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# Tax Limitations

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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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# Tax Limitations

## Private Acts of 1921 Chapter 603

**SECTION 1.** That in all counties thruout the State, with population between one hundred fifteen thousand, and one hundred, sixty thousand, according to the Federal Census for the year 1920, or any subsequent Federal Census, and, in all municipalities including taxing districts, within such counties, the aggregate of taxes levied for collection by such counties, or municipalities, for the year 1921, shall not exceed the aggregate of taxes levied for collection for the year 1920. And, in no subsequent year, shall the aggregate of taxes levied for collection in any such counties, or municipalities, including taxing districts, be more than six per centum in excess of the aggregate of taxes levied for collection for the previous year; provided however, that the provisions of this Act shall not apply to privilege taxes.

Provided, however, that if any new territory has been since the passage of Chapter 603 of Private Acts of 1921, or shall hereafter be annexed to any municipality, or taxing district, in any such counties, then such municipality or taxing district is authorized to collect, in addition to the 6 per cent in excess of the aggregate of taxes for the previous year, an amount not more than 6 per cent in excess of what the aggregate of the taxes would have been on the assessed valuation of property in the territory annexed to said municipality or taxing districts for the previous year at the same rate in effect in said municipality or taxing district for the previous year.

Also provided, that the tax limitations imposed by this Act shall not apply to (1) the increase in value of any property within such municipality or taxing district abutting on any street opened, widened or extended, as a result of such opening, extension or widening, upon which increase in value no property tax was levied in the preceding year by the municipality or taxing district in which was located the property thus increased in value; or (2) special levies for taxes for the express purpose of creating or maintaining a sinking fund for the payment of any present or future bonded indebtedness, not however, to be less than 10 cents upon each \$100.00 of taxable property in any year, nor more than that which is required under the terms of the Legislative enactments which have authorized or shall authorize bond issues [sic] for the municipality or taxing district, the funds arising from this special sinking fund levy to be turned over to the sinking fund commissioners of the municipality or taxing fund commissioners of the municipality or taxing district, and it shall be unlawful for these funds to be diverted to any other purpose; or (3) issuance of which shall hereafter be approved by the qualified voters of such municipality or taxing district in any election called for that purpose and held after the passage of this Act, or on any bonds, the issuance of which has heretofore been approved by the qualified voters of such municipality or taxing district in an election called for that purpose, but which have not at the time of the passage of this Act been actually issued; or (4) special levies for the payment of interest on bonds provided for in Acts to annex territory to such municipality or taxing district where the qualified voters of such annexed territory shall have voted in favor of such annexation.

As amended by: Private Acts of 1925, Chapter 355

*Provided,* further, that the limitations imposed by this Act upon the amount of taxes that may be levied shall not apply to taxes levied for the purpose of paying the principal and interest of bonds heretofore or hereafter issued by the County of Hamilton.

As amended by: Private Acts of 1927, Chapter 337

Provided further that the limitations imposed upon the aggregate amount of taxes that may be levied for collection by any municipality or Taxing District in such county shall not apply to special levies made for school purposes, and such special school levies shall not impair the power or authority of such Municipalities or Taxing Districts to increase the aggregate of taxes levied for collection in such Municipalities or Taxing Districts six per centum in excess of the aggregate of taxes levied for collection for the previous year.

As amended by: Private Acts of 1937, Chapter 749

Provided, further, that the limitation imposed on the aggregate amount of taxes that may be levied for collection by any such County shall not apply to levies made for school purposes for the year 1953, and such school levies shall not impair the power or authority of said County to increase the aggregate of taxes levied for collection for said County six per centum in excess of the aggregate of taxes levied for collection in the previous year; provided, further, that said limitation of six per centum shall be in full force and effect for years succeeding 1953, except as provided in Section 2 hereof and in Chapter 337 of the Private Acts of Tennessee for 1927.

As amended by: Private Acts of 1953, Chapter 450

**SECTION 2.** That in such County, the limitation of six per centum in excess of the aggregate of taxes levied for collection in the previous year shall not apply to increases received from real estate

assessments due to new construction or improvements of existing buildings on real estate located in said County, nor to increases in the aggregate of taxes due to increases in the amount of personal property assessed to the taxpayers in said County, over the assessments in the preceding year.

As amended by: Private Acts of 1953, Chapter 450

**SECTION 3.** That all laws, or parts of laws in conflict with this Act, shall be, and the same are, hereby repealed.

**SECTION 4.** That this Act take effect from and after its passage, the public welfare requiring it.

Passed: March 30, 1921.

## Private Acts of 1929 Chapter 202

**COMPILER'S NOTE:** Since this act does not amend specific portions of Private Acts of 1921, Chapter 603, but rather, is general in its amendatory nature, it is published in full.

**SECTION 1.** That Chapter 115 of the Public Acts of the State of Tennessee for the year 1925, entitled as set out in the caption hereof, be, and the same is hereby amended as follows:

*"Provided, That in counties having a population of not less than 115,000 nor more than 116,000 inhabitants, according to the Federal Census of 1920, or any subsequent federal census, the mayor of any municipality in such counties operating its own school system may contract with the authorities of such counties for the payment of a definite sum each year by the county to such municipality from funds derived from all taxes for school purposes in lieu of the distribution based on average daily attendance in the county and city public elementary and high schools, as now provided by said Chapter 115 of the Public Acts of Tennessee for the year 1925."*

**SECTION 2.** That Chapter 603 of the Private Acts of Tennessee for the year 1921, entitled as set out in the caption hereof, be, and the same is hereby amended so that its terms shall not apply to any such counties insofar as an increase in taxes is made necessary by reason of the execution of said contract authorized in Section 1 of this Act.

**SECTION 3.** That this Act take effect from and after its passage, the public welfare requiring it.

Passed: February 18, 1929.

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