

TITLE 5

MUNICIPAL FINANCE AND TAXATION¹

CHAPTER

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

CHAPTER 1

MISCELLANEOUS

SECTION

- 5-101. Official depository for city funds.
5-102. Fiscal year of the city.

5-101. Official depository for city funds. The Peoples Bank of East Tennessee, is hereby designated as the official depository for all city funds.²

5-102. Fiscal year of the city. The fiscal year of the city shall be from the 1st day of July to the 30th day of June of the year next following.³

¹Charter reference
Finance and taxation: title 6, chapter 22.

²Charter reference
Depositories of city funds: § 6-22-120.

³Charter reference
Fiscal year: § 6-22-121.

CHAPTER 2

REAL AND PERSONAL PROPERTY TAXES¹

SECTION

5-201. When due and payable.

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

5-201. When due and payable.² Taxes levied by the city against real and personal property shall become due and payable annually on the first day of October of the year for which levied.

5-202. When delinquent--penalty and interest.³ All real property taxes shall become delinquent on and after the first day of March next after they

¹State 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.

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 each succeeding month.

²Charter references

Tennessee Code Annotated, § 6-22-110 sets the due date of November 1 of the year for which the taxes are assessed, but Tennessee Code Annotated, § 6-22-113 provides that a different tax due date may be set by ordinance (by unanimous vote of the board of commissioners.)

³Charter references

Tennessee Code Annotated, § 6-22-112 sets the tax delinquency of December 1 of the year for which the taxes are assessed, but Tennessee Code Annotated, § 6-22-113 provides that a different delinquent date may be set by ordinance (by unanimous vote of the board of commissioners).

become due and payable, and shall thereupon be subject to such penalty and interest as is authorized and prescribed by the charter.¹

¹Charter reference

Tennessee Code Annotated, § 6-22-114 directs the finance director to turn over the collection of delinquent property taxes to the county trustee.

State law reference

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 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. (Ord. #6, March 1952, modified)

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 city manager to each applicant therefor upon the applicant's payment of the appropriate privilege tax. (Ord. #6, March 1952, modified)

CHAPTER 4

WHOLESALE BEER TAX

SECTION

5-401. To be collected.

5-401. To be collected. The city manager 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 6.¹

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.

Municipal code references

Alcohol and beer regulations: title 8.

CHAPTER 5

PURCHASING

SECTION

- 5-501. Purchasing rules and regulations.
- 5-502. Purchasing agent; designation of.
- 5-503. Purchasing agent; powers and duties.
- 5-504. Purchasing authority -- amounts of purchases.
- 5-505. Exceptions for competitive bids.

5-501. Purchasing rules and regulations. The city manager is hereby authorized and directed to establish, promulgate and enforce rules and regulations, which will govern the conduct of the city's purchasing. Such rules and regulations shall be published and designated as the "Purchasing Manual for the City of Ducktown" and shall be the provisions controlling purchases for the city. Said manual shall be subject to initial approval by resolution approved by the board of commissioners. Thereafter, the city manager may, from time to time, suggest changes and amendments to the purchasing manual, which changes or amendments shall be first approved by resolution of the board of commissioners.

5-502. Purchasing agent; designation of. The purchasing agent shall be designated by the city manager.

5-503. Purchasing agent; powers and duties. The purchasing agent shall perform all duties with respect to the purchase of supplies as required by this chapter or other ordinances and shall have the power and duties as set forth in the city's purchasing manual.

5-504. Purchasing authority -- amounts of purchases. (1) Open market purchases less than two thousand five hundred dollars (\$2,500.00) shall, whenever possible, be based upon three (3) oral quotations which will be valid for ninety (90) days. The purchasing agent shall expressly approve such expenditures. For recurring, normal and routine purchases of materials, supplies or services, competitive bids shall not be required for each purchase but shall, whenever possible, be obtained on at least an annual basis.

(2) Open market purchases above two thousand five hundred dollars (\$2,500.00) and less than seven thousand five hundred dollars (\$7,500.00) 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) written quotations from suppliers or contractors which will be valid for ninety (90) days. The award shall be given to the lowest responsible supplier or contractor provided, however, that the exceptions to competitive bidding requirements set forth in

Tennessee Code Annotated, title 6, chapter 56, part 3 shall be applicable to such transactions. The purchasing agent shall expressly approve such expenditures. For recurring, normal and routine purchases of materials, supplies or services, competitive bids shall not be required for each purchase but shall, whenever possible, be obtained on at least an annual basis.

(3) All expenditures for supplies, materials, equipment or contractual services, when the estimated cost thereof shall exceed seven thousand five hundred dollars (\$7,500.00) shall be purchased by formal written contract or purchase order from the lowest responsible bidder submitting sealed bids, after advertisement of bids in a local newspaper of general circulation not less than five (5) days before bid opening date, subject to the exceptions set forth in Tennessee Code Annotated, title 6, chapter 56, part 3. Said transactions shall be expressly approved by the board of commissioners.

5-505. Exceptions for competitive bids. Except as otherwise provided in this chapter, all purchases, leases or lease-purchase agreements shall be made or entered into only after public advertisement and competitive bid, except as follows:

(1) To purchases costing less than two thousand five hundred dollars (\$2,500.00); provided, that this exemption shall not apply to purchases of like items that individually cost less than two thousand five hundred dollars (\$2,500.00), but that are customarily purchased in lots of two (2) or more, if the total purchase price of such items would exceed two thousand five hundred dollars (\$2,500.00) during any fiscal year;

(2) When any goods or services may not be procured by competitive means because of the existence of a single source of supply or because of a proprietary product that is required by the city. Department heads will notify the purchasing agent of the intent to purchase from a sole source or proprietary vendor. A record of all such sole source or proprietary purchases shall be made by the purchasing agent 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 board of commissioners and the city manager by the purchasing agent and shall include all items of information as required for the record;

(3) To 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 purchasing agent authorizing such emergency purchase 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 board of commissioners and city manager by the purchasing agent and shall include all items of information as required in the record;

(4) Leases and lease-purchase agreements requiring total payments of less than two thousand five hundred dollars (\$2,500.00) in each fiscal year the agreement is in effect; provided, that this exemption shall not apply to leases of like or related items that individually may be leased or lease-purchased with total payments of less than two thousand five hundred dollars (\$2,500.00) in any fiscal year, but that 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 two thousand five hundred dollars (\$2,500.00) or more in any fiscal year;

(5) To purchase, lease, or lease-purchase real property;

(6) To purchase, lease, or lease purchase from any federal, state, or local government unit or agency of secondhand articles or equipment or other materials, supplies, commodities, and equipment;

(7) To purchase perishable commodities, when such items are purchased in the open market. A record of all such 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 purchases shall be made, at least monthly, to the city manager and the board of commissioners, and shall include all items of information as required in the record. 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 Tennessee Department of General Services contract where available;

(8) To purchase, for resale, of natural gas and propane gas;

(9) To purchase from other local governments in conformity with Tennessee Code Annotated, § 12-3-1001;

(10) Investments in or purchases from the pooled investment fund established pursuant to Tennessee Code Annotated, title 9, chapter 4, part 7;

(11) Purchases from instrumentalities created by two (2) or more cooperating governments such as, but not limited to, those established pursuant to the Interlocal Cooperation Act, compiled in Tennessee Code Annotated, title 12, chapter 9;

(12) Purchases from non-profit organizations whose sole purpose is to provide goods and services specifically to municipalities.