



# County Officials Orientation Program 2022

Hosted by University of Tennessee County Technical Assistance Service  
in coordination with the Tennessee County Services Association and the  
County Officials Association of Tennessee

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## POWERS & DUTIES



**Financial Responsibilities**

- ▶ Interaction with other officials
- ▶ Serves as County Treasurer
- ▶ Checking system
- ▶ Official bank account
- ▶ Annual financial report
- ▶ Commissions and exemptions
- ▶ Investment of county funds

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## INTERACTION WITH OTHER OFFICIALS



All Offices  
County Mayor, Budget Director, CLB  
Fee Officials  
Clerk & Master, Delinquent Tax Attorney



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Some of these slides seem repeated later (slides 34-36)?

# COUNTY TREASURER



Receives and pays out county funds  
Must allocate money received to various county funds  
Disbursement authority granted by CLB  
Excess Fees and commissions  
Files sworn report monthly  
CLB has choice of operating on a salary system


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# CHECKING SYSTEM

Trustee granted authority to adopt  
30 days notice required  
Finance committee or CLB may discontinue

Bank Accounts

- County Master
- Check Clearing




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# CHECKING SYSTEM

Issuance of checks certified by:

- List Certification
- Check Signing/Validation Method
- Combination Method
- Any method requested by trustee



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CHECKING SYSTEM




- Departments required to submit list to trustee
- Trustee verifies department funds
- Violation of law to issue w/o trustee certification

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OFFICIAL BANK ACCOUNTS




CLB authorized contract with bank(s)

- Highest and best bids
- Or appoint finance committee

Trustee takes bids from banks

County clerk shall provide copy of trustee's report to each member of CLB.

T.C.A. § 5-8-201(a)(2).



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OFFICIAL BANK ACCOUNTS



- Finance committee contracts on behalf of county
  - Trustee also authorized
- As necessary for the collateralization of the county's funds

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## OFFICIAL BANK ACCOUNTS

Required to evaluate county's banking contract(s)

- Required to obtain proposals from at least two banks or other financial institutions
- Prepare written evaluation of the proposals
- Kept for a period of not less than three years



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## OFFICIAL BANK ACCOUNTS COLLATERALIZATION OF FUNDS

Funds required to be collateralized

- Collateral Pool
- Collateralization is to be 105%



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## ANNUAL FINANCIAL REPORT

Complete Financial Report

- Filed with county mayor and county clerk
- Copy to CLB
- Mayor submits for inspection

Penalized for not filing



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## COMMISSIONS AND EXEMPTIONS

Funds Received and Disbursed  
(For benefit of the county)

Commission Received

Duty of courts to decide, if questioned



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## STATUTORY COMMISSIONS

- State, County, and Municipal Revenue
- County Offices
- Schools
- Highways
- Special District Funds:
- Watershed Districts
- Drainage and Levee Districts
- Inquest Proceedings
- Municipal Taxes



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## INVESTMENT OF COUNTY FUNDS

Counties are directed to invest all idle county funds to the maximum extent practical

Three categories of idle county funds that may be invested:

- Funds derived from bond proceeds
- Funds from the sale of assets, settlements, or other infrequent occurrences
- Other idle county funds



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INVESTMENT OF COUNTY FUNDS

For non-1981 CMFA counties

- May create investment committee
- Authority to designate to types, amounts, and maturities

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INVESTMENT OF COUNTY FUNDS

For CFMA 1981 Counties

- Authorized to establish an investment committee
- Composed of a minimum of 5 members
- May or may not be members of the CLB
- Establishes and Approves policies and procedures
- Finance director makes investments

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INVESTMENT OF COUNTY FUNDS

Funds may be invested:

U.S. Bonds, notes, treasury bills

State/Federally chartered banks

Obligations of US

State investment pool

State bonds

Nonconvertible debt securities

County's own bonds or notes

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COOP 2022 Trustees Powers, Duties, Financial - July 26, 2022

## INVESTMENT OF COUNTY FUNDS

### Commercial grade paper provided:

- Population is in range of 20,000 – 150,000
- Rated in the highest category by at least two commercial paper rating services
- Remaining maturity of 90 days or less

Banks or savings and loan associations with branch in the state under certain conditions

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## FINANCIAL ISSUES

County Trustees

UT |  COUNTY OFFICIALS ORIENTATION PROGRAM 2022

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## FINANCIAL ISSUES



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# BUDGET CONSIDERATIONS



Legal Authority



Fees versus Salary



Budget Calendar



Budget Development



Budget Management



Amending the Budget



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# LEGAL AUTHORITY

General Law

1981/1957/1993 Acts


Private Act

Charter/Metro




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# FEES VS SALARY SYSTEM



Fee System



Salary System



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# YOUR OPERATING BUDGET

Adoption	In place when you take office
	Personnel Budget
Management	Continuous monitoring
	Amend as necessary
Development	Primary concern - Expenditures
	Document needs
	Establish priorities and alternatives

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We redid the previous slide to look like this one (Libby helped me reform it and she thinks it more accurately conveys the message; she specifically did not like agree with the

# OF AGREEMENT/ Y SUIT

Agree with personnel budget?

**Yes**  
Letter of Agreement

**No**  
Salary Suit

Either must be done within 30 days of the budget's passing.

Newly elected officials have 30 days from taking office.

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# BUDGET AMENDMENTS

Document request

Present request

CLB vote



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# FINANCIAL CONSIDERATIONS


Bank/Treasurer for County

Flow of Money

Bank Accounts


Investing Funds

Please replace the shadowy figures. Maybe they're more appropriate for the portion on internal controls. HA




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# TREASURER FOR COUNTY



- Receives and pays out funds
- Disbursements by funds
  - Warrants
  - Optional checking system
- Disbursements by trustee



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FLOW OF MONEY

Sources of Revenue

Deposits

Statutory Commissions

Tracked by Fund





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Is there not a bank image we can use here?

ACCOUNTS

☐ Bids required

☐ Optional finance committee

☐ Collateralization required

☐ Periodic evaluation

☐ Banks for tax collections





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Correct references in notes. Contains budget, not purchasing language


ACQUISITION AUTHORITY


General Law

1981/1957 Acts

Private Act

Charter/Metro





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COOP 2022 Trustees Powers, Duties, Financial - July 26, 2022

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## METHODS OF PURCHASING

- Competitive Sealed Bids/Proposals – ITB/IFB/RFP
- Request for Qualification (RFQ) – professional services
- Informal quotes



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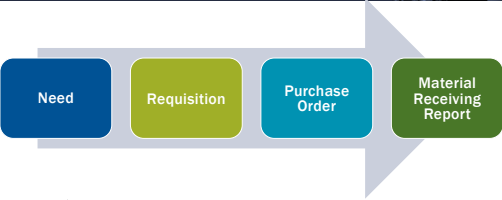
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## PURCHASING PROCESS





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## INTERNAL CONTROLS

A process that provides reasonable assurance the objectives of an entity will be achieved.





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## MANAGING INTERNAL CONTROLS

Comply

Safeguard

Record



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## WHY DO COUNTY GOVERNMENTS NEED INTERNAL CONTROLS?

Reduce fraud & waste  
Ensure legal, regulatory, & policy compliance  
Protect county assets  
Promote transparency & accountability



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## FRAUD DETECTION

External auditors (performing routine annual audits) detect less than 4% of identified occupational fraud.

More fraud is identified by accident or through anonymous tips than by the external annual financial and compliance auditors.

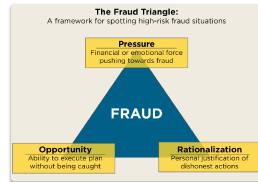


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## POOR INTERNAL CONTROLS = OPPORTUNITY FOR FRAUD

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## TN COUNTY GOVERNMENT FRAUD EXAMPLES

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A cash shortage of at least \$4,584 existed in the office of trustee as of June 30, 2008.

County Trustee withheld cash from daily deposits. Investigators determined the trustee withheld \$89,478.81 in cash that was collected by the trustee's office between November 5, 2018 and December 8, 2019.

A cash shortage of \$14,333 existed in the trustee's office on February 28, 2017.

Bookkeeper misappropriated at least \$618,404 beginning in May 2015 through February 2022. Failed to deposit funds for two of the courts and created false bank statements to conceal her theft.



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## COMPONENTS & PRINCIPLES OF INTERNAL CONTROLS

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**AUDIT**


Annual Financial and Compliance Audit  
Required by State Statute for all 95 counties  
State Comptroller or a contracted CPA firm performs  
Information System Review


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**BEFORE YOU GO**

- Review Checklist
- CTAS Website
- Consultant Info
- Questions



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**WRAP UP**

*Congratulations!*

Welcome to county government!

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# LEGAL ISSUES FOR COUNTY TRUSTEES

prepared by  
THE UNIVERSITY OF TENNESSEE  
COUNTY TECHNICAL ASSISTANCE SERVICE  
June 2022



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Method of Election and Term of Office  
Oaths of Office  
Bond Requirements  
Compensation of the Trustee  
COCTP - Educational Incentive  
Fee System  
Deputies



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## METHOD OF ELECTION & TERM OF OFFICE

The trustee is elected by the county's qualified voters during the regular August election immediately preceding the beginning of a full term.

The term of office is four years and begins on September 1 of the year of election and continues until a successor is elected and qualified.

T.C.A. § 8-11-101



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## METHOD OF ELECTION & TERM OF OFFICE

If a vacancy occurs in the office of trustee, the vacancy is filled as provided for in T.C.A. § 5-1-104(b).

There is no limitation on the number of terms a trustee may serve.



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## OATHS OF OFFICE

The trustee must take the following oath to faithfully perform the duties of the office and to support the constitutions of Tennessee and the United States:

*I do solemnly swear that I will perform with fidelity the duties of the office to which I have been elected (or appointed, as the case may be) and which I am about to assume and to support the constitutions of Tennessee and of the United States.*

T.C.A. § 8-18-111; TENN. CONST., Art. X, § 1. See also T.C.A. § 8-11-102.



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## THE OATH OF OFFICE MAY BE ADMINISTERED BY:

General sessions judges, retired general sessions judges, retired judges and retired chancellors of courts of record of this state may administer the oaths of office to any elected or appointed public official.

The county mayor, the county clerk, judges of courts of general sessions, or a judge of any court of record in the county may administer the oath of office for any elected or appointed official.

T.C.A. §§ 8-18-107 & 8-18-109.



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## THE OATH OF OFFICE MAY BE ADMINISTERED BY:

The governor, an active or retired supreme court justice, an active or retired inferior court judge, or an active or retired general sessions judge may administer the oath to any elected or appointed official.

The members of the general assembly may administer the official oath of office for any local public official of any municipality or county, including any county having metropolitan form of government, or any other political subdivision of the state.

T.C.A. §§ 8-18-107 & 3-1-105.



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## OATHS OF OFFICE

Oaths must be written out and subscribed by the person taking them, and must be accompanied with the certificate of the officer administering the oaths, specifying the day and year when taken.

T.C.A. § 8-18-107.



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## OATHS OF OFFICE

The oath of office for any county official required to file an oath may be administered at any time after the certification of the election returns, in the case of elected officials, or after appointment, in the case of appointed officials.

Even though an official may file an oath before the scheduled start of a term of office, the official may not take office until the term officially begins.

T.C.A. § 8-18-109.



## OATHS OF OFFICE

The oath and the certificate must be filed with the county clerk, who endorses the day and year of filing and signs the endorsement. T.C.A. §§ 8-18-109 & 8-18-110.

Any officer or deputy required by law to take and file such oaths, who enters upon the duties of the office without first taking and filing the same as prescribed, commits a Class C misdemeanor. T.C.A. § 8-18-113.



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## ADDITIONAL OATH

At the time of executing bonds, the trustee must take and subscribe to the following oath before the county clerk or county mayor:

*I do solemnly swear that I will faithfully collect and account for all taxes for my county, or cause the same to be done, according to law, and that I will use all lawful means in my power to find out and assess such property as may not have been assessed for taxation in my county, and return a list of the same on settlement.*

T.C.A. § 67-5-1901.



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## BOND REQUIREMENTS

**Amount of Bond:** The minimum amount of the official bond executed by the trustee for each term of office is determined from the amount of revenues handled by the trustee during the last fiscal year audited by the Comptroller or from the last Comptroller-approved audit which was prepared by certified public accountants.

T.C.A. § 8-11-103



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## OFFICIAL BOND

An official bond may be executed by a surety company authorized to do business in Tennessee (corporate surety), or by personal sureties. T.C.A. § 8-11-103.

The governing body by a two-thirds vote must elect whether or not the county officials of the county shall make a surety bond or a bond with two or more good sureties, approved by the legislative body, prior to the time such official is inducted and sworn into office. T.C.A. § 8-19-101(d).



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## BOND AMOUNTS – SURETY COMPANY T.C.A. § 8-11-103

If the official bond of the trustee is executed by a surety company, the minimum amount of the bond is based on the revenues as follows:

- Four percent (4%) up to three million dollars (\$3,000,000) of the funds collected by the office; and
- Two percent (2%) of the excess over three million dollars (\$3,000,000) shall be added.

These amounts are cumulative.



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## BOND AMOUNTS – PERSONAL SURETY T.C.A. § 8-11-103

If the official bond of the trustee is executed by personal sureties, the minimum amount of the bond shall be based on revenues as follows:

- Six percent (6%) up to three million dollars (\$3,000,000) of the funds collected by the office; and
- Four percent (4%) of the excess over three million dollars (\$3,000,000) shall be added.

These amounts are cumulative.



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## BOND AMOUNTS

The county legislative body may require the trustee to execute a bond in an amount higher than the minimums.

T.C.A. § 8-11-103(d).



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## FORM OF BOND

The bond is prepared in accordance with the provisions of Title 8, Chapter 19, approved by the county legislative body, recorded in the office of the county register of deeds and transmitted to the office of the county clerk for safekeeping.

T.C.A. § 8-11-102.



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## FORM OF BOND - T.C.A. § 8-19-101

The form of official bonds is prescribed by the Comptroller and approved by the Attorney General.

Blank copies of official bonds are available from the Comptroller of the Treasury, Division of Local Finance.

The trustee is responsible for securing his or her bond and should take steps to ensure that the bond is properly executed, approved, and filed.



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## FILING OF BONDS

The official bonds of county officials required by law to execute such bonds are transmitted to the office of county clerk for safekeeping immediately upon their execution, approval and recordation in the office of the county register of deeds.

T.C.A. §§ 8-19-102 & 8-19-103



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## FILING OF BONDS

The registers of deeds, whose duty it is to record official bonds, maintains a special record book and records therein each official bond presented for registration.

The respective counties pay the premiums for bonds and the registration fees.

T.C.A. §§ 8-19-104 & 8-19-106



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## FILING OF BONDS

Official bonds must be filed within 40 days after the election, or within twenty 20 days after the term of the office legally begins.

T.C.A. § 8-19-115



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## PENALTY FOR FAILURE TO FILE T.C.A. § 8-19-117

If any officer required by law to give bond fails to file in the proper office within the time prescribed, he or she vacates the office.

It is the officer's duty in whose office the bond is required to be filed to certify immediately the failure to give bond, and then the vacancy must be filled.



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## ACTING BEFORE APPROVAL OF BOND

Any public officer required by law to give bond who performs any official act before such bond is approved as required commits a Class C misdemeanor.

T.C.A. § 8-19-119.



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## PURPOSE OF BOND

An official bond is an instrument which requires the sureties to pay up to a specified amount of money if the trustee fails to perform certain acts or performs wrongful and injurious acts under the color of office.

Bonds constitute a written promise made by the trustee to:




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WRITTEN PROMISE

T.C.A. §§ 8-19-111 & 8-19-301

1. Perform all of the duties of the office;
2. Pay over to authorized persons all funds received in an official capacity;
3. Keep all records required by law;
4. Turn over to the successor all records, money, and property of the office; and
5. Refrain from anything that is illegal, improper, or harmful while acting in an official capacity.



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TRUSTEE'S LIABILITY

T.C.A. §§ 8-19-111 & 8-19-301

Any person who is injured by the failure of the trustee to keep this promise may collect from the trustee's sureties. It is important to know that a bond protects the state, the county, and the citizens in the event the trustee fails to perform his or her duties properly.

**The bond does not protect the trustee from liability.**



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TRUSTEE'S LIABILITY

If a payment is made under the bond, the trustee's sureties may have a right to recover from the trustee the amount paid.

This action against the trustee by the sureties is known as subrogation.



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## INSURANCE - T.C.A. § 8-19-101

The county legislative body can chose to use insurance instead of bonds. The insurance policy must provide government crime coverage, employee dishonesty insurance coverage, or equivalent coverage that insures the lawful performance by officials and their employees of their fiduciary duties and responsibilities. Any such policy or agreement maintained shall have limits of not less than four hundred thousand dollars (\$400,000) per occurrence.



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## INSURANCE - T.C.A. § 8-19-101

A policy or agreement satisfying these requirements shall be deemed to be a blanket official bond for each official or office identified in the policy or agreement for all purposes.

A certificate of insurance evidencing the officials and offices covered, the amount of coverage maintained, and the type of coverage provided shall be filed in the register's office for the county in which the official is located.

A certificate of insurance shall satisfy the requirement for the filing of the official bond by the named officials.



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## COMPENSATION OF THE TRUSTEE T.C.A. § 8-24-102

The State Legislature sets the minimum compensation of the trustee according to county population classes.

The county legislative body determines the salary of the trustee each year in an amount equal to or greater than the statutory minimum.

If the county legislative body takes no action, then the salary for the trustee is the statutory minimum amount.



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## EDUCATIONAL INCENTIVE - COCTP

Any full-time county officer who is designated as a "certified public administrator" shall receive an annual educational incentive payment from the state treasurer.

T.C.A. § 5-1-310



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## FEE OR NON-FEE OFFICE

Two methods exist for using and accounting for fees and commissions received by the trustee and other county officials.



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## FEE SYSTEM T.C.A. § 8-22-104

Under the older system, called the "fee system," the official transfers to the county general fund on a quarterly basis all of the fees, commissions, and charges collected in the preceding quarter in excess of the amount required to pay salaries of the officer, deputies, and assistants and the necessary office expenses.

Under this system the official may retain fees in an amount equal to three times the monthly salary total.



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## SALARY SYSTEM

T.C.A. § 8-22-104(A)(3)

The county legislative body may adopt an alternative system for any of the fee officers of the county, including the trustee, or all of them (except the sheriff who is always under this system).

Under the alternative system, sometimes called the "salary system," the trustee or other official makes monthly payments to the county general fund for all of the fees, commissions, and charges collected.



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## SALARY SYSTEM

T.C.A. § 8-22-104(A)(3)

The county legislative body is required to pay the trustee's salary, the salaries of the deputies and assistants, and the authorized expenses of the office from the general fund in twelve equal monthly installments, regardless of the fees received by the office.

This alternative system may be adopted by the county legislative body for one or more county offices. It is not necessary for all offices to operate under the same system.



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## DEPUTIES AND ASSISTANTS

T.C.A. § 8-20-101 *ET SEQ.*

Two things are needed to hire deputies and assistants:

Budgetary Authority (county budget)

AND

Legal Authority (court order or letter of agreement)



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## DEPUTIES AND ASSISTANTS

"[The official] has sole discretion to request the number of assistants he believes are 'actually necessary to the proper conducting' of his office, as well as the salaries he feels are necessary to attract and retain them."

*Shelby County Deputy Sheriff's Ass'n v. Gilles*, 972 S.W.2d 683, 686 (Tenn.Ct.App. 1997).



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## DEPUTIES AND ASSISTANTS

The compensation for deputies and assistants must be sufficient to comply with the Federal Fair Labor Standards Act (FLSA) and its minimum wage and overtime provisions.



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## PATRONAGE DISMISSALS

A Trustee may not dismiss a non-policy making employee for political reasons.

Such an unlawful firing may subject the Trustee and the county to liability under the federal civil rights laws.





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## PATRONAGE DISMISSALS

### Monroe County Workers Win \$500K First Amendment Settlement

Seventeen former Monroe Co. road department workers, who said they were fired for supporting their boss's opponent in the August 2010 county election for road superintendent, won a major settlement in a federal civil rights lawsuit after three days of trial.



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## PATRONAGE DISMISSALS

### Two Fired Monroe County Officers Win \$200,000 Settlement

October 6th, 2016

Two Monroe County, Tenn., men who say they were fired from the sheriff's office for political activities have won a \$200,000 settlement after a federal jury found in their favor.

Former deputy Doug Brannon and ex-employee Steve Miller sued Sheriff Tommy Jones and Chief Deputy Randy White in early 2015, claiming they were fired for being allies of Bill Eivens, who lost the 2014 sheriff's race.

Brannon and Miller also claimed retaliation for participating in a TBI investigation into alleged vote-buying in the county.



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## TRUSTEE'S AUTHORITY

"The rule is that counties have no authority other than that expressly given by statute or that necessarily implied from the provisions of such statute." [Bayless v. Knox County, 199 Tenn. 268, 281, 286 S.W.2d 579 \(1955\)](#). Thus, a county only possesses the powers granted by the Legislature. [Knox County ex rel. Kessel v. Knox County Personnel Board, 753 S.W.2d 357 \(Tenn.Ct.App.1988\)](#).



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## TRUSTEE'S AUTHORITY

Counties are public municipal corporations of limited powers, having no authority other than that expressly given or necessarily implied by statute, and statutes respecting a county's powers are strictly construed.

See Bayless v. Knox County, 199 Tenn. 268, 281, 287-89, 286 S.W.2d 579 (1955); Hagan v. Black, 159 Tenn. 290, 293, 17 S.W.2d 908 (1929); State ex rel. Citizens of Wilson County v. Lebanon & Nashville Turnpike Co., 151 Tenn. 150, 160, 268 S.W. 627 (1924); White's Creek Turnpike Co. v. Davidson County, 82 Tenn. 73, 75 (1884); Weakley County Municipal Electric System v. Vick, 43 Tenn. App. 524, 549, 309 S.W.2d 792 (1957).



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## TRUSTEE'S AUTHORITY

County fee officials are independent entities.

They do not work for and are not subject to the mayor's control.

Easterly v. Harmon, 1997 WL 718430, n4 (Tenn.Ct.App.,1997) (The county executive and county clerk are independent entities and Easterly is not subject to his control.).



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## POWERS & DUTIES

### Basic Duties

- Settle account on leaving office
- Financial Statements
- Collection of property taxes
- Maintain accurate record of all money received
- Pay legal demands immediately if sufficient funds exist
- Maintain accounts and records



## DUTIES OF THE TRUSTEE UPON LEAVING OFFICE

T.C.A. § 8-11-104 (8) – (11)

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Deliver to the trustee's successor all the books and papers of the trustee's office, especially the book in which the warrants payable are listed and numbered.

Make settlement immediately with the county mayor, and pay over the balance found in the trustee's hands to the trustee's successor, taking duplicate receipts.



## DUTIES OF THE TRUSTEE UPON LEAVING OFFICE

T.C.A. § 8-11-104(8) – (11)

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Deliver one of the receipts to the county clerk, to be recorded by the county clerk in the revenue docket.

Furnish the county mayor with such papers and vouchers in the county trustee's possession as the county trustee may think necessary for perfecting any settlement with any person who is accountable for county revenue.



## ANNUAL FINANCIAL STATEMENT

T.C.A. § 67-5-1902

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The trustee must make a full and complete financial report on or before the first Monday in September, for the year ended June 30, of the condition of the trustee's office.

This annual financial report is filed with the county mayor and with the county clerk.

This is the same report as required by T.C.A. § 5-8-505.



## MONTHLY FINANCIAL STATEMENT

On or before the 10th day in each month, the trustee must report to the county mayor and the financial agent or treasurer of each municipality and make a settlement for all taxes collected during the preceding month and pay over the amounts due as shown by the respective settlements.

T.C.A. §§ 67-5-1902(a) and 8-22-104 (fees).



## COLLECTION OF CURRENT PROPERTY TAXES

One of the trustee's primary functions is the collection of all property taxes levied by the county and by municipalities within the county, unless a municipality collects its own taxes. T.C.A. § 67-5-1801.

The trustee's role in this process begins with the tax roll, which is prepared by the assessor and is delivered to the trustee on or before the first Monday in October of each year. T.C.A. § 67-5-807.

The trustee collects the tax amounts shown in the tax roll.



## TAX DUE DATE

Property taxes imposed by counties are due and payable on the first Monday of October of the tax year. T.C.A. § 67-1-702.

Municipal property taxes collected by the trustee are also due and payable on this date. However, when a municipal charter has provided for a consolidation of functions and offices, then the trustee, with the approval of the county legislative body, may establish another municipal due date to maintain existing municipal fiscal policies. T.C.A. § 67-1-701.



## PAYMENT OF TAXES

Property taxes are paid to the trustee at the trustee's office. The trustee also has the authority to designate other collection sites, including a bank. The procedures for such a designation require the trustee to establish an account with the bank for the deposit of property taxes. T.C.A. § 67-5-1801.



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## PAYMENT AT BANK T.C.A. § 67-5-1801

In order to pay at the bank, the taxpayer must show evidence of the amount owed. The bank may not accept delinquent taxes and must provide a deposit form to the taxpayer which states that the bank is acting as agent for the trustee. The bank must provide to the trustee evidence of the taxes deposited into the account and a copy of the deposit forms at least every 3 business days. The trustee must check amounts deposited and owed before issuing a tax receipt to the taxpayer.



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## TAX STATEMENTS

The use of mailed tax bills or statements is not specifically authorized or required except as authorized in counties with consolidated forms of government. T.C.A. § 7-3-203. However, tax statements are uniformly used to remind taxpayers of their obligations to pay property taxes. The widespread use of mailed tax statements has been recognized in legislation dealing with notices of delinquent taxes, which requires these notices to be mailed with tax statements. T.C.A. § 67-5-2402.



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## TAX STATEMENTS

### NOTICE OF DELINQUENT TAXES ON CURRENT BILL

The trustee must send a notice of delinquent taxes with the current tax bill for any taxpayer having delinquent taxes as of June 1 of each year. The property owners to whom this notice is sent is obtained from the delinquent taxpayers list and from the list of property owners whose property is subject to a lawsuit to enforce the tax lien.

T.C.A. §§ 67-5-2402 and 67-5-2403.



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## TAX STATEMENTS

A county cannot include other charges on the property tax bill unless there is specific statutory authority, as is the case with city solid waste special assessments.

T.C.A. § 67-5-103.



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## CURRENCY AND PARTIAL PAYMENTS

### T.C.A. § 67-1-704

The trustee is required to accept constitutional and lawful U.S. currency or warrants on the state treasury legally outstanding in the hands of a person to whom they were issued and unpaid, U.S. coins, U.S. legal tender notes, and federal reserve notes. The trustee may also receive payment by check, money order, credit card or debit card.



## PARTIAL PAYMENTS OF CURRENTLY OWED PROPERTY TAXES

**After the tax rate is set** - TCA 67-5-1801 covers partial payments after the tax rate is set. Only requires CLB approval if additional operating resources are needed.

**Before the tax rate is set** - TCA 67-5-1808 covers partial payments for taxes prior to the tax rate being set. It requires CLB adoption.



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## PARTIAL PAYMENTS OF CURRENTLY OWED PROPERTY TAXES

Trustees in all counties may accept partial payment of property taxes.

Prior to accepting partial payments of property taxes, the trustee must file a plan with the Comptroller of the Treasury.

The plan must indicate that the trustee's office has the accounting system technology to implement a program for partial payment of property taxes.

T.C.A. §§ 67-5-1801 and 67-5-1808.



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## PARTIAL PAYMENTS OF CURRENTLY OWED PROPERTY TAXES

The plan must also indicate whether the program will be implemented within the existing operating resources of the office or indicate prior approval of the county legislative body if additional operating resources are needed.

Accepting a partial payment of taxes does not release the tax lien, except to the extent of the partial payment; the trustee has the duty to accept the balance as if no partial payment has been made.

T.C.A. §§ 67-5-1801 and 67-5-1808



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## DATE OF RECEIPT

Any tax payment which is transmitted by U.S. mail to the trustee is deemed filed and received on the date on the postmark, or if the postmark is illegible, erroneous, or omitted, on the date the payment was mailed, as established by the sender by competent evidence.

If the payment is postmarked no more than 24 hours subsequent to the last date for the timely payment of taxes, it must be accepted as if timely filed.

T.C.A. § 67-1-107.



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## RECEIPTS

The trustees must provide to each taxpayer a receipt printed or written in ink or indelible pencil, for all the taxes paid by the taxpayer. Tax receipts must be numbered and dated.

T.C.A. § 67-1-704(b).



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## RECEIPTS

If a portion of the tax notice is to be retained by the taxpayer, in lieu of the trustee mailing a separate receipt of the payment to the taxpayer, the tax notice must:

- clearly state such fact; and
- inform the taxpayer that if the taxpayer desires a separate receipt, the taxpayer must include a self-addressed, stamped envelope when the taxes are paid.

TCA § 67-1-704(b).



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**COLLECTION OF 2021  
DELINQUENT PROPERTY TAXES**  
TCA § 67-5-2001

On March 1, 2022, the 2021 unpaid property taxes became delinquent property taxes.

The trustee is authorized to appoint the necessary deputies to collect delinquent taxes after they become delinquent. These deputies collect delinquent real property taxes as well as delinquent personal property taxes.

The trustee is required to prepare and provide a list of delinquent taxpayers to the deputies appointed to collect delinquent taxes.



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**COLLECTION OF 2021  
DELINQUENT PROPERTY TAXES**  
TCA § 67-5-2006

Deputy trustees who have delinquent lists for collection must make partial settlement with the trustee whenever required by the trustee.

On or before January 1, following the receipt of the delinquent tax lists, the deputy trustees make a final settlement with the trustee and return the lists showing in the return what disposition was made of each item of taxes therein set out, and the reason for not collecting items remaining unpaid, and sign the return in the deputy trustee's official capacity.



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**COLLECTION OF 2021  
DELINQUENT PROPERTY TAXES**

Deputy trustees who have not received copies of the delinquent tax list have no authority to collect the delinquent taxes.



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**PARTIAL PAYMENT OF DELINQUENT PROPERTY TAXES**  
T.C.A. § 67-5-2001

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The county trustee may accept partial payments of delinquent property taxes, including, but not limited to, payment by electronic transfers, bank customer preauthorized payments, wire transfers or ACH credits.

If the entire amount of delinquent taxes due is not paid prior to the date the trustee delivers the delinquent tax lists to the delinquent tax attorney, the entire property shall be subject to the tax lien and enforcement by a tax sale or other legally-authorized procedures.



**PARTIAL PAYMENT OF DELINQUENT PROPERTY TAXES**  
T.C.A. § 67-5-2001

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Prior to accepting partial payment of delinquent property taxes, the trustee must file a plan with the comptroller of the treasury at least 30 days prior to the acceptance of the payments.

The plan shall indicate that the trustee's office has the accounting system technology to implement a program for partial payment of delinquent property taxes. The plan shall also indicate whether the program will be implemented within the existing operating resources of the office or indicate prior approval of the county legislative body if additional operating resources are needed.



**PARTIAL PAYMENT OF DELINQUENT PROPERTY TAXES**  
T.C.A. § 67-5-2001

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The delinquent date for property taxes and interest applicable to delinquent property taxes is not affected by application of a partial payment system established in the county.

Interest shall apply only to the amount of delinquent property taxes remaining due.

If a partial payment of delinquent property taxes is accepted, the partial payment does not release the tax lien on the property upon which the taxes were assessed.



The End

