

## TITLE 5

MUNICIPAL FINANCE AND TAXATION<sup>1</sup>

## CHAPTER

1. MISCELLANEOUS.
2. PROPERTY TAXES.
3. PRIVILEGE TAXES.
4. WHOLESALE BEER TAX.
5. BUDGET DIRECTOR.
6. PURCHASING.

## CHAPTER 1

MISCELLANEOUS

## SECTION

- 5-101. Funds of city established.
- 5-102. Distribution of money in street fund among wards of city.
- 5-103. Deposit of city funds in designated depositories.
- 5-104. Designation of depository by city council.
- 5-105. Term of contracts.
- 5-106. Countersignature of checks.
- 5-107. Inventory of surplus and unusable supplies, etc.; transfer to other departments.
- 5-108. Sales of surplus, etc., property.

---

<sup>1</sup>Charter references

- Appropriations and expenditures: § 5(3).
- Assessment, etc., of property taxes: § 5(1).
- Date of assessment: §12.
- Due dates of taxes and penalties for non-payment: § 7.
- Interest-bearing warrants: § 5(30).
- Levy of taxes: § 12.
- Payment of salaries of city officers: § 5(31).
- Recorder and tax collector: § 5(29).
- Taxes on privileges: § 5(2).
- Taxes on amusements, etc.: § 5(13).

## Municipal code references

- Finance committee: § 1-208.
- Duties of recorder as treasurer and tax collector: §§ 1-504 and 1-505.

5-101. Funds of city established. The following city funds are hereby established:

- (1) General fund.
- (2) City schools.
- (3) Interest.
- (4) Expense and salary.
- (5) Sinking fund.
- (6) Streets.
- (7) Deficiency fund.

(8) Such other funds as may be established by resolution or ordinance of the city council.

Disbursements from any funds designated as "reserve" funds shall be made only upon the approval of the governing body.

All taxes collected by the city shall be distributed among the several funds as the city council may direct. (1979 Code, § 6-101, as amended by Ord. #3165, Feb. 2004)

5-102. Distribution of money in street fund among wards of city. All money set aside for the street fund shall be divided equally between the four wards of the city. (1979 Code, § 6-102)

5-103. Deposit of city funds in designated depositories. The recorder and all other officials and agents of the city who, from time to time, have in their custody and control funds of the city shall deposit such funds in the city depositories provided for by this chapter. (1979 Code, § 6-103)

5-104. Designation of depository by city council. There shall be designated by the city council, by proper resolution, a depository, being one of the banks located within the city in which shall be deposited all the funds of the city, including the general funds of the city and funds in the hands of the board of electric light and waterworks commissioners, all funds coming into the hands of the school commission and all funds coming into the hands of any other agents and representatives of the city. (1979 Code, § 6-104)

5-105. Term of contracts. Each contract covering the deposit of the funds of the city shall be for one year, the expiration date of such contract being on the second Friday in January of each year. (1979 Code, § 6-105)

5-106. Countersignature of checks.<sup>1</sup> The mayor or the city administrator shall countersign all checks drawn on the accounts of the city. (1979 Code, § 6-106)

---

<sup>1</sup>Municipal code reference

Recorder to countersign checks: § 1-504(3).

5-107. Inventory of surplus and unusable supplies, etc.; transfer to other departments. All municipal departments shall submit annually (January 1st) to the city administrator and at such other times and on such forms as he shall prescribe, reports showing stock of all supplies, materials, personal property, and surplus equipment that are no longer usable or which have become obsolete, worn-out or scrapped. The city administrator shall have the authority to transfer surplus stock, material, personal property, and surplus equipment to other departments. (1979 Code, § 6-107)

5-108. Sales of surplus, etc., property. The city administrator shall have the authority to sell all supplies, materials, personal property, and surplus equipment with a scrap value not exceeding one thousand dollars (\$1,000.00) which have become obsolete, worn-out, scrapped, or no longer suitable for public use without authorization from the city council.

Disposition of any supplies, materials, personal property, or surplus equipment with a scrap value exceeding one thousand dollars (\$1,000.00) shall be authorized by the city council. The city council shall dispose of all surplus real property.

Sales under this section shall be made to the highest responsible bidder after soliciting bids. Any and all bids may be rejected by the city administrator except those on surplus real property, which may be rejected by the city council. (1979 Code, § 6-108)

## CHAPTER 2

PROPERTY TAXES<sup>1</sup>

## SECTION

- 5-201. Property subject to tax for city purposes.
- 5-202. Taxes constitute lien on property.
- 5-203. Rate of taxation; preparation and certification of tax list.
- 5-204. Delivery of tax list to tax collector.
- 5-205. Due date of taxes; penalty for failure to pay taxes; interest on unpaid taxes.
- 5-206. Rebate for early payment of taxes.
- 5-207. Preparation of delinquent tax book; delivery of same to city attorney for collection of taxes.
- 5-208. Collection of unpaid taxes by city attorney.
- 5-209. Proceedings for collection of taxes to be in accordance with state law.
- 5-210. Redemption of land sold for taxes.

5-201. Property subject to tax for city purposes. All real, personal, and mixed property within the city subject to taxation for county purposes shall be subject to taxation for city purposes. (1979 Code, § 6-201)

5-202. Taxes constitute lien on property. All taxes assessed on real, personal, and mixed property shall be and remain a lien on the same from the tenth of January of the year when assessed, together with all interest, penalties, and charges thereon, until the same are paid. (1979 Code, § 6-202)

5-203. Rate of taxation; preparation and certification of tax list. After the assessment of property is complete, the city council shall set the rate of taxation to be levied on all property so assessed and liable for taxation, and shall cause a tax list to be made out and certified, showing the names of all taxpayers and the amount of taxes assessed against each, together with a description of the property assessed, for the current year. (1979 Code, § 6-203)

5-204. Delivery of tax list to tax collector. Upon the completion of the tax list, the same shall be delivered to the tax collector on or by the fifteenth day of June in each year. (1979 Code, § 6-204)

---

<sup>1</sup>Charter reference

Assessment of property taxes: § 5(1).

5-205. Due date of taxes; penalty for failure to pay taxes; interest on unpaid taxes.<sup>1</sup> All taxes levied on real estate or personal property for city purposes shall become due on the first day of October of the year for which they are levied, and shall remain in the hands of the recorder for collection until the first day of December of the same year, after which time such unpaid taxes shall bear interest at the rate of six percent per annum, which interest shall be collected together with the tax. All taxes not paid on or before the first day of December of the year for which such tax is levied shall be deemed delinquent, and a penalty of four and one-half percent of the amount of the tax shall be added to such delinquent taxes. (1979 Code, § 6-205)

5-206. Rebate for early payment of taxes. The recorder may open his books and receive taxes on and after the first day of July of the year for which the tax is levied, and taxpayers shall be entitled to receive a rebate of 2% if such taxes are paid during the month of July. (1979 Code, § 6-206)

5-207. Preparation of delinquent tax book; delivery of same to city attorney for collection of taxes. Eighteen months after taxes become due, the recorder shall make out a complete list of all unpaid taxes in his hands, giving the names, with a description of the property against which it is assessed, upon a book made and kept for that purpose, and deliver it to the city attorney for collection taking his receipt therefor. Such book shall have the force and effect of an execution in his hands against the property of the persons delinquent. (1979 Code, § 6-207)

5-208. Collection of unpaid taxes by city attorney.<sup>2</sup> All taxes unpaid eighteen months after the same become delinquent shall be turned over to the city attorney for collection, to be proceeded with as delinquent taxes are collected under state law.

The recorder shall furnish the city attorney a complete list of all taxes so due the city and assessed for all years, properly certified, showing the name of such taxpayer, with a description of the taxable property. The city attorney shall give notice as required by law, and if such taxes are not paid in the time allowed by law, the city attorney shall file a bill, either in the circuit or chancery court, to enforce the lien by a sale of all such property to pay all such unpaid taxes, penalties, and attorney's fees of ten percent, and a fee of one dollar to the attorney for each such parcel or lot of land. The city attorney shall embrace in

---

<sup>1</sup>Charter references

Due date of taxes; § 7.

Collection of delinquent taxes: § 11.

<sup>2</sup>Charter reference

Collection of delinquent taxes: § 11.

such bill as many as twenty-five defendants, if there are so many defendants, or may include all delinquent taxes in one bill as provided by Tennessee Code Annotated, title 67, chapter 5. A less number than twenty-five defendants may be embraced in the bill if deemed advisable or in case of complications.

In all cases, after a bill has been filed for the collection of any tax and the tax is paid to the clerk of the court in which such bill is filed, without a sale of the property upon which such tax is levied, the clerk shall be entitled to receive and collect from the delinquent taxpayer a commission of two and one-half percent on the amount of such tax, interest, and penalty, as compensation for his services in computing the interest and penalty accrued on such tax and for receiving and disbursing the funds. (1979 Code, § 6-208)

5-209. Proceedings for collection of taxes to be in accordance with state law. All proceedings under this chapter for the collection of taxes due the city shall be conducted and prosecuted, as provided in Tennessee Code Annotated, title 67, chapter 5, except as modified by this chapter. (1979 Code, § 6-209)

5-210. Redemption of land sold for taxes. The recorder, as tax collector, shall receive all money tendered by owners of land within the city, which land has been sold for city taxes, and he shall give receipts for the same, which receipts shall give such description of such lands as is shown on the tax books of the city; provided, that the recorder shall in no case accept less, in the redemption or part redemption of such lands, than the full amount of taxes, costs, penalties, and interest for which such lands were sold, together with all accrued interest to the date of redemption. No money shall be accepted by the recorder in redemption of any land sold for taxes after two years from the date of such sale. The receipt given by the recorder shall be, in the hands of the owner of the property or his assignee, sufficient evidence of the redemption of such land and shall estop the city from setting up any claim to such lands under such tax sales.

Such redemption money received by the recorder shall be paid into the city treasury as other taxes and accounted for by the recorder as he accounts for other taxes collected by him.

The recorder shall keep a separate account on which shall be shown all lands sold for taxes, when the same were sold, the date of redemption and the amount received in redemption. (1979 Code, § 6-210)

## CHAPTER 3

PRIVILEGE TAXES<sup>1</sup>

## SECTION

5-301. Privilege and business taxes levied; business tax collection fee charged.

5-302. Licenses required.

5-303. Issuance of licenses; issuance fees.

5-301. Privilege and business taxes levied; business tax collection fee charged. Except as otherwise specifically provided in this code or other ordinances of the city, there is hereby levied on all vocations, occupations, and businesses declared by the general laws of the state to be privileges taxable by municipalities, an annual privilege tax in the maximum amount allowed by state laws. The taxes provided in the state's "Business Tax Act" (Tennessee Code Annotated § 67-4-701, et seq.) are hereby enacted, ordained and levied on the businesses, business activities, vocations, or occupations doing business or exercising a taxable privilege as provided by such act in the city, at the rates and in the manner prescribed by such act.

The city recorder shall charge a fee of three dollars and fifty cents for collecting and recording amounts from the business tax; provided, however, that this fee may not be charged to persons paying the annual minimum tax under the provisions of Tennessee Code Annotated, title 67, ch. 4, if paid on the same date as the respective and related return is filed.

The proceeds from the privilege taxes herein levied and the fee herein chargeable shall accrue to the general fund of the city. (1979 Code, § 6-301)

5-302. Licenses required. No person shall exercise any privilege for which a tax is levied by § 5-301 within the city without a currently effective privilege license, which shall be issued by the recorder to each applicant therefor upon such applicant's payment of the appropriate privilege tax. (1979 Code, § 6-301)

5-303. Issuance of licenses; issuance fees. The recorder shall collect all privilege and ad valorem taxes requiring oath and bond as does the state, and issue licenses to be signed by him and countersigned by the mayor. A fee of one dollar and twenty-five cents shall be charged for issuing each license, which fee shall be used to offset administrative costs of issuing the license. (1979 Code, § 6-303)

---

<sup>1</sup>Charter references

Taxes on privileges and polls: § 5(2).

Levy of taxes: § 12.

## CHAPTER 4

WHOLESALE BEER TAX

## SECTION

5-401. To be collected.

5-401. To be collected. The recorder is hereby directed to take appropriate action to assure payment to the city of the wholesale beer tax levied by the "Wholesale Beer Tax Act", as set out Tennessee Code Annotated, title 57, chapter 6.<sup>1</sup> (1979 Code, § 6-401)

---

<sup>1</sup>State law reference

Tennessee Code Annotated, title 57, chapter 6 provides for a tax of 17% on the sale of beer at wholesale. Every wholesaler is required to remit to each municipality the amount of the net tax on beer wholesale sales to retailers and other persons within the corporate limits of the municipality.

Municipal code reference

Alcohol and beer regulations: title 8.

## CHAPTER 5

BUDGET DIRECTOR

## SECTION

5-501. Bond of budget director.

5-502. Duties as budget director.

5-501. Bond of budget director. The budget director shall, before entering upon the duties of his office, be bonded in such sum as may be fixed by, and with such surety as may be acceptable, to the city council. (1979 Code, § 6-501)

5-502. Duties as budget director. The budget director shall:

(1) Be the custodian of all funds of the city after they have been placed in the city depository by the recorder;

(2) Pay out of the funds of the city, from time to time, upon the order of the city council or the city administrator;

(3) At the end of each month, have his accounts balanced at the city depository and have the exact status of his accounts ascertained;

(4) Provide monthly or special financial statements; and

(5) Perform such other duties and functions as may be ordained or resolved by the city council, or director by the city administrator. (1979 Code, § 6-502)

CHAPTER 6

PURCHASING

SECTION

5-601. Office of purchasing agent created.

5-602. Duties of purchasing agent.

5-603. Revisions to purchasing procedures.

5-604. Competitive bidding.

5-601. Office of purchasing agent created. As provided in TCA § 6-56-301, et seq., the office of purchasing agent is hereby created and the city administrator shall faithfully discharge the duties of said office or appoint an individual to make purchases for the city. Purchases shall be made in accordance with the Municipal Purchasing Law of 1983 and amendments thereto, this chapter and purchasing procedures approved by the governing body. (Ord. #2718, Oct. 1993)

5-602. Duties of purchasing agent. The purchasing agent, or designated representative, as provided herein, shall purchase materials, supplies, services, and equipment, provide for leases and lease-purchases, and dispose of surplus property in accordance with purchasing procedures approved by the governing body and filed with the city recorder. (Ord. #2718, Oct. 1993)

5-603. Revisions to purchasing procedures. After initial approval by resolution of the governing body of this city, changes or revisions to the purchasing procedures shall be made only by resolution. (Ord. #2718, Oct. 1993)

5-604. Competitive bidding. Public advertisement and competitive bidding shall be required for items costing ten thousand dollars (\$10,000.00) or more; a minimum of three (3) competitive quotes for items between four thousand one dollars (\$4,001) and nine thousand nine hundred ninety nine (\$9,999); and the direct purchase of items costing four thousand dollars (\$4,000) or less. (Ord. #2719, Oct. 1993, as amended by Ord. #2963, Nov. 1998, and Ord. #3253, June 2006)