



County Technical Assistance Service  
INSTITUTE *for* PUBLIC SERVICE

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# Chapter XI - Taxation

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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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<b>Chapter XI - Taxation .....</b>	<b>. 3</b>
<b>Assessor of Property .....</b>	<b>. 3</b>
<b>Private Acts of 1949 Chapter 304 .....</b>	<b>. 3</b>
<b>Hotel/Motel Tax .....</b>	<b>. 3</b>
<b>Private Acts of 1991 Chapter 133 .....</b>	<b>. 3</b>
<b>Motor Vehicle Tax .....</b>	<b>. 5</b>
<b>Private Acts of 1977 Chapter 137 .....</b>	<b>. 5</b>
<b>Taxation - Historical Notes .....</b>	<b>. 6</b>

# Chapter XI - Taxation

## Assessor of Property

### Private Acts of 1949 Chapter 304

**SECTION 1.** That in counties of this State having a population of not less than 30,900, nor more than 31,000, by the Federal Census of 1940, or any subsequent Federal Census, the County Tax Assessor shall as a part of his duty:

1. Devote his entire time to the duties of the office.
2. Maintain an office in the Court House at the county seat which office shall be at all reasonable hours open for the transaction of business.
3. At least once a week examine all records of conveyance of real estate in the office of the County Register of such county, make notations therefrom of any changes in ownership and promptly transfer such notations to his assessment records for future reference.
4. Make and file with the Trustee the tax books and tax aggregates to be used in the collection of taxes.

His salary shall be \$5,000.00 per annum, payable in equal monthly installments out of the County Treasury.

**COMPILER'S NOTE:** See [Tennessee Code Annotated §8-24-102](#) for the general law on compensation. For additional compensation information, see [Tennessee Code Annotated §67-1-508](#).

**SECTION 2.** That in order to set up and promote such more efficient system of tax assessment, the Quarterly County Court of counties to which this Act applies are hereby authorized to appropriate, not to exceed \$1,000.00, to be used for the purchase of record books and other supplies incident to the establishment of such more efficient system of assessment. But this power to appropriate the sum above mentioned shall be limited to twelve (12) months next following the effective date of this Act and shall not exist after the lapse of such period of time.

**SECTION 3.** That this Act shall take effect from and after March 1, 1949, the public welfare requiring it.

Passed: February 25, 1949.

## Hotel/Motel Tax

### Private Acts of 1991 Chapter 133

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

- (1) "Clerk" means the county clerk of Obion 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 Obion 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, and shall include governmental entities.
- (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, governmental unit other than the United States or any of its agencies, 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 Obion 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 five percent (5%) of the rate charged by the operator effective July 1, 1991. 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. The county legislative body shall designate and use the proceeds to promote tourism and economic development in Obion County.

As amended by: Private Acts of 2018, Chapter 42.

**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 the county clerk as provided in Section 5.

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 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 may audit each operator in the county at least once a year and may report on the audits made on a quarterly basis to the county legislative body.

As amended by: Private Acts of 2018, Chapter 42.

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

Passed: May 30, 1991.

## Motor Vehicle Tax

### Private Acts of 1977 Chapter 137

WHEREAS, under the provisions of Tennessee Code Annotated, Section 5-802, each county in the state of Tennessee is empowered to levy for county purposes a motor vehicle privilege tax as a condition precedent to the operation of a motor vehicle with the county; and

WHEREAS, in accordance with said provisions, the Obion County Quarterly County Court adopted a resolution on July 12, 1976, setting such a levy as the rate of ten dollars (\$10.00) per vehicle; and

WHEREAS, a referendum was held for the purpose of approving or rejecting such tax levy by the qualified voters of Obion County on November 2, 1976, and a majority of the number of qualified voters of Obion County voting in the referendum approved the resolution of the Quarterly County Court setting said tax levy; now, therefore,

**SECTION 1.** Any resident of Obion County who owns a vehicle required by the state of Tennessee to be licensed and who fails to pay the Obion County motor vehicle tax shall be guilty of a misdemeanor, and, upon conviction, shall be fined two dollars (\$2.00). It shall also be a part of the judgment rendered in any such conviction that the person convicted pay to the county clerk the amount of the motor vehicle tax and the penalty set by such resolution.

As amended by:

Private Acts of 1981, Chapter 27

Private Acts of 1986, Chapter 188

**SECTION 2.** It shall be the duty of the Sheriff of Obion County to enforce the provisions of this Act as prescribed by law in Tennessee Code Annotated, Section 8-810.

**SECTION 3.** This Act shall have no effect unless it is approved by a two-thirds (2/3) vote of the Quarterly County Court of Obion County. Its approval or non-approval shall be proclaimed by the presiding officer of the Court and shall be certified by him to the Secretary of State.

**SECTION 4.** 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 3.

Passed: May 17, 1977.

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

1. Private Acts of 1925, Chapter 32, set the salary of the Obion County Tax Assessor for the assessment of all real and personal property, and polls, at \$2,500 per year, which would be paid on July 1 each year on the warrant of the County Judge, and the Tax Assessor would in no wise be paid any more than that amount. He would pay the compensation of his deputies from this same amount.
2. Private Acts of 1933, Chapter 241, amended Private Acts of 1925, Chapter 32, by striking out the figures \$2,500 and inserting \$1,500 in the place of them, thus reducing the annual salary of the assessor of property by that amount. This Act was repealed by Private Acts of 1945, Chapter 236.
3. Private Acts of 1935, Chapter 604, amended Private Acts of 1925, Chapter 32, so as to raise the compensation of the Obion County Tax Assessor from \$1,500 to \$2,000 per year. This Act was repealed by Private Acts of 1945, Chapter 236.
4. Private Acts of 1961, Chapter 260, relative to notation and collection of a notation fee of \$1.00 by the Tax Assessor on all instruments vesting or divesting title or interest in real property. This act was repealed by Private Acts of 1997, Chapter 45.

## **Taxation**

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

1. Acts of 1824 (Ex. Sess.), Chapter 66, Section 3, stated that the land lying west of the Henry County line in Obion County and Weakley County which was formerly taxed by Henry County for public buildings was hereby released from all obligations for the payment of the said tax.
2. Acts of 1824 (Ex. Sess.), Chapter 128, permitted the Quarterly Courts of the counties of Henry, Weakley, Obion, Dyer, Gibson, Carroll, Madison, Haywood, Tipton, and Hardeman to levy a tax on property of up to 12 cents per \$100 on taxable lands for the next 5 years, to improve the navigation along several rivers in West Tennessee, naming Trustees for each sizeable area of each river in the covered region.
3. Acts of 1826 (Ex. Sess.), Chapter 131, Section 2, stated that the County Court of Obion County could apply the navigation tax to the project of cutting a road from Troy to any town on the Mississippi River, and to apply the funds to assist Weakley County in cutting a road from Dresden to Mills Point, if the Court deemed it expedient to do so. This Act conferred the responsibility on the Treasurer of the Board of Trustees of the navigation of streams in the Western Section of the State to pay the said tax money to the Trustees of Obion County and Weakley County.
4. Acts of 1829, Chapter 234, was the authority for the Quarterly Court of Obion County to lay a tax on all the taxable property within the county, not to exceed the amount of the State tax, in order to complete the construction of public buildings in the County. The Sheriff of the County was directed to collect the tax and pay the same over to the County Trustee. All action taken by the County Court in connection therewith were ratified, confirmed, and validated by this Act.
5. Acts of 1831, Chapter 250, exempted portions of the land grants in Obion County made to William Polk by the State of North Carolina that included land flooded by Reelfoot Lake from all forms of taxation, provided Polk had a survey and plot made to show the quantity of the flooded land.
6. Acts of 1847-48, Chapter 98, provided that the State revenue which would be collected in Obion County during the years of 1848, 1849, and 1850, would be and was thereby loaned to the said County, without interest, for the purpose of enabling her citizens to build a court house for the said County. The money would be repaid to the State in three equal annual installments beginning on October 1, 1852.
7. Acts of 1857-58, Chapter 168, declared that the Railroad Tax Collectors in Obion County would be allowed one additional year in which to collect all the arrearages due and payable and they would have and could exercise all the same powers and rights they were granted and used while they were in office. When the past due debts were collected they would then be paid over to the proper parties.

8. Acts of 1869-70, Chapter 51, made it the additional responsibility of the Revenue Collector of Obion County to make a report of all non-payment of taxes to the Clerk of the Circuit Court at Troy.
9. Acts of 1870-71, Chapter 50, pronounced that the counties and the cities of the State of Tennessee could impose taxes for county and municipal purposes in the following manner and upon these conditions taken almost directly from the 1870 Constitution; (1) that all taxable property shall be taxed according to its value upon the principles established for State taxation, and (2) the credit of no county, or city, would be given, or loaned, to any person, firm or corporation, unless the majority of the Justices, or Councilmen, first agree and then upon an election wherein three-fourths of the voters likewise approve. Twenty-six Counties, not including Obion County, exempted themselves from the three-fourths voters approval and substituted a simple majority for ten years next following the effective date of the Act.
10. Acts of 1883, Chapter 177, amended Acts of 1847-48, Chapter 98, to provide that the State revenue to be collected in the county of Obion for the years 1848, 1849, and 1850, be loaned to the County with no interest for the purpose of enabling the citizens of Obion County to build a Court House. Obion County would forfeit any claims the county might have against the State as to cost for keeping prisoners in felony cases.
11. Private Acts of 1919, Chapter 57, authorized that an election be held on March 1, 1919, in the 6th Civil District of Obion County in order to ascertain the will of the voters on the question of a special high school tax. Polls would be located at Troy and Polk with all the essential details of conducting the election being prescribed in the Statute even to the naming of the officers of election at both polling places who were J. Lee Hughes, Joe Bennett, F. A. Bumpass, T. N. Neely, J. H. Blanton, and John Moffatt, at Troy; and R. L. Andrews, S. G. Ervin, Mike Buchanan, Ross Brown, James G. Cunningham, and H. F. Henderson, at Polk.
12. Private Acts of 1919, Chapter 805, allowed the Quarterly County Court of Obion County to levy and collect an annual privilege tax upon any and all vehicles which were operated on the public roads, streets and highways of the county. The amount of the tax was predicated upon a schedule prescribed therein which went from \$1.00 for a motorcycle and a buggy up to \$5.00 for automobiles, trucks, and log wagons. Vehicle owners were obligated to register them with the County Court Clerk who would prepare the necessary tags and who could charge ten cents for each registration. The County Court Clerk had the responsibility of allocating the proceeds to the road district in which the taxpayer lived. All of the funds were to be spent for construction, maintenance and improvement of the county roads at the direction of the County Court.
13. Public Acts of 1920 (Ex. Sess.), Chapter 22, recited in its preamble that there were a large number of special acts by the General Assembly which levied specific tax rates for various special purposes covering a limited area, and that there were other acts which authorized and directed the Quarterly Courts to levy a specific tax rate for a particular purpose, and since the assessments of property have been increased so much of late, the result was that a much larger amount of tax money was generated than was intended by those acts if the old tax rates were applied. Therefore, in the year 1920, and the years following, the tax rate must be in proportion to the property assessments as they appeared on the tax rolls in 1920. This Act was intended to apply to school districts, also.
14. Private Acts of 1925, Chapter 293, averred that the Quarterly Court of Obion County had the power to levy a special tax, which would be in addition to all other taxes, on all taxable property in the county up to and including fifty cents on every \$100 property valuation which funds would be used for the construction and maintenance of hard surfaced roads, and the bridges and culverts located in the county, the tax levy beginning in 1925.
15. Private Acts of 1925, Chapter 445, allowed Obion County and Campbell County to levy an additional tax for schools which would be in excess of the aggregate State tax for all purposes. The new tax was to produce a school fund sufficient to extend the length of the school year for the elementary schools to eight months.
16. Private Acts of 1931, Chapter 223, created the position of Delinquent Poll Tax Collector in all the counties falling between 22,193 and 30,000 in population according to the 1930 census, which included Obion County. The County Judge, or Chairman, would appoint the Delinquent Poll Tax Collector to serve for two years to collect the poll taxes which were delinquent as they were defined in this Act. The appearance of one's name on the delinquent poll tax list constituted a summary judgment against that individual for which distress warrants could be issued to collect. Special receipt books were to be issued to the Delinquent Poll Tax Collector from which all receipts would be issued, and the funds collected by him were to be turned over to the County Trustee.

The Delinquent Poll Tax Collector must take an oath before entering upon the office and execute a bond covering the handling of the money. The Collector was given the authority to conduct hearings and to summon witnesses. Records of companies, including payrolls, were subject to his examination. Poll taxes were delinquent which were not paid by March of the year following their due date. This Act was repealed by Private Acts of 1931, Chapter 757.

17. Private Acts of 1931, Chapter 518, amended Private Acts of 1931, Chapter 223, by making the Act only apply to males.
18. Private Acts of 1931, Chapter 757, repealed Private Acts of 1931, Chapter 223, and restored to effectiveness all the acts relative to the collection of poll taxes which might have been expressly or impliedly repealed by Private Acts of 1931, Chapter 223.
19. Private Acts of 1991, Chapter 80, which would have enacted a hotel occupancy tax, was not locally approved and never took effect.

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