

**TITLE 5**

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

**CHAPTER**

1. MISCELLANEOUS.
2. REAL PROPERTY TAXES.
3. PRIVILEGE TAXES.
4. WHOLESALE BEER TAX.
5. COLLECTION OF DELINQUENT TAXES.
6. PURCHASING POLICY.
7. HOTEL OR MOTEL TAX.

**CHAPTER 1**

**MISCELLANEOUS**

**SECTION**

- 5-101. Fiscal year.
- 5-102. Official depositories for city funds.
- 5-103. Service charge for bad checks.
- 5-104. Service charge for failure of automatic payments.

**5-101. Fiscal year.** The fiscal year is hereby fixed to begin on the 1st day of July and end on the 30th day of June of each year. (1981 Code, § 6-701)

**5-102. Official depositories for city funds.** Trustmark National Bank, BankCorpSouth, Munford Union Bank of Millington, Insouth Bank, Patriot Bank and First Tennessee Bank N.A. are hereby designated as official depositories for city funds. (1981 Code, § 6-702, as amended by Ord. #2001-12, July 2001, and Ord. #2001-15, Sept. 2001, and replaced by Ord. #2003-3, April 2003)

**5-103. Service charge for bad checks.** All collecting agents for the city water department and general city government, including the city court clerk, are hereby authorized to assess and collect a service charge for every check that is returned for non-payment because of insufficient funds in the drawer's account or for any other legitimate reason that payment in good funds is not made. The amount of such service charge shall be as follows:

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<sup>1</sup>Charter references

Fiscal year: § 13.01.

Official depository: § 13.15.

(1) For each payment due to the city in the amount of two thousand dollars (\$2,000.00) or less, the service charge shall be twenty dollars (\$20.00).

(2) For each payment due to the city in amounts in excess of two thousand dollars (\$2,000.00), the service charge shall be one percent (1%) of the amount of such.

(3) This service charge applies to all checks paid to any arm or division of city government, including but not limited to payments for taxes, fees, permits and checks to city court. (1981 Code, § 6-703, as replaced by Ord. #1999-14, § 1, Sept. 1999, and Ord. #2012-8, May 2012)

**5-104. Service charge for failure of automatic payments.** There shall be imposed a service charge on customers who make payments to the city by automatic deduction from their bank accounts, for each occasion on which a customer's bank refuses or fails to pay, amounts due to the city pursuant to authorization previously given by the customer for automatic payment to the city, because of insufficient funds in the customer's account or any other legitimate cause related to the customer's account. The service charge shall be imposed on all customers who make payments to the city by automatic deduction, including payments for utility and other services, for use of city facilities, payments for taxes and fees, payments for participation in city activities, and payments to city court. The service charge shall be twenty dollars (\$20.00) for each failure of payment and shall be immediately payable by the customer upon assessment. If a service charge remains unpaid, it shall be subject to collection, and the customer shall be subject to service cut-off, in accordance with city policies. In either case, the customer shall be liable, in addition to the service charge, for all costs of collection incurred by the city, including reasonable attorney fees, and the city shall be authorized to take appropriate legal action, if necessary, to collect the amounts due under this section. (as added by Ord. #2003-27, Dec. 2003)

**CHAPTER 2**

**REAL PROPERTY TAXES**

**SECTION**

5-201. County assessments to be used.

5-202. When due and payable.

5-203. When delinquent--penalty and interest.

**5-201. County assessments to be used.** The real property assessments made by the county shall be used by the city for city real property tax purposes. (1981 Code, § 6-101)

**5-202. When due and payable.**<sup>1</sup> Taxes levied by the city against real and personal property shall become due and payable in accordance with the city's charter. (1981 Code, § 6-102)

**5-203. When delinquent--penalty and interest.**<sup>2</sup> All real property taxes shall become delinquent on and after the first day of March of the subsequent year and shall thereupon be subject to such penalty and interest as is authorized and prescribed by the city's charter.<sup>3</sup> (1981 Code, § 6-202)

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<sup>1</sup>State law references

Tennessee Code Annotated, §§ 67-1-701, 67-1-702 and 67-1-801, read together, permit a municipality to collect its own property taxes if its charter authorizes it to do so, or to turn over the collection of its property taxes to the county trustee. Apparently, under those same provisions, if a municipality collects its own property taxes, tax due and delinquency dates are as prescribed by the charter; if the county trustee collects them, the tax due date is the first Monday in October, and the delinquency date is the following March 1.

<sup>2</sup>Charter and state law reference

Tennessee Code Annotated, § 67-5-2010(b) provides that if the county trustee collects the municipality's property taxes, a penalty of 1/2 of 1% and interest of 1% shall be added on the first day of March, following the tax due date and on the first day of each succeeding month.

<sup>3</sup>Charter references

Property taxes: § 13.09.

Due dates, etc. : § 13.11.

## CHAPTER 3

### PRIVILEGE TAXES

#### SECTION

5-301. Tax levied.

5-302. License required.

**5-301. Tax levied.** Except as otherwise specifically provided in this code, 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 for in the state's "Business Tax Act" (Tennessee Code Annotated, § 67-4-701, et seq.) are hereby expressly enacted, ordained, and levied on the businesses, business activities, vocations, and occupations carried on within the city at the rates and in the manner prescribed by the act. (1981 Code, § 6-201)

**5-302. License required.** No person shall exercise any such privilege within the city without a currently effective privilege license, which shall be issued by the recorder to each applicant therefor upon the applicant's compliance with all regulatory provisions in this code and payment of the appropriate privilege tax. (1981 Code, § 6-202)

**CHAPTER 4**

**WHOLESALE BEER TAX**

**SECTION**

5-401. To be collected.

**5-401. To be collected.** The city clerk 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 in Tennessee Code Annotated, title 57, chapter 6.<sup>1</sup> (1981 Code, § 6-301)

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<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.

## CHAPTER 5

### COLLECTION OF DELINQUENT TAXES

#### SECTION

5-501. Remedies available for collection of delinquent taxes.

**5-501. Remedies available for collection of delinquent taxes.**

Delinquent municipal taxes, including any applicable penalty and interest, may be collected by distress warrants issued by the mayor for the sale of goods and chattels to be executed by any police officer of the city under the laws executed by any police officer of the city under the laws governing execution of such process from a justice of the peace or by the county trustee as provided by general law, or by the city attorney acting in accordance with general laws providing collection of delinquent city and/or county taxes or by any two or more of the methods, and by the use of any available legal processes and remedies including an ordinary suit at law. (1981 Code, § 6-501)

## CHAPTER 6

### PURCHASING POLICY

#### SECTION

5-601. When bids are required.

5-602. Procedures.

**5-601. When bids are required.** When bids are required for any expenditure or contract they shall be solicited by a notice published in a newspaper generally circulated in the City of Millington within ten (10) days prior to the date fixed for opening such bids. This shall be the minimum advertisement and publication authorized in such cases. (1981 Code, § 6-601)

**5-602. Procedures.** (1) All purchases expected to exceed ten thousand dollars (\$10,000.00) shall be based on a sealed bid which has been published in a newspaper generally circulated in the City of Millington and/or Shelby County for at least seven (7) days prior to the date of receiving bids. Purchases between four thousand and ten thousand dollars (\$4,000.00 and \$ 10,000.00) should be based on a minimum of three (3) written quotes. Bids shall be awarded on the basis of lowest and best bid.

(2) The city may make purchases based on bids of the State of Tennessee or other governments, as authorized in state law, without further bidding.

(3) Legal services and similar services by professional persons shall not be based upon competitive bids, but shall be awarded on the basis of recognized competence and integrity at customary rates of compensation and may be procured through requests for proposals.

(4) The city may purchase, sell or exchange materials, supplies, commodities, equipment and real estate from, to or with any federal, state or local government or office without conforming with the competitive bidding requirements of this section, provided the sale, purchase or exchange is based upon the fair market value of such sales to, purchases from or exchanges with other such governmental entities. (as added by Ord. #2015-19, Sept. 2015)

## CHAPTER 7

### HOTEL OR MOTEL TAX

#### SECTION

- 5-701. Levy of hotel tax.
- 5-702. Collection and payment of tax.
- 5-703. Compensation for operator.
- 5-704. Rules, records and reports.
- 5-705. Failure to collect tax.
- 5-706. Allocation of funds collected.

**5-701. Levy of hotel tax.** There is hereby levied upon transients occupying any room in a hotel (as defined in section 15(a)(4) of the Charter of the City of Millington) within the city a privilege tax upon the privilege of occupancy. Said privilege tax is permanently set at three percent (3%) of the consideration charged by the operator, exclusive of the amount of taxes payable to other governmental entities. (as added by Ord. #2009-2, March 2009, and amended by Ord. #2015-22, Dec. 2015)

**5-702. Collection and payment of tax.** The tax levied hereby shall be collected by the operator of every hotel, who shall add the amount of tax due to the invoice for each room. The operator shall remit said tax to the City of Millington in accordance with the requirements of section 15 of the charter. Not later than the 20th day of each month, every operator of a hotel shall file a monthly report with the city clerk, which report shall contain information sufficient to verify the amount of tax due to the city for the preceding month and the amount retained by the operator as permitted by § 5-703 of this chapter. (as added by Ord. #2009-2, March 2009)

**5-703. Compensation for operator.** The operator of each hotel shall be allowed to retain two percent (2%) of the total amount of such tax collected as compensation for the collection and remission of such tax to the city, but only when the amount due is not delinquent at the time of payment. (as added by Ord. #2009-2, March 2009)

**5-704. Rules, records and reports.** Each operator liable for the tax imposed hereby shall comply with all provisions of this chapter and chapter 15 of the Charter, including but not limited to the requirements for preservation of records. (as added by Ord. #2009-2, March 2009)

**5-705. Failure to collect tax.** Any operator who fails to collect and remit the taxes imposed hereby shall be responsible for payment of interest on



delinquent taxes until paid and shall in addition be subject to the penalties set out in chapter 15 of the Charter. (as added by Ord. #2009-2, March 2009)

**5-706. Allocation of funds collected.** The proceeds of the tax collected pursuant to this chapter shall be allocated as the board of mayor and aldermen of the city shall direct. (as added by Ord. #2009-2, March 2009)