



Sources of Revenue

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal 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 municipal 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 MTAS website material.

Sincerely,

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Sources of Revenue

Reference Number: MTAS-338

There are several sources of revenue for the Drug Fund special revenue account.

Click on the subheadings below for detailed information on each one.

Fines from Drug Offenses

Reference Number: MTAS-341

All fines from drug offenses must be turned over to the local government of the arresting agency. T.C.A. § 39-17-420. T.C.A. § 39-17-428(c)(1) requires that 50 percent of each fine go to the city's General Fund and 50 percent to the city's Drug Fund special revenue account.

Most state courts, including General Sessions and Criminal (Circuit) Courts, allow defendants to pay their fines and court costs on the easy monthly payment plan. The law requires the clerk to apply payments to satisfy state fees first, then court costs, and then the fine. The clerk will then begin forwarding the payments to the city. The proper action for the city recorder is to put 50 percent of each payment in the General Fund and the remainder of each payment in the Drug Fund special revenue account. T.C.A. § 39-17-420, T.C.A. § 39-17-428.

Forfeited Cash and Proceeds from Sale of Property

Reference Number: MTAS-342

Any cash that is forfeited to the city as well as the proceeds from the sale of any forfeited property (usually vehicles) go into the Drug Fund special revenue account. These funds are **not** split between the General Fund and the Drug Fund special revenue account. Revenue derived from the sale of vehicles seized for DUI or Driving on a Revoked Driver's License does **not** go to the drug fund. Those revenues, less the city's direct costs associate with the seizing, towing and storage of the vehicles, must be forwarded to the state Department of Mental Health.

Donations

Reference Number: MTAS-343

Funds can be donated to the Drug Fund from civic organizations, or a defendant may be ordered to donate funds to the Drug Fund in addition to paying the statutory minimum fine for a drug offense.

A defendant cannot be ordered or allowed to donate money to the Drug Fund without paying at least the minimum fine for the offense. In the past, some defendants were ordered, as a result of a plea bargain, to make a donation to the Drug Fund and pay something less than the minimum fine. In effect this circumvented the requirement to divide fine revenues between the General Fund and the Drug Fund. This action is improper. Op. Tenn. Atty. Gen., 2003.

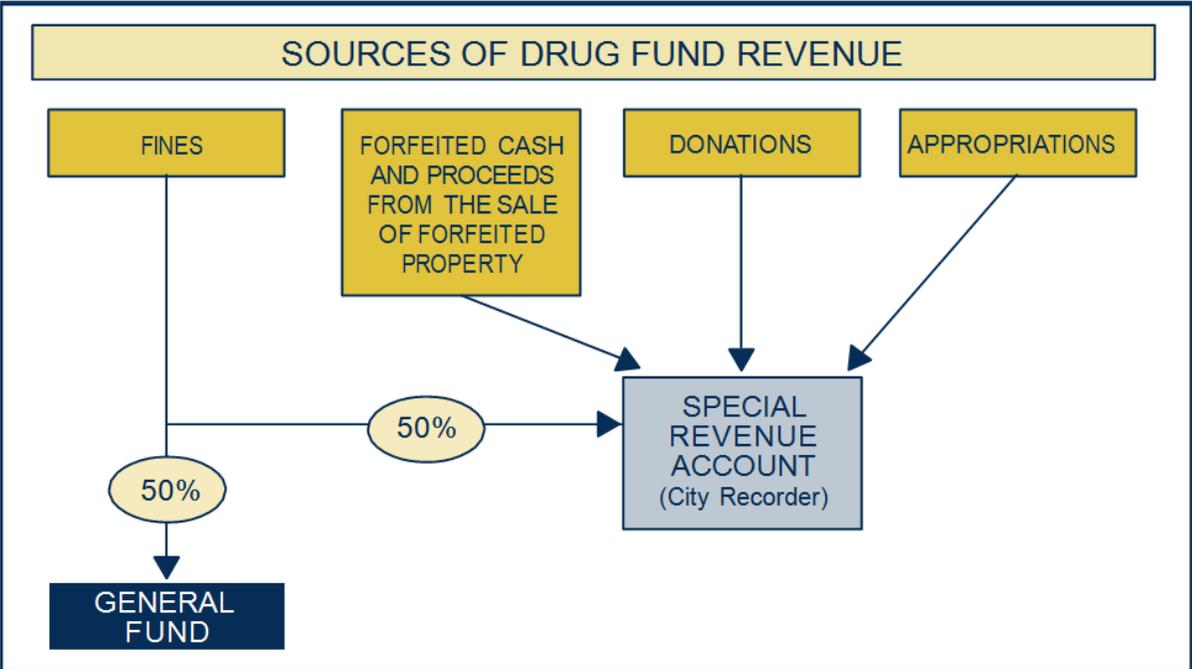
Appropriations

Reference Number: MTAS-344

The local governing body may make appropriations to the Drug Fund. In fact, some cities annually appropriate to the Drug Fund special revenue account the drug fine revenues that normally go to the General Fund.

Sources of Drug Fund Revenue Chart

Reference Number: MTAS-381



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Source URL (retrieved on 09/21/2021 - 4:08am): <https://www.mtas.tennessee.edu/reference/sources-revenue>