengers or property for hire, between fixed termini, or over a regular route even though there may be periodic or irregular departures from said termini, without executing bond or providing insurance as provided in Section 3, except such taxi-cabs or motor vehicles as are operated principally within the limits of one municipality where, by ordinance, a Bond or insurance policy is required, and has been executed as indemnity for the protection to the public for injury to persons or property.

SECTION 3. That every person, firm or corporation operating public motor conveyances as aforesaid, shall execute, file and keep with the Clerk of the County Court of the county in which the business, or any part thereof, is to be carried on, a bond, or insurance policy, which shall be renewed annually, payable to the State of Tennessee, with surety approved by the Judge, or Chairman of the County Court, in the sum of \$300.00 for each car operated in freight service, and \$5,000.00 for each car operated in passenger service, which said bond or insurance policy shall be fore [sic] the benefit of the public and shall bind the principal and obligor or insurer to make compensation for injury to persons whether passengers or not, and loss of, or damage to property, resulting from the negligent operation of such motor vehicles, and any person injured, or whose property is damaged by such operation of said vehicle, shall have the right to institute suit jointly in the courts of this State against the owner, or operator, of said vehicle and the obligor or insurer.

SECTION 4. That the County Court of the county shall, before granting license to any person, firm or corporation, to operate motor vehicles as come within the provisions of this Act, require the filing of the bond or insurance policy as provided in Section 3, hereof, except as to persons, firms, or corporations operating vehicles excepted from the provisions of this Act, as set out in Section 2, hereof, and any such County Court Clerk wilfully issuing the license without complying [sic] with the provisions of this Act, shall be guilty of a misdemeanor, and upon conviction, shall be fined not less than \$25.00, nor more than \$100.00, and subject to removal from office, and that said County Court Clerk, shall keep said bonds or insurance policies on file in his office, subject to the inspection of all persons, and shall issue certified copies thereof upon request, and charge a fee of fifty cents, for said copies. Provided that where any person, firm or corporation secures what is known as blanket insurance, on several vehicles regulated by this Act, or what is known as a blanket policy, may file with the County Court Clerk a certificate from the Insurance Company showing the number of the policy covering the vehicle insured, instead of filing the original blanket policy.

SECTION 5. That any person, firm or corporation operating such motor vehicles without first executing, filing and keeping in force said bond or insurance policy, shall be guilty of a misdemeanor and upon conviction thereof, shall, for a first offense, be fined not less than \$25.00 nor more than \$50.00, and for a second or subsequent offense, be imprisoned not less than ten days, nor more than thirty days, and fined not less than \$50.00, nor more than \$100.00, and each day upon which said motor vehicle may be operated in violation of this Act, shall constitute a separate offense.

SECTION 6. That the Secretary of State of Tennessee is hereby required upon passage of this Act, to send to the County Court Clerks of the counties to which this law applies, a certified copy of this Act, and said clerk is required to immediately, by mail, give notice to such persons, firms or corporations as are operating vehicles that come under the provisions of this Act.

SECTION 7. That this Act shall take effect thirty days after passage, the public welfare requiring it.

Passed: April 16, 1925.

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