

**TITLE 5****MUNICIPAL FINANCE AND TAXATION<sup>1</sup>****CHAPTER**

1. MISCELLANEOUS.
2. REAL AND PERSONAL PROPERTY TAXES.
3. PRIVILEGE TAXES.
4. WHOLESALE BEER TAX.
5. PURCHASING.
6. SALES AND USE TAX.

**CHAPTER 1****MISCELLANEOUS****SECTION**

- 5-101. Official depository for town funds.
- 5-102. Rental fee for the Town of Vonore Community Center.
- 5-103. Fee for town to notarize documents.

**5-101. Official depository for town funds.** Depositories for city funds include the Local Government Investment Pool administered by the State of Tennessee and any financial institution meeting the guidelines as set forth by the State of Tennessee.

**5-102. Rental fee for the Town of Vonore Community Center.** There will be a fee of one hundred dollars (\$100.00) to anyone that lives inside or outside of Vonore town limits. Additional fees may be incurred for damages to or clean up of the facility. (Ord. #19-05, May 2019, modified)

**5-103. Fee for town to notarize documents.** A fee of five dollars (\$5.00) shall be paid to the Town of Vonore for each notarized document produced. (Ord. #19-08, July 2019)

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<sup>1</sup>Charter reference

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

## CHAPTER 2

### REAL AND PERSONAL PROPERTY TAXES

#### SECTION

5-201. When due and payable.

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

**5-201. When due and payable.**<sup>1</sup> Taxes levied by the town against real and personal property shall become due and payable annually on the first Monday of October of the year for which levied. (1997 Code, § 5-201)

**5-202. When delinquent--penalty and interest.**<sup>2</sup> All real property taxes shall become delinquent on and after the first day of March next after they become due and payable, and shall thereupon be subject to such penalty and interest as is authorized and prescribed by the state law for delinquent county real property taxes.<sup>3</sup> (1997 Code, § 5-202)

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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. 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, interest of one and one-half percent (1 1/2%) 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 and state law references

A municipality has the option of collecting delinquent property taxes any one (1) of three (3) ways:

- (1) Under the provisions of its charter for the collection of delinquent property taxes.
- (2) Under *Tennessee Code Annotated*, §§ 6-55-201 to 6-55-206.
- (3) By the county trustee under *Tennessee Code Annotated*, § 67-5-2005.

## 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. (1997 Code, § 5-301)

**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 to each applicant therefor upon the applicant's payment of the appropriate privilege tax. (1997 Code, § 5-302)

## CHAPTER 4

WHOLESALE BEER TAX

## SECTION

5-401. To be collected.

**5-401. To be collected.** The town recorder is hereby directed to take appropriate action to assure payment to the town 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> (1997 Code, § 5-401)

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<sup>1</sup>State law reference

*Tennessee Code Annotated*, title 57, chapter 6 provides for a tax in accordance with § 57-6-103. 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 references

Alcohol and beer regulations: title 8.

Beer privilege tax: § 8-208.

## CHAPTER 5

### PURCHASING

#### SECTION

- 5-501. Definitions.
- 5-502. Purchasing agent.
- 5-503. General procedures.
- 5-504. Rejection of bids.
- 5-505. Seal bid requirements for purchases of \$25,000.00 or greater.
- 5-506. Bid and performance bond.
- 5-507. Record of bids.
- 5-508. Considerations in determining bid awards.
- 5-509. Emergency purchases.
- 5-510. Exceptions from competitive bidding.
- 5-511. Leases or lease-purchase beyond the single year.
- 5-512. Recurring purchases.
- 5-513. Additional forms and procedures.

**5-501. Definitions.** For the purpose of implementing this chapter, the following shall apply:

(1) "Bid." A vendor's response to an invitation for bids or request for proposal; the information concerning the price or cost of materials or services offered by a vendor..

(2) "Bid bond." An insurance agreement in which a third party agrees to be liable to pay a certain amount of money should a specific vendor's bid be accepted and the vendor fails to sign the contract as bid.

(3) "Bid opening." The opening and reading of the bids, conducted at the time and place specified in the invitation for bids and in the presence of anyone who wishes to attend.

(4) "Bid solicitation." Invitations for bids.

(5) "Bidder." Any individual, company, firm, corporation, partnership or other organization or entity bidding on solicitations issued by the town and offering to enter into contracts with the town.

(6) "Capital items." Equipment which has a life expectancy of one (1) year longer and a value in excess of twenty-five thousand dollars (\$25,000.00).

(7) "Competitive bidding." Bidding on the same undertaking or material items by more than one (1) vendor.

(8) "Evaluation of bid." The process of examining a bid to determine a bidder's responsibility, responsiveness to requirements, qualifications, or other characteristics of the bid that determine the eventual selection of a winning bid.

(9) "Fiscal year." An accounting period of twelve (12) months, July 1 through June 30.

(10) "Invitation for bid." All documents utilized for soliciting bids.

(11) "Invoice." A written account of merchandise and process, delivered to the purchaser; a bill.

(12) "Local bidder." A bidder who has and maintains a business office located within the corporate limits of Vonore, Tennessee.

(13) "Pre-bid conference." A meeting held with potential vendors a few days after an invitation for bids has been issued to promote uniform interpretation of work statements and specifications by all prospective contractors.

(14) "Public purchasing unit." The State of Tennessee, any county, town, town governmental entity, and other subdivision of the State of Tennessee, or any public agency, or any other public authority.

(15) "Purchase order." A legal document used to authorize a purchase from a vendor. A "purchase order," when given to a vendor, should be pre-numbered and contain statements about the quantity, description, and price of goods or services ordered, agreed terms of payment, discounts, date of performance, transportation terms, and all other agreements pertinent to the purchase and its execution by the vendor.

(16) "Reject." Refuse to accept, recognize, or make use of; repudiate, to refuse to consider or grant.

(17) "Responsive bidder." One who has submitted a bid which conforms in all materials in respect to the invitation for bids.

(18) "Safe source procurement." An award for a commodity which can only be purchased from one (1) supplier, usually because of its technological, specialized, or unique character.

(19) "Town." The Town of Vonore, Tennessee.

(20) "Vendor." The person who transfers property, goods, or services by sale. (Ord. #19-04, May 2019, modified)

**5-502. Purchasing agent.** The town recorder shall be the purchasing agent for the municipality. Except as otherwise provided in this policy, all supplies, materials, equipment, and services of any nature shall be approved and acquired by the purchasing agent, or his/her representative. Purchases by other employees or officers of the town are prohibited unless approved by the purchasing agent. (Ord. #19-04, May 2019)

**5-503. General procedures.** All purchases on behalf of the town shall take into consideration such factors as price, quality, past performance and economy. The provisions set forth in this section are intended to ensure that such factors are considered.

(1) All transactions involving expenditures of twenty-five thousand dollars (\$25,000.00) or more (including recurring purchases of like items or services in which the aggregate amount exceeds twenty-five thousand dollars (\$25,000.00) in any fiscal year) shall require the approval of the board of mayor and aldermen. Furthermore, pursuant to authority granted by *Tennessee Code*

*Annotated*, § 6-56-306, public advertisement and competitive bidding shall be required for all such transactions involving expenditures of twenty-five thousand dollars (\$25,000.00) or more, except as otherwise provided in this section.

(2) All transactions involving expenditures between ten thousand dollars (\$10,000.00) and twenty-five thousand dollars (\$25,000.00) (including recurring purchases in aggregate amount falls between ten thousand dollars (\$10,000.00) and twenty-five thousand dollars (\$25,000.00) in any fiscal year) shall be approved by the town recorder. Furthermore, pursuant to the authority granted by *Tennessee Code Annotated*, § 6-56-305, competitive bidding without public advertisement shall be required for such transactions involving expenditures between ten thousand dollars (\$10,000.00) and twenty-five thousand dollars (\$25,000.00), except as otherwise provided in this section.

(3) At least three (3) written quotes are required whenever possible for purchases costing less than the town's competitive bid threshold of twenty-five thousand dollars (\$25,000.00) but more than forty percent (40%). (Ord. #19-04, May 2019, as amended by Ord. #22-15, Jan. 2023)

**5-504. Rejection of bids.** The purchasing agent shall have the authority to reject any and all bids, parts of bids, or all bids for any one (1) or more supplies or contractual services included in the proposed contract, when the public interest will be served thereby. The purchasing agent may choose not to accept the bid of a vendor or contractor who is in default on the payment of taxes, licenses, fees or other monies of whatever nature that may be due the town by said vendor or contractor. (Ord. #19-04, May 2019)

**5-505. Seal bid requirements for purchases of \$25,000.00 or greater.** (1) On all purchases and contracts estimated to be in excess of twenty-five thousand dollars (\$25,000.00), except as otherwise provided in this chapter, formal sealed bids shall be submitted at a specified time and place to the purchasing agent. The purchasing agent shall submit all such bids for award by the board of mayor and aldermen at the next regularly scheduled board meeting or special-called meeting, together with the recommendation as to the lowest responsive bidder.

(2) Notice inviting bids shall be published at least once in a newspaper of general circulation, and at least five (5) days preceding the last day to receive bids. The newspaper notice shall contain a general description of the article(s) to be secured, and the date, time, and place for opening bids.

(3) In addition to publication in a newspaper, the purchasing agent may take other actions deemed appropriate to notify all prospective bidders of the invitation to bid, including, but not limited to, advertisement in community bulletin boards, metropolitan newspapers, professional journals, and electronic media.

(4) At least three (3) written quotes are required whenever possible for purchases costing less than the town's competitive bid threshold of twenty-five thousand dollars (\$25,000.00), but more than forty percent (40%) of such threshold. (Ord. #19-04, May 2019, as amended by Ord. #22-15, Jan 2023)

**5-506. Bid and performance bond.** (1) The purchasing agent may require that bidders submit a bid bond or other acceptable guarantee equal to five percent (5%) of the bid to ensure that the lowest responsible bidder selected by the board enters into a contract with the town. All or a portion of the bid bond shall be surrendered to the town as liquidated damages should the successful bidder fail to enter into a contract awarded by the board.

(2) The purchasing agent may require and then include in the bid documents a requirement for the successful bidder to post a performance bond or other guarantee satisfactory to the town attorney that ensures the faithful performance of all of the terms and conditions of the purchase contract. (Ord. #19-04, May 2019)

**5-507. Record of bids.** The purchasing agent shall keep a record of all bids submitted in competition thereon, including a list of the bidders, the amount bid by each, and the method of solicitation and bidding, and such records shall be open to public inspection and maintained in the town recorder's office. As a minimum, the bid file shall contain the following information:

- (1) Request to start bid procedures.
- (2) A copy of the bid advertisement.
- (3) A copy of the bid specifications.
- (4) A list of bidders and their responses.
- (5) A copy of the purchase order.
- (6) A copy of the invoice. (Ord. #19-04, May 2019)

**5-508. Considerations in determining bid awards.** In addition to price, the following points should be considered when awarding a bid:

- (1) The ability of the bidder to perform the contract or provide the material or service required.
- (2) Whether the bidder can perform the contract or provide the material or service promptly or within the time specified, without delay or interference.
- (3) The character, integrity, reputation, experience and efficiency of the bidder.
- (4) The previous and existing compliance, by the bidder, with laws and ordinances relating to the contract or service.
- (5) The ability of the bidder to provide future maintenance and service for the use of the subject contract.
- (6) Terms and conditions stated in bid.



(7) Compliance with specifications or request for proposal. (Ord. #19-04, May 2019)

**5-509. Emergency purchases.** When in the judgment of the purchasing agent an emergency exists, the provisions of this chapter may be waived; provided, however, the purchasing agent shall report the purchases and/or contracts to the board of mayor and aldermen at the next regular board meeting stating the item(s) purchased, the amount(s) paid, from whom the purchase(s) was made, and the nature of the emergency. (Ord. #19-04, May 2019)

**5-510. Exceptions from competitive bidding.** The exceptions to public advertisement and competitive bidding included in *Tennessee Code Annotated*, title 5, chapter 56, part 3 (known as the "Municipal Purchasing Law of 1983"); title 12, chapter 3, part 10; and all other applicable exceptions included in state law shall apply to all purchases made on behalf of the town. All transactions which are exempted from competitive bidding requirements shall comply with all other requirements of state law and this section. (Ord. #19-04, May 2019)

**5-511. Leases or lease-purchase beyond the single year.** All leases or lease-purchase contracts which would extend beyond a twelve (12) month term shall be approved by the board of mayor and aldermen. (Ord. #19-04, May 2019)

**5-512. Recurring purchases.** Requisitions and purchase orders shall not be required for utility services, including electric, gas, water, sewer and telephone services, and other recurring service charges which are billed on a monthly basis after initial authorization has been received for provision of such services. (Ord. #19-04, May 2019)

**5-513. Additional forms and procedures.** The purchasing agent is hereby authorized and directed to develop such forms and procedures as are necessary to comply with this chapter. (Ord. #19-04, May 2019)

## CHAPTER 6

### SALES AND USE TAX

#### SECTION

5-601. Tax rate.

5-602. Effective date.

5-603. Collections by the state department of revenue.

5-604. Administration and collection costs.

5-605. Suits for recovery.

**5-601. Tax rate.** A local sales and use tax at a rate of one-half percent (0.5%), shall be levied by the Town of Vonore as authorized under the provisions of *Tennessee Code Annotated*, §§ 67-6-701, *et seq.*, not to exceed the maximum percentage as provided for in the "1963 Local Option Revenue Act." (Ord. #14-06, May 2014)

**5-602. Effective date.** If a majority of those voting in the election required by *Tennessee Code Annotated*, § 67-6-706, vote for the tax imposed by this chapter, collection of the tax levied by this chapter shall begin on the first day of the month occurring thirty (30) or more days after the county election commission makes its official canvass of the election returns. (Ord. #14-06, May 2014)

**5-603. Collections by the state department of revenue.** The Department of Revenue of the State of Tennessee shall collect the additional tax imposed by this chapter concurrent with the collection of the state tax, in accordance with rules and regulations promulgated by the department. (Ord. #14-06, May 2014)

**5-604. Administration and collection costs.** The Mayor of Vonore is authorized to contract with the department of revenue for the collection of the tax imposed by this chapter, and to provide in the contract that the department may deduct from the tax collected a reasonable amount or percentage as provided by statute to cover the expense of the administration and collection of the tax as provided for in *Tennessee Code Annotated*, § 67-6-710. (Ord. #14-06, May 2014)

**5-605. Suits for recovery.** In the event the tax is collected by the department of revenue, suits for the recovery of any tax illegally assessed or collected shall be brought against the state commissioner of revenue and the Mayor and Board of Aldermen of the Town of Vonore. (Ord. #14-06, May 2014)