

TITLE 5**MUNICIPAL FINANCE AND TAXATION¹****CHAPTER**

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2. REAL AND PERSONAL PROPERTY TAXES.
3. PRIVILEGE TAXES.
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CHAPTER 1**MISCELLANEOUS****SECTION**

- 5-101. Official depository for town funds.
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5-103. Drug fund.

5-101. Official depository for town funds. The Citizens Bank and Trust Company of Bean Station, Tennessee, is hereby designated as the official depository for all town funds. (Ord. #0-01-97, March 2009)

5-102. Purchasing procedures. (1) The mayor shall act as purchasing agent for the town, with power, except as set out in these procedures, to purchase materials, supplies, equipment; secure leases and lease purchases, and dispose of and transfer surplus property for the proper conduct of the town's business. All contracts, leases, and lease-purchase agreements extending beyond the end of any fiscal year must have prior approval of the governing body.

(2) The purchasing agent shall have the authority to make purchases, leases, and lease purchases of less than four thousand one dollars (\$4,001.00) singly or in the aggregate during any fiscal year; and a minimum of three (3) competitive quotes shall be required for items between four thousand one dollars and nine thousand nine hundred ninety-nine dollars (4001.00 and \$9,999.00) with governing approval, and public advertisement and competitive bidding shall be required for items costing ten thousand dollars (\$10,000.00) or more with governing approval. All competitive bids or quotations received shall be listed upon that document prior to the issuance of the purchase order. Awards shall be made to the lowest and best bid by the governing body.

¹Charter reference

Depositories of municipal funds: § 6-4-402.

(3) A description of all projects or purchases, except as herein provided, that require the expenditure of town funds of ten thousand dollars (\$10,000.00) or more shall be prepared by the purchasing agent and submitted to the governing body for authorization to call for bids or proposals. After the determination that adequate funds are budgeted and available for a purchase, the governing body may authorize the purchasing agent to advertise for bids or proposals. The award of purchase, leases, or lease-purchases of ten thousand dollars (\$10,000.00) or more shall be made by the governing body to the lowest and best bid.

(4) Purchases amounting to ten thousand dollars (\$10,000.00) or more, which do not require public advertising and sealed bids or proposals, may be allowed only under the following circumstances and except as otherwise provided therein, when such purchase are approved by the governing body.

(a) Sole source of supply or proprietary products as determined after complete search by using the department and the purchasing agent, with governing body approval.

(b) Emergency expenditures with subsequent approval of the governing body.

(c) Purchases from instrumentalities created by two (2) or more cooperating governments.

(d) Purchases from nonprofit corporations whose purpose or one (1) of whose purposes is to provide goods or services specifically to municipality.

(e) Purchases, leases or lease-purchases of real property.

(f) Purchases, leases, or lease-purchases, from any federal, state, or local governmental unit or agency, of second-hand articles or equipment or other materials, supplies, commodities, and equipment.

(g) Investment in or purchases from the Local Government Investment Pool (LGIP).

(h) Purchases directed through or in conjunction with the state department of general services.

(i) Purchases of fuels, fuel products or perishable commodities.

(j) Purchases of natural gas and propane gas for re-sale.

(k) Purchases from Tennessee state industries (*Tennessee Code Annotated*, § 41-22-119--121).

(l) Professional service contracts (*Tennessee Code Annotated*, §§ 12-3-1209 and 12-4-107).

(m) Energy-related service contracts (*Tennessee Code Annotated*, § 12-4-110).

(n) Any of the insurance as provided in (*Tennessee Code Annotated*, § 29-20-407).

(o) Purchases for other local governmental units (*Tennessee Code Annotated*, § 12-3-1203).

(p) Cooperative purchasing agreements (*Tennessee Code Annotated*, §§ 12-3-1205 and § 12-9-101 *et. seq.*).

(q) Purchases of property at public auctions (*Tennessee Code Annotated*, § 12-2-421).

(r) Reverse auctions (*Tennessee Code Annotated*, § 12-3-1208).

(s) Purchase of confiscated property from the state (*Tennessee Code Annotated*, § 12-2-201).

(5) The purchasing agent shall be responsible for following these procedures and the Municipal Purchasing Law of 1983, as amended, including keeping and filing required records and reports, as if they were set out herein and made a part hereof and within definitions of words and phrases from the law as herein defined. (Ord. #2019-07-100, Aug. 2019)

5-103. Drug fund. The Town of Bean Station, in compliance with the provisions of *Tennessee Code Annotated*, §§ 6-22-120 and 40-33-211, does hereby authorize and direct the town recorder to establish an account for the depository of funds seized as a result of drug-related arrests made pursuant to *Tennessee Code Annotated*, §§ 53-11-201, *et seq.*, at the Citizens Bank and Trust of Grainger County, Tennessee, Bean Station Branch, said account and funds contained therein to be administered in accordance with applicable law. (Ord. #____, Dec. 1997)

CHAPTER 2**REAL AND PERSONAL PROPERTY TAXES****SECTION**

5-201. Prohibiting property taxes.

5-201. Prohibiting property taxes. The mayor and aldermen of the Town of Bean Station are prohibited from imposing a property tax for property located within the municipal boundaries of the Town of Bean Station, Tennessee. No ordinance imposing a property tax will be imposed without the revocation and repeal of this section requiring public notice in a newspaper of general circulation in the community of Bean Station, Tennessee. This section is enacted in keeping with the commitment of the parties organizing the incorporation of the Town of Bean Station to refrain from the imposition of a property tax, and it is envisioned by the mayor and aldermen approving this section as a permanent commitment establishing a financial and fiscal plan for the Town of Bean Station that will not include the imposition or use of property tax monies to run town government. (Ord. #____, _____)

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 town at the rates and in the manner prescribed by the act. In no event shall the tax imposed by this section exceed fifteen dollars (\$15.00) as established by *Tennessee Code Annotated*, § 67-4-709(a). (Ord. #0-01-97, March 2009)

5-302. License required. No person shall exercise any such privilege within the town without a currently effective privilege license, which shall be issued by the recorder or his designee to each applicant therefor upon the applicant's payment of the appropriate tax. (Ord. #0-01-97, March 2009, modified)

CHAPTER 4**WHOLESALE BEER TAX****SECTION**

5-401. To be collected.

5-401. To be collected. The beer board is hereby directed to take appropriate action to assure payment to the town of wholesale beer tax levied by the Wholesale Beer Tax Act as set out in *Tennessee Code Annotated*, title 57, chapter 6. (Ord. #0-01-97, March 2009, modified)

CHAPTER 5

LODGING/ACCOMMODATION TAX

SECTION

- 5-501. Definitions.
- 5-502. Levy of tax.
- 5-503. Tax added to room invoice.
- 5-504. Remittance to the municipality.
- 5-505. Offer to absorb tax prohibited.
- 5-506. Penalties and interest for delinquency.
- 5-507. Records.
- 5-508. Administration.
- 5-509. Tax levied in accordance with law.
- 5-510. Expending and distributing tax.
- 5-511. Tax is additional tax.

5-501. Definitions. As used in this chapter unless the context otherwise requires:

(1) "Consideration" means the consideration charged, whether or not received, for the occupancy in a hotel valued in money whether to be received in money, goods, labor, or otherwise, including all receipts, cash, credits, property and services of any kind or nature without any deduction therefrom whatsoever. Nothing in this definition shall be construed to imply that consideration is charged when the room, lodging, space, or accommodation provided to the person is complimentary from the operator and no consideration is charged to or received from any person.

(2) "Hotel" means any structure or space, or any portion thereof, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist camp, tourist court, tourist cabin, motel, or any place in which rooms, lodgings, accommodations or spaces are furnished to transients for a consideration.

(3) "Municipality" means the Town of Bean Station.

(4) "Occupancy" means the use or possession, or the right to the use or possession, of any room, lodgings, spaces, or accommodations in any hotel.

(5) "Operator" means the person operating the hotel whether as owner, lessee or otherwise.

(6) "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

(7) "Religious institution" shall have the same meaning as that established in *Tennessee Code Annotated*, § 48-3-502(c);

(8) "Transient" means any person who exercises occupancy or is entitled to occupancy for any rooms, lodgings, spaces, or accommodations in a hotel for a period of less than thirty (30) continuous days. (Ord. #2009-03-100, March 2009)

5-502. Levy of tax. (1) There is hereby levied a privilege tax upon the privilege of occupancy in any hotel of each transient in the amount of five percent (5%) of the consideration charged by the operator. Such tax is a privilege tax upon the transient occupying such room and is to be collected and distributed as provided in this chapter.

(2) Those persons acting as representatives of, engaged in duties in conjunction with, and acting under the auspices of those organizations having valid certificates of exemption issued by the Commissioner of the Tennessee Department of Revenue as provided for in *Tennessee Code Annotated*, § 67-6-322(a)(1) and those religious institutions which have received a determination of exemption from the Internal Revenue Service under 501(c)(3) of the Internal Revenue Code (26 U.S.C. 501(c)(3)) and are currently operating under it, are exempt from the provisions of this chapter provided that proof of the existence of such certification of exemption or determination of exemption is presented to the operator prior to submittal of the invoice to the transient for payment. A copy of such proof shall be submitted to the municipality as part of the required monthly tax return. (Ord. #2009-03-100, March 2009, as amended by Ord. #2017-02-100, March 2017)

5-503. Tax added to room invoice. (1) Such tax shall be added by each and every operator to each invoice prepared by the operator for the occupancy of the hotel and given directly or transmitted to the transient. Such tax shall be collected by such operator from the transient and remitted to the municipality.

(2) When a person has maintained occupancy for thirty (30) continuous days, that person shall receive from the operator a refund or credit for the tax previously collected or charged, and the operator shall receive credit for the amount of such tax if previously paid or reported to the municipality. (Ord. #2009-03-100, March 2009)

5-504. Remittance to the municipality. (1) The tax levied shall be remitted by all operators who lease, rent, or charge for any rooms, lodgings, spaces or accommodations in hotels to the municipality, to be remitted not later than the twentieth (20th) day of each month next following collection from the transient. The operator is required to collect the tax from the transient at the time of the presentation of the invoice for such occupancy as may be the custom of the operator, and if credit is granted by the operator to the transient, then the obligation to the municipality entitled to such tax shall be that of the operator,

(2) For the purpose of compensating the operator in accounting for and remitting the tax levied by this chapter, the operator shall be allowed two percent (2%) of the amount of the tax due and accounted for and remitted to the municipality in the form of a deduction in submitting the report and paying the amount due by such operator, provided the amount due was not delinquent at the time of payment. (Ord. #2009-03-100, March 2009)

5-505. Offer to absorb tax prohibited. No operator of a hotel shall advertise or state in any manner, whether directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the operator or that it will not be added to the rent, or that if added, any part will be refunded. (Ord. #2009-03-100, March 2009)

5-506. Penalties and interest for delinquency. Taxes collected by an operator which are not remitted to the municipality on or before the due dates are delinquent. An operator is liable for interest on such delinquent taxes from the due date at the rate of one percent (1%) per month, for each month or fraction thereof such taxes are delinquent. Such interest shall become a part of the tax herein required to be remitted. Each occurrence or willful refusal of an operator to collect or remit the tax or willful refusal of a transient to pay the tax imposed is unlawful and shall be punishable by a civil penalty not in excess of fifty dollars (\$50.00). The fine levied by this chapter shall be applicable to each individual transaction involving lodging services paid by a transient to the operator in those cases when the operator fails or refuses to pay the tax payable to the municipality. (Ord. #2009-03-100, March 2009)

5-507. Records. It is the duty of every operator liable for the collection and payment to the municipality of any tax imposed by this chapter to keep and preserve for a period of three (3) years all records necessary to determine the amount of tax due and payable for whose collection and payment to the municipality such operator may have been liable, which records the municipality shall have the right to inspect at all reasonable times. (Ord. #2009-03-100, March 2009)

5-508. Administration. (1) In administering and enforcing the provisions of this chapter, the municipality has as additional powers, those powers and duties with respect to collecting taxes as provided in *Tennessee Code Annotated*, title 67, or otherwise provided by law.

(2) Upon any claim of illegal assessment and collection, the taxpayer has the remedies provided in *Tennessee Code Annotated*, § 67-1-911. It is the intent of this chapter that the provisions of law which apply to the recovery of state taxes illegally assessed and collected shall also apply to the tax levied under the authority of this chapter; provided, the municipality shall possess those powers and duties as provided in *Tennessee Code Annotated*, § 67-1-707,

with respect to adjustment and settlement with taxpayers of all errors of taxes collected under the authority of this chapter and to direct the refunding of same. Notice of any tax paid under protest shall be given to the municipality and suit for recovery shall be brought against it. (Ord. #2009-03-100, March 2009)

5-509. Tax levied in accordance with law. The tax levied pursuant to the provisions of this chapter shall only apply in accordance with the provisions of *Tennessee Code Annotated*, § 67-4-1425. (Ord. #2009-03-100, March 2009)

5-510. Expending and distributing tax. The proceeds from the tax levied by this chapter shall be retained by the municipality and distributed into the general fund for public projects and expenses for the benefit of the residents and tourists of the municipality. Proceeds of this tax may not be used to provide a subsidy in any form to any hotel. (Ord. #2009-03-100, March 2009)

5-511. Tax is additional tax. The tax levied by this chapter shall be in addition to all other taxes levied or authorized to be levied, whether in the form of excise, license, or privilege taxes, and shall be in addition to all other fees and taxes now levied or authorized to be levied. (Ord. #2009-03-100, March 2009)