



March 29, 2025

Chapter XVI - Vehicles for Hire

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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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Chapter XVI - Vehicles for Hire

Commercial Vehicles for Hire

Private Acts of 1921 Chapter 566

SECTION 1. That all owners or operators of "for hire" vehicles propelled by steam, gasoline or electric power and used for the purpose of conveying passengers, goods, wares or merchandise, shall cause to have painted on both sides of their vehicle or vehicles offered for public hire, in letters not less than one and one-half inches (1½) inches [sic] high, in such manner as to be plainly visible, the name or monogram or trade mark of the individual, firm, corporation or association owning or operating such vehicle or vehicles.

SECTION 2. That it shall be unlawful for any vehicle propelled by steam, gasoline or electric power to carry for public hire any passengers, goods, wares or merchandise unless such owner or operator shall first give bond or security as hereinafter conditioned and specified; every owner or operator of such public vehicle for hire shall cause to be executed and filed in the office of the County Court Clerk of the County in which the owner or operator has a place of business, a bond or insurance contract conditioned to satisfy and pay any final judgment rendered against the owner or operator of any such vehicle by reason of the negligent operation of such vehicle; provided however, said bond shall not include, cover or be held to satisfy a mere personal judgment against an employee, agent or chauffeur of any such owner or operator. Said bond or insurance contract shall be executed in amount of not less than five thousand (\$5,000.00) dollars where one vehicle is operated, and the bond shall be increased one thousand (\$1,000.00) dollars for each additional vehicle operated as aforesaid, and said amount shall be applied to the satisfaction of any such judgment insofar as said amount will satisfy same, or if said judgment is less than the amount of the bond, so much of said amount shall be applied to the satisfaction of said judgment and costs as is necessary to satisfy same. Said security or securities or insurance company as hereinafter provided for shall pay or satisfy said judgment and cost within the amount of said bond within sixty days after final judgment, provided that in the event of two or more judgments the judgment first rendered shall have precedence in the proceeds of said bond or insurance contract.

Upon the failure of any surety sureties or insurance company to pay and satisfy any judgment recovered against any such owner or operator, and action may be brought by the plaintiff or defendant against the security or securities or insurance company and costs; or such bond or insurance contract to recover the judgment and costs; such bond or insurance contract shall be executed by any insurance company duly authorized to write or execute bonds or liability insurance contracts in the State of Tennessee, or in lieu thereof shall be executed by two or more reputable residents of the County in which such owner or operator has his principal office or place of business. Such bond shall be signed by the owner or operator as well as the surety or sureties or insurance company. Each of said sureties shall qualify in double the amount of said bond, in the event that personal securities are given and each of said sureties make oath that he has real estate in said County, of the clear value of at least ten thousand (\$10,000.00) dollars unincumbered and subject to execution. Said bond or insurance contract shall be executed for a period of not less than one (1) year. Upon the expiration or cancellation of any such insurance contract or bond, the said expiration or cancellation shall not in any wise effect any cause of action which accrued during the life of said bond and shall only be effective after five (5) days notice by registered mail to the owner or operator. Such owner or operator shall thereafter cause to be executed another bond or insurance contract conditioned as prescribed herein, before the time of cancellation or expiration becomes effective.

SECTION 3. That every owner or operator embraced in this Act shall upon complying with the conditions as to such bond or insurance contract apply for and receive from the County Court Clerk of the County in which said owner or operator maintains a place of business. A license for each and every vehicle operated which shall be of such design as the Board of Highway Commissioners shall designate and shall be attached to the front end of each vehicle.

For the issuance of said license each owner or operator shall pay the sum of five (\$5.00) dollars to be paid into the general funds of the State and the further sum of twenty-five cents (25¢) shall be paid the County Court Clerk for issuing said license and making a record of the issuance of same.

SECTION 4. That every such surety, sureties or insurance company as herein set out upon the payment of any judgement and costs, or upon any settlement or satisfaction of any claim growing out of the negligent operation of any such public vehicle, with any person, firm, association or corporation, which said payment and settlement or satisfaction affects the solvency of said sureties, or insurance company or if for any reason the effect or value of said bond or insurance contract becomes impaired, or if the liability

upon same becomes less than five thousand (\$5,000.00) dollars by reason of any payment or settlement, said sureties or insurance company shall, within ten days thereafter, notify said County Court Clerk by registered mail, of the facts, and in case of any payment or settlement set out the date, amount and to whom payment was made.

If said notice is not duly mailed, said insurance company, surety or sureties is responsible in the full amount of said bond agreement or insurance contract.

The owner or operator upon knowledge or notice of any such impairment of the value of the bond or insurance contract, as hereinbefore stated, shall immediately have executed sufficient bond or insurance contract as herein provided.

SECTION 5. That the said personal surety or sureties shall qualify as such before the County Court Clerk of the County or his deputies, where said surety or sureties or bondsmen reside. There shall be paid a fee by such sureties or insurance company of (\$1.00) dollar for each person so qualified.

SECTION 6. That any violation of this Act shall be a misdemeanor and punishable by a fine of not less than one hundred (100.00) dollars nor more than five hundred (\$500.00) dollars or confinement in the County jail of the person, firm or principal agent of any corporation so offending, for a period of not less than ten (10) days nor more than six (6) months, or by both fine and imprisonment, at the option and in the discretion of the jury trying the charges.

SECTION 7. That the provisions of this Act shall be restricted to and apply only to Counties having a population of not less than 15,000 nor more than 116,000 as shown by the Federal Census of 1920 or any subsequent Federal Census, and shall not apply to any vehicles operated upon fixed tracks as street railway or railroad vehicles.

SECTION 8. That all laws and parts of laws in conflict herewith be and the same are hereby repealed.

SECTION 9. That should any provision of this Act be declared void, the provisions not so declared shall remain in full force and effect.

SECTION 10. That this Act take effect from and after the first day of May, A. D. 1921, the public welfare requiring it.

Passed: March 31, 1921.

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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