

## TITLE 5

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

## CHAPTER

1. MISCELLANEOUS.
2. REAL PROPERTY TAXES.
3. PRIVILEGE TAXES.
4. WHOLESALE BEER TAX.
5. PURCHASING AND BIDDING PROCEDURES.
6. HOTEL/MOTEL TAX.

## CHAPTER 1

MISCELLANEOUS

## SECTION

- 5-101. Payment of lost bonds or coupons.  
 5-102. Co-signing checks.

5-101. Payment of lost bonds or coupons. No bond or coupon from any bond which the City of Loudon has or shall issue and for which the city is liable, when same shall have been lost, misplaced, or destroyed shall be paid to any person, firm, or corporation making application for such payment, unless such person, firm, or corporation shall first have executed and delivered to the City of Loudon a surety bond to indemnify the city against any claim, including expenses and attorney fees, which may accrue against the city by subsequent presentation of such lost, misplaced, or destroyed bond or coupon. (1976 Code, § 6-101)

5-102. Co-signing checks. (1) All checks executed by the City of Loudon shall be co-signed by two (2) position titles approved by resolution passed by city council.

(2) Persons authorized to co-sign checks shall be bonded in an amount to be determined by the city council. (as amended by Ord. #2018-13, Nov. 2018 *Ch10\_7-15-19*)

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<sup>1</sup>Charter references

City manager

Advises city council: art. V, § 3(8).

Annual budget: art. V, § 3(5).

Report: art. V, § 3(6).

Recorder: art. VII.

## CHAPTER 2

REAL PROPERTY TAXES<sup>1</sup>

## SECTION

5-201. When due and payable.

5-202. When delinquent--penalty and interest.

5-203. Partial payments.

5-201. When due and payable. Property taxes levied by the City of Loudon shall be payable on and after October 1st in the year for which assessed. (Ord. # 774, Dec. 1987)

5-202. When delinquent--penalty and interest. Property taxes shall become delinquent on March 1st of the year following. Taxes paid on or after March 1st shall have an additional delinquent charge of 1½ percent for each calendar month or portion of a calendar month beginning March 1st. (Ord. # 774, Dec. 1987)

5-203. Partial payments. (1) The city shall accept partial payments of annual real property taxes beginning after final passage of this section. Notwithstanding the following schedule, the entire amount of taxes due must be paid in full prior to the first day of March.

(2) Failure to pay the entire amount of the taxes prior to the delinquency date subjects unpaid taxes to the penalties and interest applicable to delinquent taxes and subjects the entire property on which there is a lien to a tax sale.

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<sup>1</sup>Charter reference: art. X.

Ordinance #2015-09, passed October 2015, provides:

Pursuant to Tennessee Code Annotated, § 67-5-701(j)(1) and (2):

(1) The city will provide matching funds for property tax relief; and

(2) In no event shall the total relief allowed by state and city exceed the total taxes paid; and

(3) Provide the appropriation of funds for the additional tax relief to eligible taxpayers that have previously applied for and obtained the relief authorized by Tennessee Code Annotated, §§ 67-5-702, 67-5-703, or 67-5-704; and

(4) The city recorder will determine how to administer the program in conjunction with the State of Tennessee Comptroller's Office Tax Relief Section of the Division of Property Assessment.

(3) Partial payments will be accepted in increments of no more than four (4) payments.

(4) Notwithstanding the schedule in subsection (3), no penalties, fines, interest or other fees shall be assessed against the taxpayer except as provided by § 5-202.

(5) Prior to the final reading of the ordinance comprising this section, the recorder shall transmit to the State Comptroller of the Treasury a copy of the ordinance, which shall serve as the plan required by Tennessee Code Annotated, § 6-56-152(b).<sup>1</sup> To fulfill the requirements of that section, the city hereby declares that:

(a) The city has the appropriate accounting technology to implement this program; and,

(b) The city can implement this program with existing resources. (as added by Ord. #2010-11, Oct. 2010)

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<sup>1</sup>State law reference

Tennessee Code Annotated, § 6-56-152 permits a municipality that collects its own property taxes to, via ordinance, accept partial payment of property taxes upon filing a plan for such with the comptroller of the treasury. The plan must indicate that the municipality has the appropriate accounting system technology. The plan must also indicate whether the program will be implemented with existing resources or indicate prior to approval of the governing body if additional resources are needed.

## 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 and the rates and in the manner prescribed by the act. (Ord. # 1991-20, Sept. 1991)

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 upon such applicant's payment of the appropriate privilege tax. Violations of this section shall be punished under the general penalty provisions of this code of ordinances. (Ord. # 1991-20, Sept. 1991)

## 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 municipality of the wholesale beer tax levied by the "Wholesale Beer Tax Act," as set out in chapter 6 of title 57, Tennessee Code Annotated. (1976 Code, § 6-401)

## CHAPTER 5

PURCHASING AND BIDDING PROCEDURES

## SECTION

5-501. Application.

5-502. Purchasing.

5-503. Limits on purchases.

5-504. Advertising and bidding.

5-501. Application. This chapter shall apply to all purchases by authorized officials in the City of Loudon using or encumbering municipal funds, except those exempted by state law in Tennessee Code Annotated, § 6-56-302. (as added by Ord. #2015-12, Nov. 2015)

5-502. Purchasing. (1) The city manager shall be responsible for all city purchasing but may delegate such duty to any subordinate appointed by the manager.

(2) Competitive prices for all purchases and public improvements shall be obtained whenever practicable and in accordance with this chapter, and the purchase made from or the contract awarded to the lowest responsible bidder, provided that the city shall have the power to reject any and all bids.

(3) Formal sealed bids shall be obtained in all transactions involving the expenditure of ten thousand dollars (\$10,000.00) or more, which shall automatically be increased if and when Tennessee Code Annotated, § 6-56-306 is amended to provide for a greater sum. The transaction shall be evidenced by written contract submitted to and approved by the council; provided that in cases where the council indicates by formal unanimous resolution of those present at the meeting, based upon the written recommendation of the manager that it is clearly to the advantage of the city not to contract with competitive bidding, it may authorize noncompetitive contracts.

(4) The council may also authorize the making of public improvements or the performing of any other city work by any city department or agency without competitive bidding. (as added by Ord. #2015-12, Nov. 2015)

5-503. Limits on purchases. All purchases made from funds subject to the authority of this chapter shall be made within the limits of the approved budget, when required, and the appropriations, when required, for the department, office or agency for which the purchase is made. (as added by Ord. #2015-12, Nov. 2015)

5-504. Advertising and bidding. (1) Exceptions. Except as hereinafter provided, all purchases and leases or lease-purchase agreements shall be made

or entered into only after public advertisement and competitive bid. Except as follows:

(a) Purchases costing less than ten thousand dollars (\$10,000.00); provided, that this exemption shall not apply to purchases of like items which individually cost less than ten thousand dollars (\$10,000.00), but which are customarily purchased in lots of two (2) or more, if the total purchase price of such items would exceed ten thousand dollars (\$10,000.00) during any fiscal year, which shall automatically be increased if and when Tennessee Code Annotated, § 6-56-306 is amended to provide for a greater sum.

(b) Any goods or services which may not be procured by common means because of the existence of a single source of supply or being a proprietary product. A record of all such sole source or proprietary purchases shall be made by the person or body authorizing such purchases and shall specify the amount paid, the items purchased and from whom the purchase was made. A report of such sole source or proprietary purchases shall be made as soon as possible to the city council and the city manager and shall include all items of information as required for the record.

(c) Purchases or leases of any supplies, materials or equipment for immediate delivery in actual emergencies arising from unforeseen causes, including delays by contractors, delays in transportation, and unanticipated volume of work. A record of any such emergency purchase shall be made by the person or body authorizing such emergency purchases, and shall specify the amount paid, the items purchased, from whom the purchase was made and the nature of the emergency. A report of any emergency purchase shall be made as soon as possible to the city council and the city manager, and shall include all items of information as required by the record.

(d) Leases or lease-purchase agreements requiring total payments of less than ten thousand dollars (\$10,000.00) in each fiscal year the agreement is in effect; provided, that this exemption shall not apply to leases of like related items which individually may be leased or lease-purchased with total payments of less than ten thousand dollars (\$10,000.00) in any fiscal year, but which are customarily leased or lease-purchased in numbers of two (2) or more, if the total lease or lease-purchase payments for such items under a single agreement would be ten thousand dollars (\$10,000.00) or more in any fiscal year, which shall automatically be increased if and when Tennessee Code Annotated, § 6-56-306 is amended to provide for a greater sum.

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

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

(g) The city council may exempt perishable commodities from requirements of public advertisement and competitive bidding when such items are purchased in the open market. Fuel and fuel products may be purchased in the open market without public advertisement, but shall whenever possible be based on at least three (3) competitive bids. Fuel and fuel products may be purchased from the department of general service contract where available.

(2) Expenditures of less than ten thousand dollars (\$10,000.00). All purchases, leases or lease-purchase arrangements with expenditures of less than ten thousand dollars (\$10,000.00) but more than four thousand dollars (\$4,000.00) in any fiscal year may be made in the open market without public advertisement, but shall, whenever possible, be based upon at least three (3) competitive bids. Purchases, leases and lease-purchases of four thousand dollars (\$4,000.00) or less in any fiscal year shall not require any public advertisement or competitive bidding. The sum of four thousand dollars (\$4,000.00) in this subsection shall automatically increase to forty percent (40%) of the sum set forth in Tennessee Code Annotated, § 6-56-306, if and when said statute is amended to provide for a greater sum.

(3) Other exempt purchases, leases and lease-purchase agreements. The foregoing requirements for advertising and competitive bids for city purchases, leases and/or lease-purchase agreements shall not apply to or restrict the city's ability to participate in any program for municipal purchases, leases and/or lease-purchase agreements by, through, from or with the State of Tennessee, the state department of general services, any state agency or any other local government entity, individually or cooperatively, whenever such purchase, lease or lease-purchase agreement is authorized by statute. (as added by Ord. #2015-12, Nov. 2015)



## CHAPTER 6

HOTEL/MOTEL TAX

## SECTION

- 5-601. Definitions.
- 5-602. Register required, availability for inspection.
- 5-603. Rooms to be numbered.
- 5-604. Tax levied.
- 5-605. Collection.
- 5-606. Remission to town.
- 5-607. Collection, development of report, audit, etc.
- 5-608. Operator cannot advertise that he will assume tax.
- 5-609. Delinquent taxes; offenses by operators and/or transients.
- 5-610. Operators to keep records.
- 5-611. Additional powers of recorder; remedies available to taxpayer.
- 5-612. Recorder to collect; disposition of proceeds.

5-601. Definitions. As used in this chapter:

(1) "Consideration" means the consideration charged, whether or not received, for the occupancy in a hotel valued in money, goods, labor or otherwise, including all receipts, cash, credits, property and services of any kind or nature without any deduction therefrom whatsoever;

(2) "Hotel" means any structure or space, or any portion thereof, that is occupied or intended or designed for occupancy by transients for dwelling, lodging, or sleeping purposes, and includes privately, publicly, or government-owned hotels, inns, tourist camps, tourist courts, tourist cabins, motels, short-term rental units, primitive and recreational vehicle campsites and campgrounds, or any place in which rooms, lodgings, or accommodations are furnished to transients for consideration;

(3) "Occupancy" means the use or possession, or the right to use or possession, of any room lodgings or accommodations in any hotel;

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

(5) "Tourism" means attracting nonresidents to visit a particular municipality and encouraging those nonresidents to spend money in the municipality, which includes travel related to both leisure and business activities;

(6) "Tourism development" means the acquisition and construction of, and financing and retirement of debt for, facilities related to tourism; and

(7) "Transient" means any person who exercises occupancy or is entitled to occupancy of any rooms, lodgings or accommodations in a hotel for a

period of less than thirty (30) continuous days. (as added by Ord. #2021-11, Sept. 2021 ***Ch11\_09-26-22***)

5-602. Register required, availability for inspection. Every person to whom a permit is issued under this article shall at all times keep a standard hotel register, in which shall be inscribed the names of all guests renting or occupying rooms in his hotel. Such register shall be signed in every case by the persons renting a room or by someone under his direction, and after registration is made and the name of the guest is inscribed as herein provided, the manager shall write the number of the room which guest is to occupy, together with the time such room is rented, before such person is permitted to occupy such room. The register shall be open to inspection at all times to the city. (as added by Ord. #2021-11, Sept. 2021 ***Ch11\_09-26-22***)

5-603. Rooms to be numbered. Each sleeping room and in every hotel in the town shall be numbered in a plain and conspicuous manner. The number of each room shall be placed on the outside of the door of such room, and no two (2) doors shall bear the same number. (as added by Ord. #2021-11, Sept. 2021 ***Ch11\_09-26-22***)

5-604. Tax levied. There is hereby levied, assessed and imposed, and shall be paid and collected, a privilege tax upon the privilege of occupancy in any hotel of each transient in an amount equal to four percent (4%) of the consideration charged by the operator. Such tax is a privilege tax upon the transient occupying such room and is to be collected as provided herein. (as added by Ord. #2021-11, Sept. 2021 ***Ch11\_09-26-22***)

5-605. Collection. Such tax shall be added by each operator to each invoice prepared by the operator for the occupancy in his hotel to be given directly or transmitted to the transient and shall be collected by such operator from the transient and remitted to the city. (as added by Ord. #2021-11, Sept. 2021 ***Ch11\_09-26-22***)

5-606. Remission to town. The tax hereby levied shall be remitted by all operators who lease, rent or charge for occupancy within a hotel in the city to the city recorder of the city, such tax to be remitted to such officer no later than the twentieth (20th) day of each month for the preceding month. The operator is hereby required to collect the tax from the transient at the time of the presentation of the invoice for such occupancy whether prior to occupancy or after 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 city entitled to such tax shall be that of the operator. (as added by Ord. #2021-11, Sept. 2021 ***Ch11\_09-26-22***)

5-607. Collection, development of report, audit, etc. The city recorder shall be responsible for the collection of such tax. A monthly tax return under oath shall be filed with the city recorder by the operator with such number of copies thereof as the city recorder and finance director may reasonably require for the collection of such tax. The report of the operator shall include such facts and information as may be deemed reasonable for the verification of the tax due. The form of such report shall be developed by the finance director and approved by the mayor and city council prior to use. The finance department may audit each operator in the city at least once per year and shall report on the audits made on a quarterly basis to the mayor and city council. (as added by Ord. #2021-11, Sept. 2021 *Ch11\_09-26-22*)

5-608. Operator cannot advertise that he will assume tax. 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. (as added by Ord. #2021-11, Sept. 2021 *Ch11\_09-26-22*)

5-609. Delinquent taxes; offenses by operators and/or transients. Taxes collected by the operator which are not remitted to the city recorder on or before the due dates are delinquent. An operator shall be liable for interest on such delinquent taxes from the due date at the rate of twelve percent (12%) per annum, such taxes are delinquent. Such interest shall become a part of the tax. Each occurrence of willful refusal of an operator to collect or remit the tax or willful refusal of a transient to pay the tax imposed is declared to be unlawful and shall be punishable upon conviction by a fine not in excess of fifty dollars (\$50.00). (as added by Ord. #2021-11, Sept. 2021 *Ch11\_09-26-22*)

5-610. Operators to keep records. It shall be the duty of every operator liable for the collection and payment to the city of the tax imposed by this article to keep and preserve for a period of three (3) years all records as may be necessary to determine the amount of such tax as he may have been liable for the collection of and payment to the city which records the city recorder shall have the right to inspect at all reasonable times. (as added by Ord. #2021-11, Sept. 2021 *Ch11\_09-26-22*)

5-611. Additional powers of recorder; remedies available to taxpayer. The city recorder or other authorized collector of the tax in administering and enforcing the provisions of this act shall have, as additional powers, those powers and duties with respect to collecting taxes as provided by law for the city clerks.

Upon any claim of illegal assessment and collection, the taxpayer shall have the remedy provided in Tennessee Code Annotated, Title 67. The city recorder shall have all those powers and duties as provided in Tennessee Code

Annotated, § 67-1-707(b) with respect to the adjustment and settlement with tax payers of errors of taxes collected. Any tax paid under protest shall be paid to the city recorder. Any suit filed to recover taxes paid under protest may be brought by filing the same against the city recorder of the city. (as added by Ord. #2021-11, Sept. 2021 ***Ch11\_09-26-22***)

5-612. Recorder to collect; disposition of proceeds. The city recorder is hereby charged with the duty of collection of the tax herein levied and the proceeds received by the city from the tax shall be used exclusively for tourism and tourism development within the city as required by Tennessee Code Annotated, § 67-4-1403. (as added by Ord. #2021-11, Sept. 2021 ***Ch11\_09-26-22***)