

TITLE 5

MUNICIPAL FINANCE AND TAXATION¹

CHAPTER

1. REAL PROPERTY TAXES.
2. PRIVILEGE TAXES.
3. WHOLESALE BEER TAX.
4. PURCHASING POLICY.

CHAPTER 1

REAL PROPERTY TAXES

SECTION

5-101. When due and payable.

5-102. When delinquent--penalty and interest.

5-101. When due and payable.² Taxes levied by the municipality against real property shall become due and payable annually on the date fixed in the charter. (1984 Code, § 6-201)

5-102. When delinquent--penalty and interest.³ All real property taxes shall become delinquent on and after the date fixed in the charter and shall thereupon

¹Charter reference: art. IV.

²State 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.

³Charter 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.

be subject to such penalty and interest as is authorized and prescribed by law.¹ (1984 Code, § 6-202)

¹Charter and state law references

A municipality has the option of collecting delinquent property taxes any one of three ways:

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

CHAPTER 2

PRIVILEGE TAXES

SECTION

5-201. Tax levied.

5-202. License required.

5-201. 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 municipality in the manner prescribed by the act except at the following rates:

<u>Retail</u>		<u>Wholesale</u>
Class 1 - 1/60 of 1%		Class 1A - 1/120 of 1%
Class 2 - 1/40 of 1%		Class 1B & 1C - 1/80 of 1%
Class 3 - 1/20 of 1%		Class 2 - 1/40 of 1%
Class 4 - 1/60 of 1%		Class 3 - 1/120 of 1%
(1984 Code, § 6-301)		

5-202. License required. No person shall exercise any such privilege within the municipality 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 and collector's fee. (1984 Code, § 6-302)

CHAPTER 3

WHOLESALE BEER TAX

SECTION

5-301. To be collected.

5-301. 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 Tennessee Code Annotated, title 57, chapter 6.¹ (1984 Code, § 6-401)

¹State 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 4

PURCHASING POLICY

SECTION

5-401. Procedures.

5-401. Procedures. In order to establish procedures for the purchase of supplies, services, and equipment, to exercise positive financial control over purchases, and to clearly define authority and responsibility for the purchasing function, this policy is hereby adopted.

(1) The recorder is designated to serve as purchasing agent and shall sign all purchase orders. In the absence of the recorder, purchase orders may be signed by the mayor or his designate. Purchase orders which do not have the signature of the recorder or the mayor or his designate shall not be valid.

(2) Purchase orders shall be issued by the recorder upon the request of the mayor, a commissioner or a department head prior to the contracting or purchase of goods or services.

(3) Prior to issuing a purchase order, the recorder shall determine that there is an unexpended balance in the budget line item to which the purchase will be charged sufficient to cover the amount of the purchase order as well as sufficient cash to pay for the item. If the balance or cash is insufficient, the recorder shall refuse to issue the requested purchase order. Refusal by the recorder to issue a purchase order due to insufficient funds may be overridden by specific action of the city commission.

(4) A purchase order number may be issued by the recorder to a vendor prior to the time a purchase transaction is completed, but no confirming purchase orders shall be issued.

(5) Department heads may charge purchases at local firms at which open accounts are maintained.

(6) All capital purchases in excess of \$500 shall have the prior approval of the mayor.

(7) Violation of this policy by any official or employee may result in the person being held personally responsible for the obligation incurred. (1984 Code, § 6-101)