



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,

The University of Tennessee
County Technical Assistance Service
226 Anne Dallas Dudley Boulevard, Suite 400
Nashville, Tennessee 37219
615.532.3555 phone
615.532.3699 fax
www.ctas.tennessee.edu

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Chapter XI - Taxation

Assessor of Property

Private Acts of 1951 Chapter 400

SECTION 1. That the County Register of the County of Jefferson, State of Tennessee, shall not record any deed conveying real estate in said County unless same bears the stamp of the Tax Assessor of said County, certifying that said Tax Assessor has copied the names of the vendor and vendee in said deed of conveyance for the purpose of making proper corrections on his roll of assessments.

SECTION 2. That it shall be the duty of the Tax Assessor of Jefferson County to be present in person, or to have a deputy present, at his office in the Courthouse during office hours. It shall be the further duty of the Tax Assessor to stamp or cause to be stamped all deeds presented at his office, with a stamp showing that he has copied the names of the vendor and vendee in said deed of conveyance for the purpose of making proper corrections on his roll of assessments. It shall be the duty of the Tax Assessor to correct his tax rolls in all such cases so that the tax rolls of Jefferson County will be kept up to date and will show the correct owners of real estate to the end that property may be assessed in the name of the true owners thereof.

Failure of the Tax Assessor of Jefferson County to comply with the provisions of this Act shall constitute misconduct in office and subject him to removal from office under Section 1877 et seq. of the Code of Tennessee.

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

Passed: March 5, 1951.

Hotel/Motel Tax

Private Acts of 1995 Chapter 17

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) "Clerk" means the County Clerk of Jefferson County, Tennessee.

(3) "County" means Jefferson 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 Jefferson County is authorized to levy a privilege tax upon the privilege of occupancy in any hotel of each transient in an amount not to exceed four percent (4%) 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 retained by the county and

deposited into the general fund of the county, to be designated and used for such purposes as specified by resolution of the county legislative body.

SECTION 4. Such tax shall be added by each and every operator to each invoice prepared by the operator for the occupancy of the hotel and given directly or transmitted to the transient. Such tax shall be collected by such operator from the transient and remitted to Jefferson 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 or charged and the operator shall receive credit for the amount of such tax if previously paid or reported to the county.

SECTION 5.

(a) The tax levied shall be remitted by all operators who lease, rent or charge for any rooms, lodgings, spaces or accommodations in hotels within the county to the county 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 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. (b) For the purpose of compensating the operator for remitting the tax levied by

this act, the operator shall be allowed two percent (2%) of the amount of the tax due and remitted to the clerk in the form of a deduction in submitting the report and paying the amount due by such operator, provided the amount due was not delinquent at the time of payment.

SECTION 6. The clerk, or other authorized collector of the tax, 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 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 county clerk on or before the due dates are delinquent. An operator is liable for interest on such delinquent taxes from the due date at the rate of twelve percent (12%) per annum, and is 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 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 unlawful and shall be punishable by a civil penalty not in excess of fifty dollars (\$50.00).

SECTION 9. It is 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 tax due and payable to the county. The clerk has the right to inspect such records at all reasonable times.

SECTION 10. The clerk in administering and enforcing the provisions of this act has 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 services in administering and enforcing the provisions of this act, the clerk is entitled to retain as a commission five percent (5%) of the taxes collected.

Upon any claim of illegal assessment and collection, the taxpayer has the remedies provided in Tennessee Code Annotated, Title 67; it is 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 county 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 Jefferson County to be used for the purposes stated in Section 3.

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 Jefferson 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 a law, the public welfare requiring it. For all other purposes, this act shall take effect upon being approved as provided in Section 14.

Passed: February 27, 1995.

Litigation Tax

Private Acts of 1980 Chapter 229

SECTION 1. [Repealed by Private Acts of 1983, Chapter 99]

SECTION 2. Upon all marriage licenses issued within Jefferson County there is imposed a special privilege tax of one dollar (\$1.00).

SECTION 3. There is imposed a special privilege tax of one dollar (\$1.00) upon and with respect to each and every instrument offered for recordation in the office of the County Register of Jefferson County, the payment of which shall be a condition precedent to the recordation of such instrument.

SECTION 4. The registration tax shall be collected by the county register and the marriage license issuance tax shall be collected by the county clerk when a marriage license is issued. Each of the officials shall be accountable for and shall pay over the revenue to the County Trustee quarterly, not later than the tenth (10th) day of the month following the quarter in which the collections are made.

As amended by: Private Acts of 1983, Chapter 99

SECTION 5. The trustee shall deposit the taxes herein collected and other litigation taxes collected in special funds hereby created, to be known as the Courthouse Restoration and Maintenance Fund and the Law Library and Maintenance Fund. Such funds shall be subject to appropriation by the county legislative body. The Courthouse Fund shall be expended only for restoration and maintenance of the courthouse and the Library Fund shall be expended only for the purpose of providing for the purchase and maintenance of a legal library for the bar association and the citizens of Jefferson County.

As amended by: Private Acts of 1981, Chapter 26
Private Acts of 1983, Chapter 99

SECTION 6. [Repealed by Private Acts of 1983, Chapter 99]

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 Jefferson County before July 1, 1980. Its approval or nonapproval shall be proclaimed by the presiding officer of the 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.

Our information from the Secretary of State's Office is that this act was approved by the Jefferson County Legislative Body on April 21, 1980

Passed: March 10th, 1980

Wheel Tax

Private Acts of 1983 Chapter 49

SECTION 1. For the privilege of using the public roads, except state-maintained roads, in Jefferson County, there is levied on the privilege of operating motor-driven vehicles, (including motorcycles and motor-driven bicycles and scooters, but excluding farm tractors, selfpropelled farm machines not usually used on public highways or roads, all government owned motor-driven vehicles, and fire fighting equipment) a special privilege tax for the benefit of the county, of twenty-five dollars (\$25.00).

This tax shall be paid by the owner of each motor-driven vehicle, operated on the roads of Jefferson County, state-maintained roads excluded, at least thirty (30) days each year.

SECTION 2. It shall be a misdemeanor for any owner of a vehicle taxable hereunder to operate such vehicle upon the streets, roads or highways of the county, state-maintained roads excluded, unless the provisions of this Act are met. Provided further that nothing in this Act shall be construed as permitting the levy and collection of a tax against non-residents of Jefferson County.

Any new resident of Jefferson County shall be allowed thirty (30) days after establishing his residence in the county within which to comply with the provisions of this Act.

SECTION 3. The tax herein levied shall be collected by the County Clerk of Jefferson 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 county resident a state license for the operation of a vehicle taxable hereunder unless at the same time, the owner pays the privilege tax levied hereunder.

SECTION 4. Payment of the tax shall be evidenced by a receipt, issued in duplicate by the clerk, the original of which shall be kept by the vehicle owner and by a decal or emblem also issued by the clerk, which shall be affixed on the lower right hand side of the vehicle windshield. Provided, however, that the privilege tax decal for motorcycles, motor-driven bicycle and scooters be placed on the top portion of the gasoline tank, but if such tank is not visible, then on any prominent and visible portion of that vehicle.

SECTION 5. The design of the decal or emblem shall be determined by the County Clerk. The expense incident to the purchase of such decals and emblems herein required, as well as the expense of obtaining proper receipts and other records necessary for the performance of the duties herein incumbent upon the clerk shall be paid from the general fund of the county.

SECTION 6. When this tax is paid and the provisions of this Act complied with by the power, he shall be entitled to operate the taxed, decal bearing, vehicle in the county for a period of one (1) year.

When a vehicle becomes taxable under this act for less than one year, the same proportionate reduction in cost shall be made, as is now made in the issuance of the privilege tax payable to the state and collected by the clerk, under the provisions of the general law.

SECTION 7. For his services in collecting the tax, and in issuing the receipt therefor and delivering the decal or emblem to the owner, the clerk shall be entitled to a fee of \$1.25 for each vehicle, motorcycle, motor-driven scooter and bicycle, it being the legislative intent that the clerk's fee equal not more than five percent (5%) of the amount of tax paid; and further provided that this fee shall be deducted from the amount of wheel tax paid. The clerk will faithfully account for, make proper reports of, and pay over to the county trustee at monthly intervals, all funds received by him for the payment of the tax.

SECTION 8. In the event any vehicle for which the wheel tax has been paid and the emblem or decal issued and placed thereon, becomes unusable to the extent that it can no longer be operated over public roads; or in the event that the owner transfers the title to such vehicle, and completely removes therefrom and destroys the decal or emblem, and the owner makes proper application to the clerk for the issuance of a duplicate decal or emblem to be used by him on another vehicle for the unexpired term for which the original decal or emblem was issued, and the clerk is satisfied that the applicant 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 two dollars (\$2.00) the clerk will then issue to such owner a duplicate receipt, cancelling 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 vehicle for which it is issued, as herein provided, and such duplicate decal or emblem shall entitle the owner to operate or allow to be operated the vehicle upon the county roads for the remainder of the period for which the original emblem was issued. Likewise, in the event a decal is destroyed under the provisions of this Act, and is therefore 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 of two dollars (\$2.00) may issue and deliver to the owner a duplicate

decal or emblem.

SECTION 9. The proceeds from this tax shall be placed in the county general fund, and used exclusively for county purposes. However, the County Legislative Body may provide that proceeds be deposited in other funds for specific purposes.

SECTION 10. Any person violating the provisions of this Act, upon conviction, shall be fined not less than ten dollars (\$10.00) nor more than fifty dollars (\$50.00).

SECTION 11. The tax herein levied shall be collected on a date set by the Jefferson County Commission, and each subsequent year thereafter.

SECTION 12. 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 13. This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the County Legislative Body of Jefferson County. Its approval or nonapproval shall be proclaimed by the presiding officer of the County Commission and certified by him to the Secretary of State.

SECTION 14. 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 approval as provided in Section 13.

SECTION 15. This law shall be in effect for the term of the Jefferson County School Bonds issued in 1983 or for fifteen (15) years whichever is longer.

Passed: March 21, 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 Jefferson County Assessor. Also referenced below are acts which repeal prior law without providing new substantive provisions.

1. Private Acts of 1915, Chapter 42, set the compensation of the Tax Assessor of Jefferson County at \$1,000 per year which would be paid out of the county treasury on the warrant of the County Judge, or Chairman, on July 1, of each year. All conflicts were repealed.
2. Private Acts of 1923, Chapter 165, provided that the salary of the Tax Assessor in Jefferson County, (identified by the 1920 Federal Census figures) would hereafter be \$1,500 per annum, payable quarterly out of the county treasury on the warrant of the County Judge, or Chairman.
3. Private Acts of 1947, Chapter 690, fixed the annual salary of the Jefferson County Tax Assessor at \$2,400, which sum would be appropriated out of the general funds of the County for that purpose and paid in monthly installments. The Tax Assessor could appoint one Deputy Assessor for which \$600 was appropriated out of the County Treasury.
4. Private Acts of 1951, Chapter 400, required the Tax Assessor to record certain information from instruments conveying property before the same county be recorded. This Act is published herein in full.
5. Private Acts of 1951, Chapter 520, was listed as being applicable to Jefferson County which was an error since this Act applies only to Hamblen County and raises the annual salary of their Assessor of Property.
6. Private Acts of 1953, Chapter 143, recited that the Tax Assessor in Jefferson County would be compensated at the rate of \$3,000 annually, payable in equal monthly installments out of the County treasury. The Assessor was further allowed the sum of \$600 for clerical assistance to be paid from general county funds. The Assessor of Property was obligated to make out the tax books of the county and deliver them to the Trustee for which service the assessor would be paid another \$400 each year.
7. Private Acts of 1965, Chapter 282, declared that the Assessor of Property in Jefferson County would be paid a total compensation for his services including the annual preparation of the Tax Books, the sum of \$7,000 annually, in equal monthly installments which sum was appropriated out of the county treasury. The above amount was to be in lieu of all other payments of compensation. The Assessor was allowed another \$3,000 annually with which to employ and pay clerks and assistants, or secretaries, Private Acts of 1947, Chapter 690, and Private Acts of 1953,

Chapter 143, were both repealed in their entireties.

Taxation

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

1. Territorial Ordinance of 1792, dated November 20, and signed by William Blount, Governor of the Territory south of the Ohio River, was the legal authority for the Court of Pleas and Quarter Sessions in Jefferson County to levy a tax on land and polls to repair and build courthouses, to pay the jurors serving in the Superior and lower courts, and to pay the contingent expenses of the county. These taxes could not exceed fifty cents on each poll, or be less than 17 cents for each 100 acres.
2. Acts of 1803, Chapter 29, recited that a former Act had appointed ALEXANDER OUTLAW, ANDREW HENDERSON, HUGH KELLOW, GEORGE DOHERTY, JAMES DOHERTY, and EDWARD GEORGE, as the Commissioners for the City of Dandridge, of whom Kellow had removed from the County, and this Act, therefore, named MICHAEL BRANNER in Kellow's place, and authorized the Court of Pleas and Quarter Sessions to levy taxes according to the schedule set out in this act in order to build a courthouse in the City of Dandridge for the use and benefit of the whole county.
3. Acts of 1805, Chapter 43, was the legal authority for the Quarterly Court of Jefferson County, a majority being present of completing the building of the courthouse in Dandridge. It was made an obligation of the Quarterly Court to continue the imposition of this tax until the courthouse was completed and paid for. This tax was to be collected as were all the other taxes.
4. Acts of 1870, Chapter 50, allowed the cities and the counties of this state to impose taxes for city and county purposes in the following manner and upon the conditions stated (1) that all taxable property would 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 of the Peace, or the Councilmen, should first authorize a referendum to be held at which time a three-fourth's vote of the people must approve. A number of counties exempted themselves from the three-fourth's vote requirement but Jefferson County was not one of them.
5. Private Acts of 1913, Chapter 299, allowed the Quarterly Court of Jefferson County to levy a special tax on all the properties in the county, both in and out of cities, not to exceed fifteen cents per \$100 property valuation to produce the funds to repair and maintain the pike roads in the county. The Quarterly Court could further provide for the expenditure of the funds generated by this tax.
6. Private Acts of 1921, Chapter 262, amended Chapter 415, Private Acts of 1921, in Section 1 to provide that the Board of Equalization established in that Act would meet on the first Monday in June, 1921, and each year thereafter on the same date.
7. Private Acts of 1921, Chapter 415, directed that hereafter the Jefferson County Quarterly Court would, at their July, 1921, meeting, elect all the members of the County Board of Equalization to correct and equalize tax assessments. The Board elected under the terms of this Act would meet on the second Monday in July, 1921, and each year thereafter. The court would fix the compensation of the member of the Board which could not exceed \$5.00 per day.
8. Private Acts of 1929, Chapter 686, was the legislation which enabled the Jefferson County Quarterly Court to levy a special tax to assist in the construction of the T.N.C. Railroad Company, or its successor. The amount subscribed and paid would constitute stock in the Railroad. The Jefferson County Chairman would have the right to meet with the other stockholders and cast votes prorata with the number of shares owned. No money was to be paid to the Railroad until the line was completed and in operation.
9. Private Acts of 1981, Chapter 26, amended Private Acts of 1978, Chapter 162.
10. Private Acts of 1994, Chapter 107, was legislation which enabled the Jefferson County Legislative Body to levy a privilege tax on the occupancy of any room, lodgings or accommodations furnished to transients by 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 in Jefferson County. This act did not receive local approval.
11. Private Acts of 2005, Chapter 68, amended Private Acts of 1995, Chapter 17, relative to raising the privilege tax on the occupancy of any rooms to transients from 4% to 8%. The proceeds from the additional 4% increase was to be deposited with the county trustee and used exclusively for debt service related to capital projects and improvements in the general fund, school fund and other capital projects funds as designated by resolution of the board of county commissioners of

Jefferson County. This act failed to receive local approval.

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