



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

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Chapter XII - Taxation

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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Chapter XII - Taxation

Assessor of Property

Private Acts of 1937 Chapter 854

SECTION 1. That in counties having the population set forth in the caption of this Act it shall be the duty of the County Tax Assessor to keep his office open during regular business hours upon all lawful business days which are not legal holidays, for the purpose of attending to the business of his office.

SECTION 2. That in counties affected by this Act, the Quarterly County Court is hereby authorized to supplement the compensation of the County Tax Assessor by an appropriation out of the general revenues of the county, provided, that such supplement shall in no event exceed the sum of \$1250.00 Dollars per annum.

As amended by: Private Acts of 1945, Chapter 316

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

Passed: May 19, 1937.

Private Acts of 1963 Chapter 108

SECTION 1. That in counties having a population not less than 25,000 nor more than 25,550 according to the Federal Census of 1960 or any subsequent Federal Census, there is hereby devised a more efficient method of assessing the taxable property in such counties for State and County purposes.

SECTION 2. That every conveyance in writing of real property, located within the county, excepting mortgages and deeds of trust, shall be presented to the Tax Assessor or the duly authorized deputy Tax Assessor of such counties wherein said property is located, for notation of the change or changes in ownership occasioned by said conveyance. Upon presentment, it shall be the duty of the Tax Assessor or Deputy Tax Assessor to note the information, as outlined herein, in a well bound book to be furnished by said counties. Said book shall show the names of the grantors or lessors; the names of the grantee or lessees; the number of acres or town lots conveyed; the civil district in which such property is located; the consideration paid; whether there are buildings, dwellings or other improvements on said property; whether the number of acres or lots conveyed be all or a portion of the property previously assessed in the name of the grantors or lessors thereof; the general boundaries of said property as fixed by the designation of adjacent owners of said property; and under the title, "Remarks," show such other information as will enable the County Tax Assessor or Deputy Tax Assessor to keep current records of his office to the end that all real estate shall be assessed for taxation in the name of the true owner or in the name of the person or persons responsible for the payments of the taxes.

SECTION 3. That no conveyance in writing of real property except mortgages and deeds of trust, shall be recorded by the Register of any County under this Act for registration unless it bears a stamp or notation evidencing that such conveyance has been presented to the Tax Assessor or Deputy Tax Assessor, noted thereon.

SECTION 4. That mortgages, deeds of trust, or other like instruments are specifically exempt from the provisions of this Act.

SECTION 5. That if at any time the Tax Assessor or his Deputy should not be available, in that event, the Register may receive and note such instruments but the same shall not be recorded and released from Registry until the provisions of this Act shall have been complied with.

SECTION 6. That the failure of any Tax Assessor, Deputy Tax Assessor or Register to comply with the provisions of this Act shall constitute a misdemeanor in office and subject them to a fine of not less than \$25.00 nor more than \$50.00 for each offense.

SECTION 7. That in the event any section or part of any section of this Act shall be held invalid the remainder of the Act shall not be invalidated but shall remain in full force and effect.

SECTION 8. That all laws or parts of laws in conflict with this Act be and the same are hereby repealed.

SECTION 9. That this Act shall become effective when the same shall have been approved by the Quarterly County Court of any county to which it may apply by a vote of not less than two-thirds (2/3) of the members of said Court, such approval to be made within six (6) months after the sine die adjournment of the General Assembly of the State of Tennessee for the year 1963, the public welfare requiring its becoming effective at the time, and not before such approval. The approval or non-approval of this Act by

said Quarterly County Court shall be certified by the presiding officer of the Franklin County Quarterly Court to the Secretary of State.

Passed: March 11, 1963.

Clerks

Private Acts of 1980 Chapter 272

SECTION 1. The Assessor of Property in Franklin County is hereby authorized to appoint two (2) full time clerks, designated as the First Clerk and Second Clerk, to serve at the pleasure of such assessor and to work under his direction. The salaries of such clerks shall be set in such a manner and at such a rate as prescribed from time to time by the Franklin County Board of Commissioners, or as otherwise prescribed by law. In no case shall the amount of compensation paid to each such clerk be less than that being paid to the full time clerk as of March 3, 1980.

SECTION 2. Chapter 8 of the Private Acts of 1967, is hereby repealed in its entirety.

SECTION 3. Chapter 284 of the Private Acts of 1970, is hereby repealed in its entirety.

SECTION 4. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the county legislative body of Franklin County before September 6, 1980.

Its approval or nonapproval shall be proclaimed by the presiding officer of the county legislative body of Franklin County and certified by him to the Secretary of State.

SECTION 5. 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 4.

Passed: March 26, 1980.

Books

Private Acts of 1933 Chapter 139

SECTION 1. That in all Counties in the State of Tennessee having a population of not less than 21,795 and not more than 21,800 by the Federal Census of 1930 or any subsequent Census, the tax book or books in said Counties be made and prepared in all respects as the law now provides except that this work will be done under contract based upon the lowest responsible and reliable bid.

SECTION 2. That within ten days after the Equalization Board of said Counties certify the completion of their work for a given year, the Financial Agent or County Judge of said counties will advertise for bids on said tax books, said advertisement to be made in such manner as to the County Judge appears best. Written bids will be received and will be opened by the County Judge in his office on the date specified in his advertisement and the contract will be awarded to the lowest responsible bidder; provided however, that any and all bids may be rejected by said County Judge for reasons satisfactory to him. If in the judgment of the County Judge it would be to the advantage of the County he may readvertise for ten days, or, in event all bids are rejected at any particular opening, he may then and there receive new bids from any any (sic) all parties desiring to submit new bids.

SECTION 3. That when a satisfactory bid shall have been received by the County Judge he will award the contract to the successful bidder, said contract to be in writing and providing for the faithful preparation of said tax books as the law now provides; and before entering upon his contract the successful party will enter into a good and solvent bond of \$1,000.00 for the faithful performance of his duties in the execution of his work.

SECTION 4. That the party to whom the contract is awarded as above provided shall have the power, and it shall be his duty, to call to his assistance at any time the Tax Assessor, the County Trustee, or any other County official whose duty it shall be to render assistance to the party receiving the contract in the details of making up the tax book involving double assessments, erroneous assessments, etc.; and it shall further be his duty to pick up such property as may come to his attention and add same to the Tax Book, and assessments of same to be fixed by the Tax Assessor; provided however, that the party or parties so picked up shall have notice of at least five days to appear before the Tax Assessor and the maker of the tax book and show cause why his property should not be assessed at the price indicated by the maker of the tax book and the Assessor.

SECTION 5. That the party or parties making the tax book shall have it completed and in the hands of the

Trustee on or before the first Monday in October of each year, and his failure in this respect will forfeit the contract price for his work on said tax book.

SECTION 6. That when said book shall have been completed and written certification to the fact made to the County Judge and the book received and accepted by the County Trustee that within ten days thereafter the County Judge shall issue a warrant on the Trustee to the contractor for his labors under the provisions of this Act; provided however, that said book shall be neat, legible and accurate, and made up in all respects as the law now provides.

SECTION 7. That all laws and parts of laws in conflict with this Act be and the same are hereby repealed, and especially the provision of the Code that now makes it the duty of the County Court Clerk to make up the tax books.

SECTION 8. That this Act take effect from and after its passage, the public welfare requiring it.

Passed: March 20, 1933.

Hotel/Motel Tax

Private Acts of 1988 Chapter 219

SECTION 1. As used in this act unless the context otherwise requires:

(1) "Consideration" means the consideration charged, whether or not received, for the occupancy in a hotel valued in money whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits, property and services of any kind or nature without any deduction therefrom 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 to or received from any person.

(2) "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 camp, tourist court, tourist cabin, motel or any place in which rooms, lodgings or accommodations are furnished to transients for a consideration.

(3) "Occupancy" means the use or possession, or the right to the use or possession, of any room, lodgings or accommodations in any hotel.

(4) "Operator" means the person operating the hotel whether as owner, lessee or otherwise.

(5) "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, receiver, trustee, syndicate, governmental entity, or any other group or combination acting as a unit.

(6) "Transient" means any person who exercises occupancy or is entitled to occupancy for any rooms, lodgings or accommodations in a hotel for a period of less than ninety (90) continuous days.

As amended by: Private Acts of 1989, Chapter 32

SECTION 2. The legislative body of Franklin County (hereinafter "legislative body") is authorized to levy a privilege tax upon the privilege of occupancy in any hotel or each transient in an amount not to exceed seven percent (7%) of the consideration charged by the operator. Such tax is a privilege tax upon the transient occupying such room and is to be collected as provided by this act.

As amended by: Private Acts of 2011, Chapter 25.

SECTION 3. Such tax shall be added by each and every operator to each invoice prepared by the operator for the occupancy of this hotel and to be given directly or transmitted to the transient and shall be collected by such operator from the transient and remitted to the county.

When a person has maintained occupancy for ninety (90) continuous days, he shall receive from the operator a refund or credit for the tax previously collected from or charged to him, and the operator shall receive credit for the amount of such tax if previously paid or reported to the county.

SECTION 4. The tax hereby levied shall be remitted by all operators who lease, rent or charge for any rooms within the county to the trustee or such other officer as may by resolution of the legislative body be charged with the duty or collection thereof; such tax shall be remitted to such officer not later than the twentieth (20th) day of each month for the preceding month. The operator is hereby required to collect the tax from the transient at the time of the presentation of the invoice for such occupancy whether prior to occupancy or after occupancy as may be the custom of the operator, and if credit is granted by the operator to the transient, then the obligation to the county entitled to such tax shall be that of the operator.

SECTION 5. The trustee or other authorized collector of the tax authorized by this act shall be responsible

for the collection of such tax. A monthly tax return under oath shall be filed with the trustee by the operator with such number of copies thereof as the trustee may reasonably require for the collection of such tax. The report of the operator shall include such facts and information as may be deemed reasonable for the verification of the tax due. The form of such report shall be developed by the trustee and approved by the legislative body prior to use. The trustee shall audit each operator in the county at least once per year and shall report on the audits made on a quarterly basis to the legislative body. The legislative body is hereby authorized to adopt resolutions to provide reasonable rules and regulations for the implementation of the provisions of this act.

SECTION 6. No operator of a hotel 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 not be added to the rent, or that if added, any part will be refunded.

SECTION 7. Taxes collected by an operator which are not remitted to the trustee on or before the due dates are delinquent. An operator shall be liable for interest on such delinquent taxes from the due date at the rate of twelve percent (12%) per annum, and in addition for penalty of one percent (1%) for each month or fraction thereof such taxes are delinquent. Such interest and penalty shall become a part of the tax herein required to be remitted. Each occurrence of willful refusal of an operator to collect or remit the tax or willful refusal of a transient to pay the tax imposed is hereby declared to be unlawful and shall be punishable by a civil penalty not in excess of fifty dollars (\$50.00).

SECTION 8. It shall be the duty of every operator liable for the collection and payment to the county of any tax imposed by this act to keep and preserve for a period of three (3) years all records as may be necessary to determine the amount of such tax as he may have been liable for the collection of and payment to the county, which records the trustee shall have the right to inspect at all reasonable times.

SECTION 9. The trustee in administering and enforcing the provisions of this act shall have as additional powers, those powers and duties with respect to collecting taxes as provided by law for the county clerks.

For his services in administering and enforcing the provisions of this act, the trustee shall be entitled to retain as a commission one percent (1%) of the taxes collected.

Upon any claim of illegal assessment and collection, the taxpayer shall have the remedy provided in Tennessee Code Annotated, Title 67, it being the intent of this act that the provisions of law which apply to the recovery of state taxes illegally assessed and collected also shall apply to the tax levied under the authority of this act. The trustee shall also possess those powers and duties as provided in Tennessee Code Annotated, Section 67-1-707(b), for the county clerks with respect to the adjustment and settlement with taxpayers all errors of taxes collected by him under authority of this act and to direct the refunding of same. Notice of any tax paid under protest shall be given to the trustee, and the resolution authorizing levy of the tax shall designate an officer against whom suit may be brought for recovery

SECTION 10. The trustee is hereby charged with the duty of collection of the tax herein authorized and shall place the proceeds of such tax in the general fund or such other fund as the legislative body may specify by resolution.

SECTION 11. The provisions of this act are hereby declared to be severable. If any of its sections, provisions, exceptions, or parts be held unconstitutional or void, the remainder of this act shall continue to be in full force and effect; it is the legislative intent now hereby declared, that this act would have been adopted even if such unconstitutional or void matter had not been included herein.

SECTION 12. This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of Franklin County, not more than ninety (90) days subsequent to its approval by the Governor. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body and shall be certified by him to the Secretary of State.

SECTION 13. 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, this act shall take effect upon being approved as provided in Section 12.

Passed: April 29, 1988.

Litigation Tax

Private Acts of 1983 Chapter 28

SECTION 1. A litigation tax of five dollars and twenty-five cents (\$5.25) shall be assessed and taxed as part of the costs in all civil suits instituted in the courts of Franklin County, Tennessee, be the same General Sessions, Circuit or Chancery, and a litigation tax of fifteen dollars (\$15.00) shall be assessed and taxed as

part of the costs in all criminal actions originating in the courts of Franklin County, Tennessee, be the same General Sessions or Circuit.

SECTION 2. The clerks of said courts shall collect the said litigation taxes imposed in Section 1 of this act and pay the same into the "Franklin County Jail Capital Projects Fund" to be used for repair, reconstruction, maintenance and improvement of the Franklin County Jail.

As amended by: Private Acts of 1992, Chapter 233

SECTION 3. All expenditures made from the said fund herein provided for shall be made by the County Executive upon the approval of the County Commission for the purposes herein specified.

SECTION 4. The County Commission is authorized to issue notes and bonds for the advanced purposes herein specified and to pledge the income to accrue from the tax herein levied toward the payment of the bonds or notes.

SECTION 5. Chapter 14 of the Private Acts of 1967 is amended by deleting Sections 1 through 4 in their entireties.

SECTION 6. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the County Commission of Franklin County at or before the next regular meeting of such commission occurring more than thirty (30) days following the date upon which it is approved by the Governor or otherwise takes effect without his signature. Its approval or nonapproval shall be proclaimed by the presiding officer of such commission and certified by him to the Secretary State.

SECTION 7. 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 6 of this Act.

Passed: March 3, 1983.

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 Franklin County Assessor. Also referenced below are acts which repeal prior law without providing new substantive provisions.

1. Acts of 1907, Chapter 602, contained a schedule of salaries for tax assessors in the state and was enacted to more equitably assess property and collect taxes for the state, counties, and cities. All counties under 60,000 population would pay the Tax Assessor only if the official dutifully complied with the act.
2. Private Acts of 1911, Chapter 411, amended Acts of 1907, Chapter 602, above, by setting the salary of the Tax Assessor of Franklin County at \$1,000 annually.
3. Private Acts of 1913, Chapter 279, provided that the Tax Assessor of Franklin County would receive a salary of \$1,000 per annum paid by warrant of the County.
4. Private Acts of 1913, Chapter 313, was identical to Private Acts of 1913, Chapter 279, above. Chapter 313 was House Bill No. 646. Chapter 279 was House Bill No. 658.
5. Private Acts of 1921, Chapter 936, fixed the salary of the Tax Assessor at \$1,250 annually provided he had completed his work for the year. He was not to be paid until the work was complete.
6. Private Acts of 1933, Chapter 752, authorized the County Judge to make advancements of salary to the Tax Assessor in monthly payments not to exceed \$25 per month. The amount of the advancement was to be deducted from his salary at the time of final settlement and payment.
7. Private Acts of 1953, Chapter 228, fixed the salary of the Tax Assessor in Franklin County at \$2,400 annually.
8. Private Acts of 1957, Chapter 295, would have set the salary of the Tax Assessor at \$2,800 annually but it failed to receive local approval and did not become law.
9. Private Acts of 1959, Chapter 303, amended Private Acts of 1957, Chapter 295, above, and would have set the salary of the Tax Assessor at \$3,600 and allowed an expense reimbursement. This act was approved locally, but the act it amended had not been approved, therefore it was invalid.
10. Private Acts of 1963, Chapter 207, would have set the Franklin County Tax Assessor's salary at \$6,000 annually, plus reimbursement of travel expenses up to \$75 a month, provided he submit a sworn, itemized account. The act was rejected by the Quarterly County Court and did not become law.

11. Private Acts of 1965, Chapter 146, required any person desiring to erect, construct, or reconstruct any building in Franklin County, if the value of such structure or alteration exceeded the sum of \$1,000, to apply for and receive a permit from the Tax Assessor.
12. Private Acts of 1967-68, Chapter 338, stated that no power system or power cooperative supplying electrical power in Franklin County could lawfully supply power to persons residing in Franklin County unless such persons produced a proper building permit issued by the Tax Assessor.
13. Private Acts of 1970, Chapter 282, authorized the Assessor of Property of Franklin County to appoint an additional full time deputy to serve at the pleasure of the Assessor and be paid a salary equal to that paid the deputy to the County Court Clerk.
14. Private Acts of 1975, Chapter 21, repealed Private Acts of 1965, Chapter 146, above, and Private Acts of 1967-68, Chapter 338, above.
15. Private Acts of 1980, Chapter 265, repealed Private Acts of 1970, Chapter 282, above.

Assessor of Property - Clerks

The following acts have been superseded, repealed, or failed to win local ratification, but they are listed here as a reference to laws which once affected Franklin County.

1. Private Acts of 1963, Chapter 222, authorized the Tax Assessor to appoint a clerk at a \$3,000 annual salary to be paid in equal monthly installments but this act was rejected by local authorities and did not become effective.
2. Private Acts of 1967-68, Chapter 8, authorized the Tax Assessor to appoint a Clerk at a \$3,600 annual salary.
3. Private Acts of 1970, Chapter 284, amended Private Acts of 1967-68, Chapter 8, above, by setting the annual salary of the clerk authorized by the act at a sum equal to the clerk or chief deputy of the tax assessor but not less than \$3,600. This act was repealed and replaced by Private Acts of 1980, Chapter 272, reprinted hereinabove.

Taxation

The following is a listing of acts pertaining to taxation in Franklin County which are no longer effective.

1. Acts of 1815, Chapter 126, provided relief to those citizens who had been annexed to Warren County from Franklin County. The boundary line had not been run at that point by the surveyor and the residents of the area had been compelled to pay taxes to both Counties. The act allowed Franklin County to reimburse their taxes upon proof of payment after the County line had been run and the determination made that they were in fact in Warren County.
2. Acts of 1907, Chapter 602, was a general law, applicable to Franklin County, which in several lengthy sections stated the type of property to be taxed and the procedures for taxing it, provided for and defined the office of Assessor, and described the procedures for tax collection by the Assessor.
3. Private Acts of 1911, Chapter 411, amended Private Acts of 1907, Chapter 602, above, by setting the salary of the Franklin County Tax Assessor at \$1,000 annually to be paid out of the county treasury.
4. Public Acts of 1927, Chapter 15, amended Acts of 1907, Chapter 602, above, and changed the word "March" to the word "May" wherever it appeared in the original act. Franklin County was listed along with several other counties that were not included in this amendment.
5. Private Acts of 1927, Chapter 227, amended the general revenue law, Acts of 1907, Chapter 602, above, by exempting Franklin County and twelve other counties from its provisions.
6. Private Acts of 1941, Chapter 328, authorized the County Court of Franklin County to levy and collect a tax of one cent on each \$100 of property with the revenues designated as the Public Library Fund.
7. Private Acts of 1967-68, Chapter 14, assessed a litigation tax on all criminal and civil cases filed in the Courts of Franklin County. The proceeds were to be used to fund the construction of a new jail. The assessments were \$1.50 for cases in General Sessions Court and \$3 for cases in Criminal Court.