



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

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Chapter XI - 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 XI - Taxation

Assessor of Property

Private Acts of 1961 Chapter 165

SECTION 1. That in counties of this State with a population of not less than 29,200 nor more than 29,250, by the Federal Census of 1960, or any subsequent Federal Census, the Quarterly County Court shall appropriate to the County Tax Assessor a sum not in excess of \$1800 in any calendar year for the purpose of providing him clerical and stenographic assistance and to be expended for his expenses in the discharge of his official duty, provided, however, that no more than \$150 per month shall be expended by him in any calendar month.

Such sums as he may expend for the above mentioned purposes shall be paid to him upon his sworn statement that he had expended the sums set out, which sworn statement shall be filed in the office of the County Court Clerk in counties to which this Act applies, shall be a public record and open for inspection by any taxpayer.

SECTION 2. That this Act shall be void and of no effect unless within 6 months form the date of final legislative action thereon the same shall be approved and ratified by two-thirds majority of the Quarterly County Court.

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

Passed: March 1, 1961.

Private Acts of 1980 Chapter 239

SECTION 1. Any conveyance of property vesting or divesting title or interest in or to any real property located in Putnam County, shall be noted in the office of the county tax assessor before any such instrument may be registered and stamped in the office of the county register of deeds. The county tax assessor shall:

(I) receive such instruments for notation;

(II) make a permanent record of the instrument for his office, which shall show (1) the date of the instrument, (2) the consideration for the transfer, (3) the name and address of the grantor and grantee or trustee, (4) the location of the property, and (5) a sufficient description of the property; and

(III) stamp on such instruments a notation of his endorsement signifying compliance with the requirements of this section.

SECTION 2. Any such instrument specified in Section 1 of this Act shall bear the name and the address, as of the date of the notation of the grantor, and grantee or trustee, before such instrument shall be received for registration by the county register of deeds.

SECTION 3. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the Board of County Commissioners of Putnam County. Its approval or non-approval shall be proclaimed by the presiding office of the court and certified by him to the Secretary of State.

SECTION 4. For the purpose of approving this Act as provided in Section 3, it shall take effect on becoming a law, the public welfare requiring it, but for all other purposes, it shall take effect on the first day of the month following the month in which this Act received approval as provided in Section 3.

Passed: March 17, 1980.

Hotel/Motel Tax

Private Acts of 1979 Chapter 118

SECTION 1. Definitions. For the purposes of this Act:

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

(b) Hotel. "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.

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

(d) Transient. "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.

(e) Consideration. "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.

(f) County. "County" means any county within this state having a population of not less than 35,480 nor more than 35,500 according to the Federal Census of 1970, or any subsequent Federal Census.

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

SECTION 2. Authority to Levy Tax. The county is authorized to levy a privilege tax upon the privilege of occupancy in any hotel of each transient, in an amount not exceeding seven percent (7%) to the rate charged by the operator. The county commission may modify the amount of tax by resolution remaining subject to the seven percent (7%) limitation, and such tax is to be collected as hereinafter provided.

Private Acts of 2003, Chapter 3

As amended by:

Private Acts of 2016, Chapter 47

SECTION 3. Tax added to Room Invoice. Said tax shall be added by each and every operator to each invoice prepared by the operator for the occupancy of his 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 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. Remittance to Trustee. The tax hereby levied shall be remitted by all operators who lease, rent or charge for any rooms within the County which has adopted the provisions of this Act to the County Trustee or such other officer as may by Resolution be charged with the duty of collection thereof, said tax to be remitted to such officer not later than the 20th day of each month for the preceding month. The operator is hereby required to collect the said tax from the transient at the time of the presentation of the invoice for said 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. Rules and Regulations. The Trustee or other authorized collector of the tax authorized by this Act shall be responsible for the collection of said 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 said 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 Board of County Commissioners 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 Board of County Commissioners. The Board of County Commissioners is hereby authorized to adopt resolutions to provide reasonable rules and regulations for the implementation of the provisions of this Act.

SECTION 6. Offer to Absorb Tax Prohibited. No operator of a hotel should 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. Penalties and Interest for Delinquency. Taxes collected by an operator which are not remitted to the County 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 fine not in excess of fifty dollars (\$50.00).

SECTION 8. Records. 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 County Trustee shall have the right to inspect at all reasonable time.

SECTION 9. Administration. The County 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 in Title 67 of Tennessee Code Annotated or otherwise provided by law for the County Clerks.

For his services in administering and enforcing the provisions of this Act, the County Trustee shall be entitled to retain as a commission one percent (1%) of the taxes so collected. Upon any claim of illegal assessment and collection, the taxpayer shall have the remedy provided in T.C.A. Section 67-3033, it being the intent of this Act that the provisions of law which apply to the recovery of State taxes illegally assessed and collected under the authority of this Act: Provided further, the County Trustee shall possess those powers and duties as provided in Section 67-2301, Tennessee Code Annotated, for the county clerks. With respect to the adjustment and settlement with taxpayers, all errors of County 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 County Trustee and the Resolution authorizing levy of the tax shall designate a County officer against whom suit may be brought for recovery.

SECTION 10.

(a) Application and Allocation of Revenue. The County Trustee is hereby charged with the duty of collection of the tax herein authorized and shall place the proceeds of said tax in the county debt service fund or such other fund as the Board of County Commissioners may specify by resolution, and that one-half (½) of one percent (1%) of the total collections to be used to promote tourist trade.

(b) The proceeds from the one percent (1%) increase from five percent (5%) to six percent (6%) shall be for the purpose of recreational facilities operation, development and capital improvements.

(c) The proceeds from the one percent (1 %) increase from six percent (6%) to seven percent (7%) shall be for the purpose of increased funding for parks and recreation, economic development, and tourism.

As amended by: Private Acts of 2003, Chapter 3
Private Acts of 2016, Chapter 47

SECTION 11. Severability Clause. 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 being 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 Board of County Commissioners of any County to which it may apply, not more than Ninety (90) days subsequent to its approval by the Chief Executive of this State or after its otherwise effective date. Its approval or non-approval shall be proclaimed by the presiding officer of the Board of County Commissioners and shall be certified by him to the Secretary of State.

SECTION 13. This Act shall be effective upon becoming a law, the public welfare requiring it, but the provisions thereof shall not become operative until ratified as provided in Section 12.

Passed: May 10, 1979.

Litigation Tax

Private Acts of 1981 Chapter 60

SECTION 1. There is hereby imposed a special privilege tax in the amount of five dollars (\$5.00) in each case, of any description, upon all original civil and criminal suits and all cases filed in the Circuit, Criminal, Chancery, Probate and General Sessions Courts in Putnam County, such tax to be collected by the clerks of the respective courts and taxed as a part of the costs in each case.

SECTION 2. When any part of the costs in any case has been collected, after payment of any state litigation tax accrued thereon, the amount necessary for the payment of the tax hereby imposed shall be

next applied thereto before applying any of the amount collected as costs to any other funds or items of costs.

SECTION 3. On or before the tenth (10th) day of each month the clerks of the respective courts shall pay over to the county Trustee all amounts collected hereunder in the preceding calendar month. The proceeds of said payments shall be utilized for the operation and maintenance of the County Courthouse and County Jail.

The Trustee shall account for the sum so paid in the same manner as he is required to account for other monies coming into his hands.

SECTION 4. Chapter 56 of the Private Acts of 1967 as amended by Chapter 216 of the Private Acts of 1967, is hereby repealed.

SECTION 5. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of Putnam County before September 6, 1981. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body of Putnam County and certified by him to the Secretary of State.

SECTION 6. 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 5.

Passed: April 1, 1981.

Mineral Severance Tax

Private Acts of 1985 Chapter 72

SECTION 1. Putnam County by resolution of its county legislative body is authorized to levy a tax on all sand, gravel, limestone, phosphate rock, and all other mineral products severed from the ground within its jurisdiction. The tax shall be levied for the use and benefit of Putnam County only and all revenues collected from the tax, except deductions for administration and collection provided for herein, shall be allocated to Putnam County.

Administration and collection of this tax shall be by the Department of Revenue of the State of Tennessee. The Department shall collect and administer this tax in the same manner and according to the same procedure as is currently used by the Department for the collection and administration of other such local severance taxes. The County Executive is authorized to contract with the Department of Revenue for the collection of said tax, and to provide in the contract for the deduction from said tax collected a reasonable amount or percentage, not to exceed three percent (3%) of the tax collected, to cover the expense of the administration and collection of the tax. The Department of Revenue may promulgate all rules and regulations necessary and reasonable for the administration of the provisions of this chapter.

All administrative provisions of all laws contained in all the other chapters of Tennessee Code Annotated, Title 67 relating to collection by the Commissioner of all taxes, licenses, fees and penalties and interest therefor, including but not limited to Chapter 60 thereof, and any amendments thereto, and all other requirements and duties imposed upon taxpayers therein, shall apply to all persons liable for taxes under the provisions of this chapter; and the Commissioner shall exercise the power and authority and perform all the duties with respect to taxpayers under this chapter as are provided in all the other chapters of Title 67, except where there is conflict, and then the provisions of this chapter shall control. Putnam County, by Resolution of its county legislative body, may terminate collection by the Department of Revenue at any time after sixty (60) days from the passage of such Resolution. If such is terminated, the County Clerk shall assume the collection and administration of such tax as provided herein.

SECTION 2. The rate of the tax shall be set by the county legislative body, but shall not exceed twenty-five cents (25¢) per ton of sand, gravel, limestone, phosphate rock, or other mineral products severed from the ground in the county. Every interested owner shall become liable at the time the sand, gravel, limestone, phosphate rock, or other mineral product is severed from the earth.

The term "sand, gravel, limestone, phosphate rock, or other mineral product" shall mean sand, gravel, limestone, phosphate rock, or any other mineral severed from the earth in the process of producing a saleable product by whatever means of severance used. It shall not include, however, any mineral taxed under the provisions of Tennessee Code Annotated, Sections 67-7-101 through 67-7-110, Section 60-1-301 or any lime or limestone used for agricultural purposes. The tax is levied upon the entire production in the county regardless of the place of sale or the fact that delivery may be made outside the county. The tax levied shall be a lien upon all sand, gravel, limestone, phosphate rock, and other mineral products severed in the county and upon all property from which it is severed, including but not limited to mineral rights of the producer, and such liens shall be entitled to preference over all judgments,

encumbrances or liens whatsoever created.

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

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 required return shall not be filed and payment of the full amount of the tax levied shall not be made 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 ten percent (10%) 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 Putnam County Clerk or the Department of Revenue.

All such penalties and interest imposed by this Act shall be payable to and collectible by the Department of Revenue or the County Clerk in the same manner as if they were a part of the tax imposed and shall be retained by the Department of Revenue or the County Clerk's office in an amount necessary to defray the expenses of administration and collection.

Any person required by this Act to make a return, pay a tax, keep records, or furnish information deemed necessary by the Department of Revenue or the County Clerk for the computation, assessment, or collection of the tax imposed by this Act, who fails to make the return, pay the tax, keep the records, or furnish the information at the time required by law or regulation is, in addition to other penalties provided by law, guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than one thousand dollars (\$1,000), or by imprisonment for not more than (1) year, or both.

Any person who willfully or fraudulently makes and signs a return which he does not believe to be true and correct as to every material fact is guilty of a felony and subject to the penalties prescribed for perjury under the law of this state. For the purposes of the section the word "person" also includes an officer or employee of a corporation or a member or employee of a partnership who is under duty to perform the act in respect to which the violation occurs.

SECTION 5. When any person shall fail to file any form, statement, report, or return required to be filed with the Department of Revenue or the County Clerk, after being given written notice of same, the Department of Revenue or 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 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 may be required to indicate precisely the amount of the alleged inaccuracy.

SECTION 6. All revenues collected from the severance of sand, gravel, limestone, phosphate rock, or other mineral products in Putnam County, less an amount to cover the expenses of administration and collection, shall be remitted quarterly to the County Trustee of Putnam County, not later than the tenth (10th) day of the month following the end of the calendar quarter. These revenues shall become a part of the road fund of Putnam County, subject to appropriation by the county legislative body.

SECTION 7. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the county legislative body of Putnam County. Its approval or nonapproval shall be proclaimed by the presiding officer of the Putnam County legislative body and certified by him to the Secretary of State.

SECTION 8. 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 7.

Passed: May 15, 1985.

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 assessor in Putnam County.

1. Acts of 1907, Chapter 602, was a general State law the Ninth Section of which regulated the Tax Assessors of the State, making their terms of office for four years, providing for the filling of vacancies, abolishing all Civil District Tax Assessors, and allowing the County Court to set the salary and fix the amount of the bonds of the Tax Assessors.
2. Private Acts of 1927, Chapter 273, set the compensation of the Tax Assessor of Putnam County at one and one-fourth percent on the actual amount of taxes collected by the County Trustee, provided that all funds, State, County, School, and Special, would be taken and estimated as one, but each fund would pay its respective share of the commissions. The compensation would be paid out of the County Treasury on the warrant of the County Judge.
3. Private Acts of 1941, Chapter 299, fixed the compensation of the Tax Assessor of Putnam County at \$1,680 per annum which would be paid out of the county treasury on the warrant of the County Judge on a monthly basis. The Tax Assessor must be sworn into the office, execute bond in the amount required by law, and devote his full time to the duties and responsibilities of his office.
4. Private Acts of 1951, Chapter 544, provided that the Tax Assessor of Putnam County would be compensated at the rate of \$3,600 per annum payable in equal monthly installments out of the county Treasury.

Taxation

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

1. Acts of 1870-71, Chapter 50, granted to the counties and the cities of Tennessee the power to impose 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) the credit of no county or city, could be given, or loaned, to any person, firm, or corporation, unless the majority of the Quarterly Court, or the Councilmen, first agree to submit the question to a referendum wherein the issue must be approved by threefourths majority.
2. Private Acts of 1915, Chapter 81, made it the duty and responsibility of the Quarterly Court of Putnam County to levy at its January term, April term, or at any other term at which the general assessments of the county were made, a special tax of not less than ten cents per \$100 for the purpose of maintaining one or more county high schools.
3. Private Acts of 1919, Chapter 806, was the enabling legislation for the Quarterly County Court of Putnam County to levy a special tax of 15 cents per \$100, property valuation, on all taxable property to produce the funds to maintain three high schools in the county, which tax would be levied at the January, or April term, or at any other term at which the general assessment was levied. Three high schools were to be established, one at Monterey, in the eastern section of the County. These funds, and any others for this purpose, must be divided equally among the high schools in the three major geographical divisions of the County.
4. Private Acts of 1920 (Ex. Sess.), Chapter 35, amended Private Acts of 1915, Chapter 81, by reducing special tax the from ten cents to 2½ cents so that the minimum tax in Putnam County to be levied for the maintenance and support of high schools could not fall under that amount.
5. Private Acts of 1931, Chapter 223, created the office of Delinquent Poll Tax Collector in all counties with a population of no less than 22,193 and no more than 30,000, according to the 1930 census. The Collector would be appointed by the County Judge for a two year term. All poll taxes not paid on or before May 1, 1931, and by March 1 thereafter were declared to be delinquent. They would be compiled in a list by the County Trustee and delivered to the Delinquent Poll Tax Collector for collection. The appearance of one's name on the delinquent list was a summary judgment against that individual for which a distress warrant or a garnishment could be issued. The Collector could use only those receipt books furnished to him by the Trustee, and would be paid 70 cents for each poll tax collected plus the fees normally paid the County Trustee or District Constable for collecting delinquent poll tax. The Delinquent Poll Collector could examine all public records and private papers necessary to conduct the business of his office, such as company payrolls, could issue subpoenas and conduct hearings as the need arose. The Collector must be sworn and bonded before entering upon the duties of his office.
6. Private Acts of 1931, Chapter 518, amended Private Acts of 1931, Chapter 223, to specify that the Act applied to eligible male citizens who were delinquent in paying their poll taxes.
7. Private Acts of 1931, Chapter 757, repealed Private Acts of 1931, Chapter 223, and restored any and all Private Acts repealed by it.

8. Private Acts of 1967-68, Chapter 56, imposed a special privilege tax of \$1.50 in each case heard and determined in the Circuit, Criminal, Chancery, Probate and General Sessions Courts in Putnam County. The proceeds of the tax would be utilized by the Sheriff for the operation of his department, including compensation for deputies. This Act was repealed by Private Acts of 1981, Chapter 60.
9. Private Acts of 1967-68, Chapter 216, amended Private Acts of 1967-68, Chapter 56, to make the tax applicable to all cases filed in the listed courts rather than just those where the case was heard. The tax would be paid directly to the Sheriff by the Clerks of the respective courts rather than being paid to the Trustee first. This Act was repealed by Private Acts of 1981, Chapter 60.

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