



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

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Chapter XI - Taxation

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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Chapter XI - Taxation

Development Tax

Private Acts of 1996 Chapter 215

WHEREAS, Rutherford County, Tennessee, has been one of the fastest growing counties in the State of Tennessee for the past ten (10) years; and

WHEREAS, growth is expected to continue and accelerate; and

WHEREAS, this growth is anticipated to stimulate commercial, office, industrial and warehouse development in Rutherford County as well as the cities of Murfreesboro, Smyrna, La Vergne (sic) and Eagleville, all lying within Rutherford County; and

WHEREAS, the projected non-residential development and the availability of jobs as a result thereof is anticipated to stimulate a significant demand for new residential dwelling units in Rutherford County; and

WHEREAS, current projections show:

- (1) County population will be 238,000 persons in the year 2010, an increase of more than 100% from 1990 to 2010; there will be a demand for approximately 34,000 additional residential dwelling units between 1990 and 2010; and new residential and non-residential development will consume additional acreage in Rutherford County, creating the need for additional facilities;
- (2) Projected growth and land use development will cause a demand for county provided capital facilities (schools, roads, jails, etc.) in a cost well in excess of one hundred ten million dollars (\$110 million) over the next four (4) years alone;
- (3) The county's present revenue raising authority is limited and relies heavily on intergovernmental transfers, which are not subject to county control, and on property taxes, which impose the costs of new growth on existing residents rather than on new residents and businesses which create the demand for the additional expenditures; and

WHEREAS, Rutherford County is committed to both present and future county residents to maintaining a level of public facilities and services commensurate with those presently provided; and

WHEREAS, the county's present population, employment base, tax base and budget cannot alone support the additional revenues needed to supply facilities to serve new growth without a substantial increase in the property tax rate on existing development; and

WHEREAS, the continued growth experienced by Rutherford county represents both an extraordinary economic opportunity for the State of Tennessee as well as a potential economic burden on existing residents of Rutherford County; and

WHEREAS, due to these unique circumstances, it is necessary and appropriate that Rutherford County be given authorization to extend its taxing power to enable the county to impose a fair and reasonable share of the costs of public facilities necessitated by new development on that development, so as not to create an unfair and inequitable burden on existing county residents; and

WHEREAS, the most logical, fair and effective mechanism to accomplish the intended result is the imposition of a new privilege tax on new development in Rutherford County; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and may be cited as the Rutherford County Development Tax Act.

SECTION 2. As used in this act, unless the context clearly requires otherwise:

- (1) "Building permit" means a permit for single or multi-family construction issued in Rutherford County, whether by the county or by any city therein;
- (2) "Places of worship" means that portion of a building owned by a religious institution which has tax-exempt status, which is used for worship services and related functions; provided, that a place of worship does not include buildings or portions of buildings which are used for purposes other than for worship and related functions, or which are intended to be leased, rented or used by persons who do not have tax exempt status;
- (3) "Plat" includes any plat, plan, plot, replot or replat where the same creates additional lots;
- (4) "Public building" means a building owned by the State of Tennessee or any agency thereof, a

political subdivision of the State of Tennessee including but not limited to, counties, cities, school districts and special districts, or the federal government or any agency thereof;

(5) "Residential land development" means the development of any property for a dwelling unit or units, including, but not limited to, single or multi-family housing; and

(6) "Unit" means a part or portion of any single or multi-family housing with a room or rooms connected together constituting a separate, independent housekeeping establishment for owner occupancy, rental or lease on a daily, weekly, monthly or longer basis, physically separated from any other room(s) or dwelling units which may be in the same structure, and containing independent cooking and sleeping facilities including, but not limited to, condominiums and apartments.

SECTION 3. It is the intent and purpose of this act to impose a tax on new residential land development in Rutherford County, with a portion of the tax being payable prior to the recordation of any plat in the register of deeds office, and the balance being payable at the time of the issuance of a building permit, thus ensuring and requiring the persons responsible for new development share in the burdens of growth by paying their fair share for the costs of new and expanded public facilities made necessary by such development.

SECTION 4. Engaging in the act of land development for residential purposes within Rutherford County, except as provided in Section 6, is declared to be a privilege upon which Rutherford County may levy a tax at the rate set forth in Section 7.

SECTION 5. The governing body of Rutherford County, Tennessee, may, by resolution, adopt administrative guidelines, procedures, regulations and forms necessary to properly implement, administer and enforce the provisions of this act.

SECTION 6. This act shall not apply to development of:

- (1) Public Buildings;
- (2) Places of worship;
- (3) Barns or outbuildings used for agricultural purposes only;
- (4) Replacement structures for previously existing structures destroyed by fire or other casualty;
- (5) A structure owned by a nonprofit corporation which is a qualified 501(c)(3) corporation under the Internal Revenue Code;
- (6) Non-residential development; or
- (7) Hotels or motels.

SECTION 7. (a) For the exercise of the privilege described herein, Rutherford County imposes a tax on each lot of covered single-family development or in the case of multi-family development on each unit proposed for human habitation, in an amount equal to one thousand five hundred dollars (\$1,500) payable as follows:

- (1) Seven hundred fifty dollars (\$750) per lot or unit prior to the time the final plat of the development containing said lot or unit is recorded in the register of deeds office; and
- (2) Seven hundred fifty dollars (\$750) per lot or unit at the time the building permit is issued and obtained;

(b) In the event a single or multi-family structure is placed upon property and a plat is not required by applicable provisions of the general law, then in that event, the one thousand five hundred dollar (\$1,500) tax shall be paid, in its entirety, at the time the building permit is issued and obtained.

As amended by: Private Acts of 2000, Chapter 149

COMPILER'S NOTE: Private Acts of 2000, Chapter 159, amends Private Acts of 2000, Chapter 149, by adding the following language after the first sentence of Section 2: If this act is approved by a two-thirds (2/3) vote of the Legislative Body of Rutherford County it shall take effect July 1, 2000, the public welfare requiring it. Any increase in privilege taxes imposed by Chapter 149 of the Private Acts of 2000 that is collected before July 1, 2000, shall be refunded to the person or entity from whom such increase in privilege taxes was collected.

SECTION 8. Proceeds from the tax levied herein shall be deposited into the Local Purpose Tax Fund or such other fund as may be designated by majority of the County Commissioners of Rutherford County, Tennessee. The proceeds shall be used to fund capital projects or to retire debt related to capital undertaken by Rutherford County, Tennessee.

As amended by: Private Acts of 1998, Chapter 114

SECTION 9. If a building permit is issued by a municipality within Rutherford County, the municipality shall, before the issuance of a building permit, require evidence by a valid certificate executed by the appropriate officials of Rutherford County, Tennessee, that the full amount of the tax due the county has been paid. The issuance of a building permit by any municipal official, without the appropriate certificate from the county indicating the tax has been paid, shall render the city liable to the county for the sum or sums that would have been collected by the county had the certificate of tax paid been required by the municipality.

SECTION 10. The authority to impose this privilege tax on new development in Rutherford County is in addition to all other authority to impose taxes, fees, assessments or other revenue raising or land development regulatory measures granted either by the private or public acts of the State of Tennessee, and the imposition of the tax is in addition to any other authorized tax, fee, assessment or charge and shall not be deemed to constitute double taxation.

SECTION 11. Rutherford County shall not be required to share any revenues generated in accordance with the provisions of this act with any municipality lying within the county.

SECTION 12. The provisions of this act shall in no manner repeal, modify or interfere with the authority granted by any other public or private law applicable to Rutherford County. This act shall be deemed to create an additional method for Rutherford County to impose and collect taxes for the purpose of providing public facilities.

SECTION 13. If any provision of this act or the application thereof to any person or circumstance 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 14. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of Rutherford County. Its approval or nonapproval shall be proclaimed by the presiding officer of the county legislative body and certified to the Secretary of State.

SECTION 15. 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 14.

Passed: April 24, 1996.

Hotel/Motel Tax

Private Acts of 1983 Chapter 104

SECTION 1. As used in the Act, unless the context requires otherwise:

- (a) "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, governmental unit other than the United States or any of its agencies, or any other group or combination acting as a unit.
- (b) "Hotel" means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging, or sleeping purposes, and includes any hotel, inn, tourist court, tourist camp or campground, tourist cabin, motel, or any place in which rooms, lodgings, or accommodations are furnished to transients for a consideration.
- (c) "Occupancy" means the use or possession or the right to the use or possession of any room, lodging, or accommodations in a hotel for a period of less than forty-five (45) continuous days.
- (d) "Transient" means any person who exercises occupancy or is entitled to occupancy of any rooms, lodgings, accommodations in a hotel room or campground for a period of less than forty-five (45) days.
- (e) "Consideration" means the consideration charged whether or not received, for the occupancy in a hotel or campground valued in money whether to be received in money, goods, labor, or otherwise, including all receipts, cash, credits, property and service of any kind or nature without any deduction there-from whatsoever. Nothing in this definition shall be construed to imply that consideration is charged when the space provided to the person is complimentary from the operator and no consideration is charged or received from any person.
- (f) "Operator" means the person operating the hotel whether as owner, lessee, or otherwise. (g)

"Tax collection official" means the county clerk.

As amended by: Private Acts of 1984, Chapter 227
Private Acts of 2006, Chapter 90

SECTION 2. A privilege tax is hereby levied in Rutherford County upon the privilege of occupancy in any hotel by a transient in an amount not to exceed five percent (5%) of the consideration charged by the operator. The rate of the tax shall be set by resolution of the county legislative body of Rutherford County. The tax imposed is a privilege tax upon the transient occupying such room and is to be collected and distributed as herein provided.

SECTION 3. The tax shall be added by each operator to each invoice prepared by the operator for the occupancy of his hotel. Such invoice is to be given directly or transmitted to the transient, a copy thereof filed by month and retained by the operator as provided in Section 7 hereof.

SECTION 4. (a) The tax hereby levied shall be remitted by all operators who lease, rent, or charge for any rooms or camp ground space to the county clerk not later than the twentieth (20th) day of each month next following such collection from the transient, except that any operator who collects less than one hundred dollars (\$100.00) per month may report and remit quarterly rather than monthly. Where applicable, quarterly reports are due on the twentieth (20th) day of April, July, October, and January. The operator is required to collect the tax from the transient at the time of the presentation of the invoice for occupancy, whether prior to, during or after occupancy, as may be the custom of the operator. The obligation to the county entitled to such tax shall be that of the operator.

(b) For the purpose of compensating the operator in accounting for and remitting the tax levied by this Act, the operator shall be allowed two percent (2%) of the amount of the tax due and accounted for and remitted to the county clerk in the form of a deduction in submitting his report and paying the amount due by him, provided, however, that the amount due was not delinquent at the time of payment.

(c) For the purpose of compensating the county clerk for collecting the tax, the county clerk shall be allowed five percent (5%) of the amount of tax remitted by hotel, motel, or campground operators.

As amended by: Private Acts of 1984, Chapter 227

SECTION 5. No operator of a hotel, motel, or campground shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator, or that it will be added to the rent, or that, if added, any part will be refunded.

SECTION 6. Taxes collected by an operator which are not remitted to the county clerk on or before the due dates are delinquent. An operator shall be liable for interest on such delinquent taxes from the due date at a rate of twelve percent (12%) per annum, and in addition for a penalty on such taxes of one percent (1%) for each month or fraction thereof that such taxes are delinquent. Such interest and penalty shall become a part of the tax herein required to be remitted. Willful refusal of an operator to collect or remit the tax shall subject the operator to a further penalty of fifty percent (50%) of the amount due.

SECTION 7. It is the duty of every operator liable for the collection and payment of any tax imposed by this Act to keep and preserve for a period of three (3) years all records necessary to determine the amount of such tax, which records the tax collection official shall have the right to inspect at all reasonable times.

SECTION 8. In administering and enforcing the provisions of this Act, the tax official shall have as additional power the powers and duties with respect to collection of taxes provided in Tennessee Code Annotated, Title 67, or otherwise provided by law.

Upon any claim of illegal assessment and collection, the taxpayer shall have the remedy provided in Tennessee Code Annotated, Section 67-2313, it being the intent of this Act that the provisions of law which apply to the recovery of taxes illegally assessed and collected shall apply to the tax collected under the authority of this Act; provided, the tax collection official shall possess those powers and duties as provided in Tennessee Code Annotated, Section 67- 2301, with respect to adjustment and settlement with taxpayers of all the errors of taxes collected by him under the authority of this Act and to direct the refunding of same. Notice of any tax paid under protest shall be given the tax collection official. Any suit for recovery shall be brought against such tax collection official.

SECTION 9. The county clerk shall faithfully account for, make proper reports of, and pay over to the trustee of the county at monthly intervals, all funds paid to and received by such clerk for the privilege tax.

SECTION 10. The proceeds of the tax imposed by this Act, when collected and paid to the county trustee,

shall become part of the county general fund and shall be subject to appropriation by the county legislative body for direct promotion of tourism, tourist related activities and other county purposes, and provided further, that upon resolution of the county legislative body such proceeds may become part of the debt service fund.

SECTION 11. The privilege tax levied by this Act shall be in addition to all other taxes levied or authorized to be levied whether in the form of excise, license, or privilege taxes, and shall be in addition to all other fees and taxes now levied or authorized to be levied.

SECTION 12. If any clause, sentence, paragraph, section or any part of this Act shall be held or declared to be unconstitutional, it shall not affect the remainder of this Act notwithstanding the part held to be invalid, if any, and to that end the provisions of this Act are declared severable.

SECTION 13. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the county legislative body of Rutherford County. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body and certified by him to the Secretary of State.

SECTION 14. For the purposes of approving this Act as provided in Section 13, it shall take effect on becoming a law, the public welfare requiring it. For all other purposes, it shall take effect on the first day of the second month following approval as provided in Section 13.

Passed: April 18, 1983.

Litigation Tax

Private Acts of 1979 Chapter 130

SECTION 1. For the purpose of retiring the 1978-79 bonded indebtedness of the Rutherford County Judicial Building, there is fixed upon each civil and criminal case filed in any circuit court, criminal court, chancery court and general sessions court of Rutherford County, a privilege tax of seven dollars and fifty cents (\$7.50). Such tax shall be collectible and payable in a civil suit under the same circumstances as other state and county taxes are now collected upon litigation, and in a criminal case from the defendant upon a finding of guilty, except that it shall be paid, secured or worked out in a criminal case. The funds provided by this tax shall be used only to retire the 1978-79 bonded indebtedness of the Rutherford County Judicial Building and when such indebtedness is retired, such tax shall terminate.

SECTION 2. This Act shall have no effect unless it is approved by; a two-thirds (2/3) vote of the county legislative body of Rutherford County. Its approval or nonapproval shall be proclaimed by the presiding officer of the county legislative body of Rutherford County and certified by him to the Secretary of State.

SECTION 3. 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 2.

Passed: May 7, 1979.

Mineral Severance Tax

Private Acts of 1983 Chapter 111

SECTION 1. A severance tax is hereby levied in Rutherford County on sand, gravel, limestone, phosphate rock, clay, and all other minerals that are severed from the earth for private commercial purposes. However, the tax shall not be levied on any mineral taxed under the provisions of Tennessee Code Annotated, Sections 67-5901 through 67-5905. The measure of the tax shall be set by resolution of the Rutherford County legislative body and shall not exceed twenty-five cents (25¢) per ton on all minerals severed from the ground in Rutherford County that are subject to the tax levied by this act. The owner shall become liable for payment of the severance tax at the time the mineral is severed from the earth and transported from the mine. The tax is levied upon the severance of the mineral regardless of the place of processing or sale of the mineral or the fact that delivery may be made outside the county. The tax shall accrue at the time the sand, gravel, limestone, phosphate rock, clay or other mineral is severed from the earth and in its natural or unprocessed state and transported from the mine. The tax levied shall be a lien upon all subject minerals severed in the county and any other property owned by the miner. Such lien shall be entitled to preference over all judgments, encumbrances or liens whatsoever created.

SECTION 2. Administration and collection of this tax shall be by the County Clerk of Rutherford County who shall have the power to promulgate all rules and regulations necessary and reasonable for the administration of the provisions of this act.

SECTION 3. The tax levied by this act shall be due and payable on the first day of the month succeeding the month in which the sand, gravel, limestone, phosphate rock, clay, or other mineral products are severed from the soil. For the purpose of ascertaining the amount of tax payable, it shall be the duty of all operators in Rutherford County to transmit to the county clerks on or before the fifteenth (15th) day of the month next succeeding the month in which the tax accrues a return upon forms provided by him. The return shall show the month or period covered, the total number of tons of each type of mineral, sand, gravel, limestone, phosphate rock, clay or other mineral product severed from each production unit operated, owned or controlled by the taxpayer during the period covered, the amount of the tax and such information as the county clerk may require. The return shall be accompanied by a remittance covering the amount of tax due as computed by the taxpayer.

SECTION 4. The tax levied by this act shall become delinquent on the sixteenth (16th) day of the month next succeeding the month in which such tax accrues. When any operator shall fail to make any return and pay the full amount of the tax levied on or before such date there shall be imposed, in addition to other penalties provided herein, a specific penalty in the amount of ten percent (10%) of the tax due. Whenever a penalty is imposed there shall also be added to the amount of tax and penalty due interest thereon at the rate of twelve percent (12%) per annum from the date due until paid. A further penalty of fifty percent (50%) of the amount due may be added if the nonpayment of the tax is due to an intent to evade payment. If the tax is delinquent for a period of sixty (60) days, or if the nonpayment of the tax is due to an intent to evade payment, the person liable for such payment may be restrained and enjoined from severing sand, gravel, limestone, phosphate rock, or other mineral products that have been severed and sold and upon which the tax is due. Restraint proceedings shall be instituted in the name of the county by the district attorney general for the county at the request of the Rutherford County Clerk. All such penalties and interest imposed by this act shall be payable to and collectible by the county clerk in the same manner as if they were a part of the tax imposed and shall be retained by the county clerk's office to help defray the expenses of administration and collection.

SECTION 5. When any person shall fail to file any form, statement, report or return required to be filed with the county clerk, after being given written notice of same, the county clerk is authorized to determine the tax liability of such person from whatever source of information may be available to him. An assessment made by the county clerk pursuant to this authority shall be binding as if made upon the sworn statement, report or return of the person liable for the payment of such tax; and any person against whom such an assessment is lawfully made shall thereafter be estopped to dispute the accuracy thereof except upon filing a true and accurate return together with such supporting evidence as the county clerk may require indicating precisely the amount of the alleged inaccuracy.

SECTION 6. All revenues collected from the severance of sand, gravel, limestone, phosphate rock, clay, or other mineral products in Rutherford County less an amount of five percent (5%) of the taxes collected and all of the penalties and interest collected, which shall be used to cover the expenses of administration and collection and which shall be retained by the office of the county clerk, shall be remitted monthly to the county trustee of Rutherford County, not later than the tenth (10th) day of the month following the end of the month. These revenues shall become a part of the general fund of Rutherford County, or such other funds as may be provided by resolution of the county legislative body of Rutherford County, and subject to appropriation by the county legislative body.

Any adjustment of taxes, penalties, or interest which is necessary to adjust any error in collection or disbursement may be made at the subsequent collection or disbursement.

SECTION 7. If any provision of this act or the application thereof to any person or circumstance 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. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the county legislative body of Rutherford County. Its approval or nonapproval shall be proclaimed by the presiding officer of the Rutherford 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: April 26, 1983.

Realty Transfer Tax

Private Acts of 1969 Chapter 172

SECTION 1. That there is hereby imposed in and for Rutherford County a special privilege tax upon all transfers of realty situated in Rutherford County in the amount of 3/10th of 1 percent of the consideration for said transfer in each and every case other than transfers to secure the payment of a debt or transfers to confirm a title already in the grantee. The incidence of this tax shall be upon the grantor only.

SECTION 2. That the tax hereby imposed shall be paid to and collected by the County Court Clerk who shall monthly remit the proceeds thereof to the County Trustee to become a part of the general school fund of said County.

SECTION 3. That the County Court Clerk shall certify upon the face of each instrument of conveyance the payment of said tax and that said instrument shall not be received by the Register of Deeds for recordation until said certification appears thereon.

SECTION 4. That for making the certification provided for in Section 3 hereof the County Court Clerk shall be entitled to demand and receive a fee of 75 cents from the grantor, which fee shall become a part of the fees of his office.

SECTION 5. That this Act shall be effective from and after its passage, the public welfare requiring it; provided, however, that it shall be of no effect unless and until it is approved by a two-thirds vote of the Quarterly County Court of Rutherford County. Its approval or nonapproval by said Quarterly County Court shall be certified immediately to the Secretary of State.

Passed: May 8, 1969.

COMPILER'S NOTE: This act was declared unconstitutional by the chancery court for Rutherford County, as discussed in Stroop v. Rutherford Co., 567 S.W.2d 753, 755 (Tenn. 1978).

Motor Vehicle Tax

Private Acts of 1970 Chapter 329

SECTION 1. That for the privilege of using the public roads and highways in Rutherford County, there is levied upon motor driven vehicles and upon the privilege of the operation thereof, except farm tractors, self-propelled farm machines not usually used for operation upon public highways or roads, antique automobiles, and except all motor driven vehicles owned by any governmental agency or governmental instrumentality, a special privilege tax for the benefit of the County, which tax shall be in addition to all other taxes, and shall be in the amount of Twenty-Five Dollars (\$25.00) for each such motor driven vehicle provided, however, that for the same privilege there is also levied a privilege tax for motorcycles, motor driven bicycles and scooters which tax shall be Five Dollars (\$5.00) for each such vehicle. The tax 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, Section 55-4-204 -- 55-4-206. Provided, however, that each such manufacturer or dealer shall pay the privilege tax of twenty-five dollars (\$25.00) for the first such special plate and a tax of fifteen dollars (\$15.00) for each subsequent such plate. Such persons shall not be required to display an emblem or decal on such vehicles.

This tax applies to, is a levy upon, and shall be paid on each motor driven vehicle, the owner of which lives within, or usually stays within, or operates such motor driven vehicle on, over or upon the streets, roads or highways in the county.

It shall be and is hereby declared a violation of this act, as amended, and punishable by civil penalty, in accordance with general law, for any owner of a vehicle to operate or allow to be operated any motor driven vehicle over the streets, roads, or highways in the county without the payment of the tax herein provided having been made as herein required, prior to such operation thereof. Provided further, that nothing in this Act shall be construed as permitting and authorizing the levy of and the collection of a tax against non-residents of the County to which this Act applies and to owners of such vehicles using the streets, roads, and highways of the County, who live or reside without the bounds of the County, but who do not come within the provisions of this Act, and within a reasonable construction of the provisions hereof.

Residence in the county shall constitute prima facie evidence of use by such resident of roads and highways of the county without regard to whether such resident resides within the boundaries of a municipal corporation within the county. Any person establishing a new residence within the county shall be allowed thirty (30) days thereafter within which to comply with the provisions of this act.

As amended by:

Private Acts of 1973, Chapter 3
Private Acts of 1980, Chapter 285
Private Acts of 1981, Chapter 147

Private Acts of 2009, Chapter 7

SECTION 2. That the tax herein levied shall be paid to and collected by the County Court Clerk of the County, who shall collect this tax at the same time he collects the State privilege tax levied upon the operation of a motor-driven vehicle over the public highways of this State. The Clerk shall not issue to a resident of the County, a State license for the operation of a motor-driven vehicle taxable hereunder, unless, at the same time, such owner shall purchase the license or pay the privilege tax levied hereunder, for the operation of each of his motordriven vehicles under the provisions of this Act.

Payment of the privilege tax imposed hereunder shall be evidenced by a receipt, issued in duplicate by the Clerk, the original of which shall be kept by the owner of the motor-driven vehicle, and by a decal or emblem, also issued by the Clerk, which decal or emblem shall be displayed by affixing the same on and to the lower right-hand side of the windshield of the motor-driven vehicle for which same was issued.

The design of the decal or emblem shall be determined by the Clerk and the expense incident to the purchase thereof, as well as the expense of obtaining proper receipts and other records necessary for the performance of the duties herein and hereby incumbent upon the Clerk shall be paid from the General Funds of the County.

The privilege tax or wheel tax herein and hereby levied, when paid together with full, complete, and explicit performance of and compliance with all provisions of this Act, by the owner, shall entitle the owner of the motor-driven vehicle for which said tax was paid, and on the windshield of which the decal or emblem has been affixed as herein provided, to operate this vehicle over the streets, roads, and highways of the County from April 1st of each year to the next succeeding March 31st. When a motor-driven vehicle becomes taxable under the terms and provisions of this Act, at a later date than April 1st, of each year, the same proportionate reduction shall be made as to the cost of the privilege tax or wheel tax, or the amount to be paid into the hands of the Clerk therefor, as is now made in the issuance of the privilege tax payable to the State of Tennessee and collected by the Clerk, under the provisions of the general laws of this State.

For his services in collecting the aforesaid tax, and in issuing the receipt therefor and delivering the decal or emblem to the owner, he shall be entitled to a fee of two dollars and fifty cents (\$2.50), and this fee shall be paid by and collected from the owner or person purchasing the privilege tax. The Clerk will faithfully account for, make proper reports of, and pay over to the Trustee of the County at monthly intervals, all funds paid to and received by him for the aforesaid privilege tax, or wheel tax. It shall be and is hereby declared a misdemeanor and punishable as such for any person to operate any motor-driven vehicle, taxable hereunder, over or upon the streets, roads, or highways of the County, or any municipality thereof, Statemaintained roads excluded, without payment of this privilege tax levied hereunder and without full and complete compliance with all provisions hereof.

In the event any motor-driven vehicle for which the privilege tax or wheel tax has 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 ceased to operate same on the public streets, roads, or highways of the County, or in the event the owner transfers the title to the 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 a duplicate decal or emblem, and the owner pays into the hands of the Clerk the sum of 50 cents and a 75 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, which shall be affixed to the windshield of the motor-driven vehicle for which it is issued, as hereinabove provided, and this shall entitle the owner to drive the vehicle on the streets, roads, and highways of the 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 therefor 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 and a 75 cent Clerk's fee, may issue and deliver to the owner, a duplicate decal or emblem.

As amended by:

Private Acts of 1973, Chapter 3

Private Acts of 1999, Chapter 40

SECTION 3. That the tax herein and hereby imposed, when collected by the Clerk shall be paid into the hands of the Trustee of the county and shall be deposited by said trustee in the following manner:

- A. Two-fifths (2/5) of the twenty-five dollars (\$25.00) motor vehicle tax shall be deposited in the cost debt service account to be used for the purpose of retiring principal and interest on those high

school bonds authorized during calendar year 1970 and upon the repayment of such school bond issue, such portion of this tax shall be deposited into the county debt service account for the payment of any county bonds which have been issued or may hereafter be issued. Provided, however, the provisions of the first sentence of this subsection shall terminate at the end of the month in which the Budget Director certifies to the County Clerk and the County Executive that the repayment of the 1970 High School Bond Issue has been fully funded, at which time the following sentence shall be applicable. Two-fifths (2/5) of the twenty-five dollars (\$25.00) motor vehicle tax collected prior to the end of the month in which the Budget Director certifies to the County Clerk and the County Executive that the 1970 High School Bond Issue has been fully funded, shall be deposited to and become general debt service funds to be utilized to repay any debt service obligation.

B. One-fifth (1/5) of the twenty-five dollars (\$25.00) motor vehicle tax shall be deposited in the cost debt service account to be used for the purpose of retiring principal and interest on those bonds authorized in 1975.

C. Two-fifths (2/5) of the twenty-five dollars (\$25.00) motor vehicle tax shall be deposited in the highway department account to be used for the purpose of paving and resurfacing of roads and construction of bridges.

D. All of the five dollar (\$5.00) tax on motorcycles, motor-driven bicycles and scooters shall be deposited in the cost debt service account to be used for the purpose of retiring principal and interest on those bonds authorized in 1975. That portion of the motor vehicle tax in the amount of ten dollars (\$10.00) allocated by item A of Section 3 of this Act for the retirement of the 1970 high school bonds issue shall terminate and cease to be effective on June 30, 1982 and the amount of tax levied by this Act shall be reduced accordingly unless in an election on the question of whether or not that portion of the motor vehicle tax shall continue to be levied, a majority of the number of qualified voters of the county voting on the question approve such tax. The county election commission of Rutherford County shall call an election for Rutherford County to be held on the same date as the primary election for county offices in May 1982, for the purpose of approving or rejecting such tax.

The ballots used in the election shall have printed on them the substance of this section and voters shall vote for or against its approval. The votes cast on the question shall be canvassed and the results proclaimed by the county election commissioners and certified by them to the Secretary of State as provided by law in the case of general elections. The qualifications of voters voting on the question shall be the same as those required for participation in general elections. All laws applicable to general elections shall apply to the determination of the approval or rejection of this Act. The cost of the election shall be paid by Rutherford County.

As amended by: Private Acts of 1980, Chapter 285
Private Acts of 1981, Chapter 154

SECTION 4. That it is the intent of the General Assembly of the State of Tennessee, that this Act be construed as a measure providing for additional revenue for Rutherford County.

SECTION 5. That any person violating the provisions of this Act, or of any part thereof, shall upon conviction, be fined no less than Twenty Dollars (\$20.00) nor more than Fifty Dollars (\$50.00).

SECTION 6. That this Act shall have no effect unless the same shall have been approved by a two-thirds vote of the magistrates present and constituting a quorum of the Quarterly County Court of Rutherford County. Its approval or non-approval shall be proclaimed by the presiding officer of the Quarterly County Court, and the action of the Court shall be certified by him to the Secretary of State.

SECTION 7. That the tax levied under this Chapter shall be collected for the tax year beginning April 1st, 1971, and for every year thereafter. This Act shall take effect from and after its passage, the public welfare requiring it.

Passed: February 18, 1970.

Taxation - Historical Notes

Assessor of Property

The following acts were superseded, repealed or failed to win local ratification, but they are listed here as a reference to laws which once affected the Rutherford County Assessor. Also referenced below are acts which repeal prior law without providing new substantive provisions.

1. Acts of 1859-60, Chapter 84, directed the Comptroller of the Treasury to issue a warrant to

Joseph R. Thompson, the late tax collector of Rutherford County, in the amount of \$52.22 which was the sum twice paid by him into the Treasury, if it appeared on the certificate of the County Court Clerk that Thompson was improperly charged with this amount.

2. Private Acts of 1937, Chapter 134, was the authority for the Quarterly Court of Rutherford County to fix the compensation of the County Tax Assessor at the January, or April, term before the election of the Assessor and the amount so fixed shall not be changed during the term. In the absence of other determinations, the salary of the Tax Assessor would be five cents for each assessment of privilege taxes made. This Act was repealed by Private Acts of 1979, Chapter 138.
3. Private Acts of 1937, Chapter 841, amended Private Acts of 1937, Chapter 134, Section 3, to make the compensation of the Tax Assessor five cents for each privilege assessed against every person, firm, or corporation. This Act was repealed by Private Acts of 1979, Chapter 138.
4. Private Acts of 1939, Chapter 494, set the compensation of the Tax Assessor of Rutherford County at \$3,000 per year, payable monthly out of the county treasury on the warrant of the County Judge, or Chairman. This Act was repealed by Private Acts of 1979, Chapter 138.
5. Private Acts of 1949, Chapter 615, amended Private Acts of 1939, Chapter 494, so that an additional \$1,800 per year could be paid to the Tax Assessor above the \$3,000 specified in that Act for the Assessor to employ an assistant, which amount would be paid only in odd years, but in equal monthly payments during those years. This Act was repealed by Private Acts of 1979, Chapter 138.
6. Private Acts of 1957, Chapter 69, amended Private Acts of 1949, Chapter 615, by stating that in addition to the foregoing amount of \$3,000 there might be paid to the Tax Assessor of Rutherford County each year, in the discretion of the Quarterly Court, an amount not to exceed \$1,800 for the purpose of employing one, or more, assistants, or deputies, in the Tax Assessor's office. The added money was required to be appropriated each year. This Act was rejected by the Quarterly County Court and never became effective under the conditions of the Home Rule Amendment to the State Constitution. This Act was repealed by Private Acts of 1979, Chapter 138.
7. Private Acts of 1957, Chapter 70, fixed the annual salary of the Rutherford County Tax Assessor at \$4,800, payable in equal monthly installments on a warrant of the County Judge drawn on regular funds. The Tax Assessor may employ an assistant, or assistants, as may be necessary and the sum of \$1,800 a year is hereby fixed as the compensation to be paid the said assistant. This Act was rejected by the Quarterly Court and never became an effective law under the Home Rule Provisions of the State Constitution.
8. Private Acts of 1959, Chapter 43, provided that the compensation of the Tax Assessor would be fixed by the Quarterly Court and would be paid in equal monthly installments out of the regular County funds. Section 2 permitted the Tax Assessor to employ an Assistant, or other clerical help, to be paid such compensation each month as might be determined by the Quarterly Court. This Act was properly ratified by the Rutherford County Quarterly Court.

Motor Vehicle Tax

The private acts listed below are related to the Rutherford County Motor Vehicle Tax but have no current effect.

1. Private Acts of 1969, Chapter 173, levied a motor vehicle privilege tax of \$10 for using the public roads in Rutherford County, excepting farm tractors and self-propelled farm machines not usually operated on public highways, motorcycles, motor-driven bicycles, and scooters. Failure to purchase the said license was a misdemeanor for which penalties could be assessed. The licenses would be sold at the same time the State licenses were on sale. The County Court Clerk would issue the purchaser a decal who must display it on the vehicle all to conform to the regulations expressed in the Act. This Act was rejected by the Quarterly Court and never took effect.
2. Private Acts of 1975, Chapter 168, amended Private Acts of 1970, Chapter 329, by inserting a provision fixing the motor vehicle tax at \$15 and at \$5 for motorcycles, motor-driven bicycles, and scooters; by providing for a differently designed and colored decal for the latter varieties of vehicles and requiring the decals to be placed on top of the gas tank, and by regulating the expenditure of funds generated thereby. This Act was rejected by the Quarterly Court of Rutherford County and failed to become an effective law.

Trailers

The private act appearing below is no longer operative law.

1. Private Acts of 1959, Chapter 102, levied an annual privilege tax of \$25 on each trailer being used

or occupied in Rutherford County. Every trailer, as defined by the Act, must be registered with the Tax Assessor for which the Assessor could charge \$1, before the privilege license could be obtained. The privilege license would be obtained from the County Trustee. The decal issued at payment must be prominently displayed on the trailer which must also be open for inspection during reasonable hours. The certificates were not transferable and the Act would not apply to those staying ten days, or less, in the county. The County Health Department was charged with enforcing all health regulations concerning trailers and penalties were provided for those who violated the terms of this law. This Act was repealed by Private Acts of 1963, Chapter 195.

Taxation

The following is a listing of acts pertaining to taxation in Rutherford County which are no longer effective. Also referenced below are acts which repeal prior law without providing new substantive provisions.

1. Acts of 1804 (Ex. Sess.), Chapter 23, authorized the Court of Rutherford to lay a tax. The tax could not exceed 12½ cents on each 100 acres of land, 25 cents on each slave between the ages of twelve and fifty years, 12½ cents on each white poll between the ages of twenty-one and fifty years, one dollar on each stud horse, and on each town lot not exceeding 25 cents. The tax would be used to purchase and complete a courthouse, prison and stocks.
2. Acts of 1817, Chapter 96, was the enabling legislation for the Court of Pleas and Quarter Session of Rutherford County to levy a tax, not to exceed the amount of the State tax for 1818, for the next two years, to raise funds to secure a site and to erect thereon a suitable house for the poor of the County. The Court could appoint three commissioners, if it desired, to secure the site and supervise the construction of the building. The site area was limited to 100 acres. After the building was completed the Court could appoint a Superintendent to care for and manage the facility, or could contract the care and management out to the lowest bidder. The Court was further allowed to appropriate to this project any other general county funds which were not otherwise appropriated or encumbered.
3. Acts of 1822 (Ex. Sess.), Chapter 95, permitted the Rutherford County Court of Pleas and Quarter Sessions, twelve or more of the Justices being present, to levy a tax for the next three years to raise up to \$6,000 at the rate of \$2,000 a year, to build a Courthouse for the county in Murfreesboro. This tax would be levied and collected as any other tax would be. The Act named David Wendel, John S. Jetton, Samuel P. Black, Benjamin McCulloch, and John Hoover, as Commissioners to receive the tax money and to supervise the building of the Courthouse. The Court was also authorized to borrow up to \$6,000 for which the Court could levy a tax to pay the interest on said loan.
4. Acts of 1833, Chapter 244, made it the duty of the County Court to annually levy a tax sufficient to pay jurors.
5. Acts of 1870-71, Chapter 50, permitted the counties and cities of the State to levy and impose the taxes for county and municipal purposes in the following manner and upon these conditions (1) that all taxable property be taxed according to its value upon the principles established for State taxation, and (2) that the credit of no County, or city, could be given, or loaned, to any person, firm, or corporation unless a majority of the Justices, or councilmen, first agree, and then upon an election wherein three-fourths of the voters approve the proposition. Several counties, not including Rutherford County, exempted themselves from the three-fourths approval requirement for the next ten years, substituting a simple majority approval in its place.
6. Private Acts of 1931, Chapter 287, authorized the Quarterly County Court to levy a tax on the taxable property of the County not exceeding five cents on each one hundred dollars for the purpose of aiding, maintaining and paying any indebtedness or deficit of County Fairs. This Act was repealed by Private Acts of 1979, Chapter 138.
7. Private Acts of 1981, Chapter 155, authorized the Trustee of Rutherford County to commence proceedings in General Sessions Court to collect delinquent property taxes. This procedure would be in addition to other procedures established by general law. This Act was not approved by local authorities and never became operative law.

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