



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

Assessor of Property

Building Permit

Private Acts of 1974 Chapter 370

SECTION 1. Any person building a new building or structure or making alterations to an existing structure in Lake County shall be required to obtain a building permit before beginning such construction or building. Any person who fails to obtain such permit within thirty (30) days after the beginning of building or construction shall be guilty of a misdemeanor and shall be fined ten dollars (\$10).

SECTION 2. It shall be the duty of the Tax assessor of Lake County to issue such permits in accordance with the provisions of Title 53, Chapter 25, Tennessee Code Annotated. There shall be no charge for the issuance of permits.

SECTION 3. This Act shall have no affect unless it is approved by a two-thirds (2/3) vote of the Quarterly County Court of Lake County before July 31, 1974. Its approval or nonapproval shall be proclaimed by the presiding officer of the quarterly county court and certified by him to the Secretary of State.

SECTION 4. For the purpose of approving or rejecting the provisions of this Act, it shall become 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: March 25, 1974.

Hotel/Motel Tax

Private Acts of 1990 Chapter 191

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

- (1) "Clerk" means the County Clerk of Lake County, Tennessee.
- (2) "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.
- (3) "County" means the Lake County, Tennessee.
- (4) "Hotel" means any structure or space, or any portion thereof, 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.
- (5) "Occupancy" means the use or possession, or the right to the use or possession, of any room, lodgings or accommodations in any hotel.
- (6) "Operator" means the person operating the hotel whether as owner, lessee or otherwise.
- (7) "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.
- (8) "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 thirty (30) continuous days.

SECTION 2. The legislative body of Lake County is authorized to levy a privilege tax upon the privilege of occupancy in any hotel of each transient in the amount of five percent (5%) 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 in this act.

SECTION 3. The proceeds received by the county from the tax shall be designated and used for tourism.

SECTION 4. Such tax shall be added by each and every operator to each invoice prepared by the operator for the occupancy of his or her hotel and to be given directly or transmitted to the transient and shall be collected by such operator from the transient and remitted to Lake County.

When a person has maintained occupancy for thirty (30) continuous days, that person shall receive from the operator a refund or credit for the tax previously collected from or charged to him or her, and the operator shall receive credit for the amount of such tax if previously paid or reported to the county.

SECTION 5. The tax levied shall be remitted by all operators who lease, rent or charge for any rooms or spaces in hotels within the county to the clerk or such other officer as may by resolution be charged with the duty of collection thereof, such tax to 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 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 6. The clerk, or other authorized collector of the tax authorized by this act, shall be responsible for the collection of such tax and shall place the proceeds of such tax in accounts for the purposes stated herein. A monthly tax return shall be filed under oath with the clerk by the operator with such number of copies thereof as the clerk 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 clerk and approved by the county legislative body prior to use. The clerk shall audit each operator in the county at least once a year and shall report on the audits made on a quarterly basis to the county legislative body.

The county legislative body is hereby authorized to adopt resolutions to provide reasonable rules and regulations for the implementation of the provisions of this act, including the form for such reports.

SECTION 7. 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 8. Taxes collected by an operator which are not remitted to the 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 the rate of twelve percent (12%) per annum, and shall be liable for an additional penalty of one percent (1%) for each month or fraction thereof such taxes are delinquent. Such interest and penalty shall become 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 9. 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 deemed necessary to determine the amount of such tax as he or she may have been liable for the collection of and payment to the county, which records the clerk shall have the right to inspect at all reasonable times.

SECTION 10. The clerk 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. Upon any claim of illegal assessment and collection, the taxpayer shall have the remedies 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 shall also apply to the tax levied under the authority of this act. The provisions of Tennessee Code Annotated, Section 67-1-707, shall be applicable to adjustments and refunds of such tax.

With respect to the adjustment and settlement with taxpayers, all errors of count taxes collected by the clerk under authority of this act shall be refunded by the clerk. Notice of any tax paid under protest shall be given to the clerk and the resolution authorizing levy of the tax shall designate a county officer against whom suit may be brought for recovery.

SECTION 11. The proceeds of the tax authorized by this act shall be allocated to and placed in the General Fund of Lake County to be used for the purposes stated in Section 3 of this act.

SECTION 12. The tax levied pursuant to the provisions of this act shall only apply in accordance with the provisions of Tennessee Code Annotated, Section 67-4-1425.

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 county legislative body of Lake County. Its approval or nonapproval shall be proclaimed by the presiding officer of the county legislative body and shall be certified by such presiding officer 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 law, the public welfare requiring it. For all other purposes, this act shall take effect upon being approved as provided in Section 14.

Passed: April 5, 1990.

Litigation Tax

Private Acts of 1970 Chapter 224

SECTION 1. There is levied a special privilege tax in the amount of One Dollar and Fifty Cents (\$1.50) on each civil or criminal case heard and determined in the circuit, criminal, chancery and general sessions courts in Lake County, which shall be in addition to all other taxes on litigation imposed in Lake County. The tax shall be collected by the clerks of the respective courts and taxed as 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 on the case, the amount necessary for the payment of the tax imposed by this Act shall be next applied, before applying any of the amount collected as costs to any other funds or items or costs.

SECTION 3. On or before the last day of each month the clerks of the respective courts shall pay to the county trustee all amounts collected under the provisions of this Act during the preceding calendar month. The sum paid to the trustee shall be earmarked for the sole and exclusive use of the office of sheriff and shall be paid over to the office of sheriff on the fifteenth day of each month, or as soon after that date as is practicable. The proceeds of such payments shall be devoted to the maintenance of the office of sheriff and the operation of the sheriff's department, including the compensation of deputies.

The sheriff shall account for the sums so paid in the same manner as he is required to account for other moneys coming into his hands.

SECTION 4. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the Quarterly County Court of Lake County prior to December 1, 1970. Its approval or nonapproval shall be proclaimed by the presiding officer of the court and certified by him to the Secretary of State.

SECTION 5. For the purpose of approving this Act as provided in Section 4, it shall take effect on becoming a law, but the other provisions of the Act shall be effective only upon being approved as required by Section 4.

Passed: February 10, 1970.

Motor Vehicle Tax

Private Acts of 1961 Chapter 44

SECTION 1. That for the privilege of using the public highways, except Statemaintained roads, in counties of this State having a population of not less than 9,570 nor more than 9,600, by the Federal Population Census of 1960, or any subsequent Federal Population Census, there is levied upon motor-driven vehicles, except tractors, combines, other farm machinery, motor bicycles and scooters, a special privilege tax for the benefit of such counties, and in addition to all other taxes in the amount of Five Dollars (\$5.00) per motor driven vehicle. This tax shall apply to and be paid on each motor driven vehicle whose owner resides, or usually stays, in counties to which this Act applies, and it shall be a misdemeanor and punishable as such for any resident of counties to which this Act applies to operate a motor driven vehicle, except farm tractors, combines, other farm machinery, motor bicycles and scooters over the highways of such counties, state maintained roads excluded, without the payment of the tax herein provided.

SECTION 2. That the tax herein levied shall be collected by the County Court Clerk of counties to which this Act applies at the same time that he collects the State privilege tax upon the operation of motor driven vehicles over the public highways. No Clerk in counties to which this Act applies shall issue to a resident of such county a State license for the operation of automobiles unless at the same time such resident shall purchase the appropriate license as hereinafter provided for the operation of his motor driven vehicle under this Act. Payment of the license fee herein imposed shall be evidenced by a metal tag or emblem to be appropriately displayed upon some prominent part of the motor driven vehicle in

question. The design of the emblem in question shall be determined by the County Court Clerk and the expense incident thereto shall be paid from the county general funds. The tax herein levied shall entitle the owner of a motor driven vehicle to operated the same from April 1 of each year to the next succeeding March 31 and the same proportionate reduction shall be made as is now made in the case of State registration of motor vehicles where such motor driven vehicle is registered after April 1 for any reason whatsoever. For his services in issuing such licenses, the County Court Clerk shall be entitled to a fee of 50¢ for each one so issued, to be collected from the person purchasing the same for his services in issuing duplicate licenses, the County Court Clerk shall be entitled to a fee of one dollar (\$1.00) for each one (1) so issued, to be collected from the person purchasing the same with the exception of 50¢ of the one dollar (\$1.00) fee on each duplicate license issued to the County Trustee of counties to which this Act applies, and they shall be applied as herein provided. In addition to the fees collected from the purchaser, the county court clerk shall be allowed and paid a commission at the rate of two and one-half percent (2½%) of all revenue collected from such tax.

As amended by: Private Acts of 1969, Chapter 184
Private Acts of 1971, Chapter 47

SECTION 3. That the proceeds of the tax herein imposed, when collected in the hands of the County Trustee, shall be used exclusively for salaries of the teachers, principals, superintendent, and other employees of the Lake County Board of Education.

SECTION 4. That it is the intent of the General Assembly that this Chapter be construed as a measure providing for additional revenues in the counties affected.

SECTION 5. That this Act shall have no effect unless the same shall have been approved by two-thirds of the Quarterly County Court of Lake County. Upon such approval this Act shall become effective immediately, the public welfare requiring it. The approval of this Act shall be proclaimed by the presiding officer of the Quarterly County Court of Lake County and shall be certified by him to the Secretary of State as promptly as is reasonably possible.

SECTION 6. That the tax levied under this Chapter shall be collected from and after April 1, 1961, and every year thereafter, but otherwise, this Act shall take effect from and after its passage, the public welfare requiring it.

Passed: February 7, 1961.

Taxation - Historical Notes

Assessor of Property

The following act was superseded, repealed or failed to win local ratification, but it is listed here as a reference to laws which once affected the Lake County Assessor.

1. Private Acts of 1945, Chapter 140, fixed the salary of the County Tax Assessor in Lake County at \$1,000 per year payable \$250 a quarter.

Taxation

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

1. Public Acts of 1927, Chapter 15, amended Acts of 1907, Chapter 602, a general revenue law for the State, by extending the delinquency date from March 1, to May 1. Twelve counties exempted themselves from its application by means of census figures. In the case of Shipp v. Cummings, 158 Tenn. 526, 14 S.W.2d 747 (1929), the Supreme Court declared this law to be unconstitutional stating that uniformity of taxation includes uniformity in dates of maturity but those who had relied upon the Act in not paying their taxes would not be liable for interest or penalty.
2. Public Acts of 1927, Chapter 227, also amended Acts of 1907, Chapter 602, Section 48, but Lake County was among those counties exempting themselves from its application.

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