



# County Technical Assistance Service

Published on e-Li (<https://eli.ctas.tennessee.edu>)

January 23, 2021

## Property of Certain Educational Institutions

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Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily 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 e-Li material.

Sincerely,

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## Property of Certain Educational Institutions

**Reference Number:** CTAS-1542

The real estate owned by an educational institution that is used primarily for dormitory purposes for its students is exempt from taxation, even though other student activities are incidentally conducted there, and even though the student's spouse or children may reside there.<sup>1</sup> The residence of the chief executive officer of a college or university, and no more than three acres of its surrounding grounds, owned by a college or university, is exempt from taxation, if the chief executive officer of the institution is required to reside there as a condition of employment.<sup>2</sup> The residential units owned by a nonprofit college or university or nonprofit secondary school that boards all or some of its students and located on or immediately adjoining its campus are exempt from taxation if the residential units meet all of the following criteria: (1) the unit is occupied by a member of the faculty or staff of the institution; (2) occupancy is required as a condition of that person's employment as a convenience for the institution or to attend to plant or equipment; (3) the institution which owns the unit receives no income from the unit except a reasonable service and maintenance fee; (4) the employee occupying the unit receives no equity of ownership or any other thing of permanent or transferable value from occupancy of the unit; (5) the right of the employee to occupy the unit ends with the employee's tenure on the faculty or staff of that institution; and (6) the unit is occupied wholly by the employee and the employee's immediate family.<sup>3</sup> A bookstore owned by a college or university which is located on the campus and is operated on a not-for-profit basis to furnish students at that institution with textbooks and other ancillary required materials is exempt from taxation, even though the bookstore may sell other items of a souvenir nature, such as wearing apparel, glassware, and china embossed with the name, seal or logo of the institution, or items such as toiletries or stationery supplies for the convenience of students.<sup>4</sup>

University bookstores and residential units owned by any nonprofit college or university or secondary school located in Hamilton County are not eligible for the exemption provided in T.C.A. § 67-5-213(c) and (d).<sup>5</sup>

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<sup>1</sup>T.C.A. § 67-5-213(a).

<sup>2</sup>T.C.A. § 67-5-213(b).

<sup>3</sup>T.C.A. § 67-5-213(c).

<sup>4</sup>T.C.A. § 67-5-213(d).

<sup>5</sup>T.C.A. § 67-5-213(c)(3) and (d)(2).

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