

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

1. PRIVILEGE TAXES.
2. WHOLESALE BEER TAX.
3. PURCHASING.
4. DEBT MANAGEMENT POLICY.
5. PURCHASING AND SALE OF PERSONAL PROPERTY CODE.
6. REAL AND PERSONAL PROPERTY TAX.

**CHAPTER 1****PRIVILEGE TAXES****SECTION**

- 5-101. Scope of taxation.
- 5-102. Definitions.
- 5-103. Prohibition and penalties.
- 5-104. Administration of chapter.
- 5-105. Intention of chapter.
- 5-106. Payment of taxes to state.

**5-101. Scope of taxation.** Pursuant to § 67-4-701 et seq., Tennessee Code Annotated, known as the "Business Tax Act" (the "act"), there are hereby levied annually taxes for the privilege of making sales or performing services within the City of McEwen (the "city") on any person engaged in any of the vocations, occupations, businesses or business activities declared so taxable pursuant to the act by municipalities, to the fullest extent therein provided, according to the classifications and upon and at the maximum rates of taxation as therein allowed to be imposed by municipalities, payable in such manner and at such times as provided in the act. (Ord. #173, July 1995)

**5-102. Definitions.** Definitions for the interpretation, application, operation and enforcement of this chapter shall be in accordance with and shall be the same as those definitions contained in the act. (Ord. #173, July 1995)

**5-103. Prohibition and penalties.** (1) No person shall exercise any privilege or perform any service taxable under the act unless at all times relevant thereto such person shall then hold a currently effective license, tax

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<sup>1</sup>Charter references: §§ 21, 29, and 31.

receipt or other indicia of payment of the taxes imposed by this chapter, duly issued by the recorder to such person, after having complied with the provisions of this chapter by the payment of the appropriate taxes herein provided.

(2) Any person who shall exercise such privileges without having complied with the provisions of this chapter shall, notwithstanding, be fully liable for the taxes that would otherwise have been required to have been paid. Any person who shall exercise such privileges without having fully complied with the provisions of this chapter shall thereby commit an offense against the city. Upon being found guilty of the commission thereof such person shall be fined \$50 and shall be required to pay the court costs as imposed in addition thereto. Each separate day of violation shall be considered a separate offense. (Ord. #173, July 1995)

**5-104. Administration of chapter.** The provisions for the administration, collection, computation, exemptions, credits allowable, making of returns and payment, requirements for the keeping of books and records, disclosure of information and the other provisions of the act governing the same are hereby adopted as the rules and regulations for the administration of this chapter by the city. (Ord. #173, July 1995)

**5-105. Intention of chapter.** It is the intention of this chapter to provide for the full taxation of all privileges allowed to be taxed by municipalities pursuant to the act and for the administration of the same within the city to be in accordance with all provisions of the act. (Ord. #173, July 1995)

**5-106. Payment of taxes to state.** The city shall pay to the State of Tennessee, as shall be required to be paid by local collectors annually, the percentage of such taxes as collected by the city as may by law be due the State of Tennessee. (Ord. #173, July 1995)

## CHAPTER 2

WHOLESALE BEER TAX

## SECTION

5-201. To be collected.

**5-201. 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.<sup>2</sup> (1970 Code, § 6-301)

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<sup>2</sup>State 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 3****PURCHASING****SECTION**

5-301. Purchases exceeding \$5,000.00.

**5-301. Purchases exceeding \$5,000.00.** Pursuant to the Muncipal Purchasing Law of 1983, codified as § 6-56-301 et seq., Tennessee Code Annotated, there is increased the dollar amount from \$2,500 to \$5,000 for which public advertisement and competitive bidding shall be required for procurement, purchasing and lease or lease-purchasing of goods and services by the municipality. (as added by Ord. #195, June 1999)

## CHAPTER 4

### DEBT MANAGEMENT POLICY<sup>3</sup>

#### SECTION

- 5-401. Definition of debt.
- 5-402. Approval of debt.
- 5-403. Transparency.
- 5-404. Role of debt.
- 5-405. Issuance term of debt.
- 5-406. Types and limits of debt.
- 5-407. Use of variable rate debt.
- 5-408. Use of derivatives.
- 5-409. Costs of debt issuance.
- 5-410. Refinancing outstanding debt.
- 5-411. Professional services.
- 5-412. Review of debt policy.

**5-401. Definition of debt.** For the purposes hereof debt shall consist of all obligations to repay, with or without interest, in installments and/or at a later date, some amount of money utilized for the purchase, construction, or operation of city resources. Debt includes, but is not limited to, notes, bond issues, capital leases, and loans of any type (whether from an outside source such as a bank or from another internal fund of the city). (as added by Ord. #268, Nov. 2011)

**5-402. Approval of debt.** Proposed bond anticipation notes, capital outlay notes, grant anticipation notes, and tax and revenue anticipation notes shall be submitted to the Comptroller of the State of Tennessee ("Comptroller") and to the board prior to issuance or entering into the obligation. A plan for refunding an existing debt issue shall also be submitted to the Comptroller prior to issuance. Capital or equipment leases may be entered into by the board without prior Comptroller approval; provided, however, details on the lease agreement shall be forwarded to the Comptroller on the specified form required within forty-five (45) days. (as added by Ord. #268, Nov. 2011)

**5-403. Transparency.** (1) All legal requirements for notice and for public meetings related to a debt issuance shall be met as a condition precedent for the issuance of debt. Notices shall be posted in the customary and required posting locations throughout the city, including publication as required in local

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<sup>3</sup>Ordinance 266 (June 14, 2014) adopts various governmental accounting policies and practices and is of record in the recorder's office.

newspapers, posting on public bulletin boards, and on municipal websites.

(2) All costs (including principal, interest, issuance, continuing, and one-time incurred) shall be clearly presented and disclosed to the public, to the board and to others in interest in a timely manner.

(3) The terms and life of each debt issue shall be clearly presented and disclosed to the public, to the board and to others in interest in a timely manner.

(4) A debt service schedule outlining the rate of retirement for the principal amount shall be clearly presented and disclosed to the public, to the board and to others in interest in a timely manner (as added by Ord. #268, Nov. 2011)

**5-404. Role of debt.** (1) Long-term debt shall not be used to finance current operations.

(2) Long-term debt may be used for capital purchases or construction identified through capital improvement, regional development, transportation, and master processes or plans as from time-to-time formulated.

(3) Short-term debt may be used for certain project and equipment financing as well as for operational borrowing; however, the board will minimize the use of short-term cash flow borrowing by maintaining adequate working capital and close budget management. (as added by Ord. #268, Nov. 2011)

**5-405. Issuance term of debt.** In accordance with generally accepted accounting principles and state law,

(1) Maturity of an underlying debt will not be longer than the useful life of the assets being purchased or built with the debt, and in no event to exceed thirty (30) years; provided, however, an exception may be made with respect to federally sponsored loans if such exception is consistent with law and accepted practices.

(2) Debt issued for operating expenses must be repaid within the same fiscal year of issuance or incurrence. (as added by Ord. #268, Nov. 2011)

**5-406. Types and limits of debt.** (1) The board shall limit the total outstanding debt obligations of the city at any one (1) time to an aggregate of two million five hundred thousand dollars (\$2,500,000.00) excluding overlapping debt, enterprise debt, and revenue debt.

(2) The limitation on total outstanding debt must be reviewed prior to the issuance of any new debt.

(3) Total outstanding debt obligation of the city shall be monitored and reported to the board by the city recorder at least annually. The city recorder shall monitor maturities, terms and conditions of all obligations to ensure compliance. The city recorder shall also promptly report to the board on any matter that adversely affects the credit or financial integrity of the city.

(4) The city has variously issued in the past and/or is authorized to issue general obligation bonds, revenue bonds, tax increment financing, loans,

notes and other debt allowed by law.

(5) The board will seek to structure debt with level or declining debt service payments over the life of each individual bond issue or loan.

(6) As a rule, debt will not be incurred using backload, wrap-around techniques, balloon payments or other exotic formats to pursue financing of projects. When refunding opportunities, natural disasters, other non-general fund revenues, or other external factors occur, non-level debt methods may be used; provided, however, the use of such methods must be thoroughly discussed in a public meeting and the board must determine such use is justified and in the best interest of the city.

(7) The board may use capital leases to finance short-term projects.

(8) Bonds backed with a general obligation pledges often have lower interest rates than revenue bonds. The board may use a general obligation pledge on the part of the city with a revenue bond issue when the population served by the revenue bond projects an overlap of revenue significantly the same as the property tax base of the city. The board is committed to maintaining rates and fee structures of revenue supported debt at levels that will not require a subsidy from the general funds of the city. (as added by Ord. #268, Nov. 2011)

**5-407. Use of variable rate debt.** (1) The board recognizes the value of variable rate debt obligations in municipal financing benefit exists from the use of variable rate debt in the financing of needed infrastructure and capital improvements.

(2) The board also recognizes there are inherent risks associated with the use of variable rate debt and the board will implement steps to mitigate such risks:

(a) By annually including in the city budget an interest rate assumption for any outstanding variable rate debt that takes market fluctuations affecting the rate of interest into consideration.

(b) Prior to entering into any variable rate debt obligation that is backed by insurance and secured by a liquidity provider, the board will become informed of the potential affect on rates as well as any additional costs that might be incurred should the insurance fail.

(c) Prior to entering into any variable rate debt obligation that is backed by a letter of credit provider, the board will become informed of the potential affect on rates as well as any additional costs that might be incurred should the letter of credit fail.

(d) Prior to entering into any variable rate debt obligation, the board will become informed of any terms, conditions, fees, or other costs associated with the prepayment of variable rate debt obligations.

(e) The board will consult with persons familiar with arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any variable rate debt obligation. (as added by Ord. #268, Nov. 2011)

**5-408. Use of derivatives.** (1) The city shall not use derivative or other exotic financial structures in the management of the city debt portfolio.

(2) Before any reversal of the foregoing provision:

(a) A written management report outlining the potential benefits and consequences of utilizing such structures must be submitted to the board; and

(b) The board must adopt a specific amendment to this policy concerning the use of derivatives or interest rate agreements which complies with state funding board guidelines. (as added by Ord. #268, Nov. 2011)

**5-409. Costs of debt issuance.** (1) All costs associated with initial issuance or incurrence of debt, management and repayment of debt (including interest, principal, and fees or charges) shall be disclosed prior to action by the board.

(2) In cases of variable interest or non-specified costs, detailed explanation of the assumptions shall be provided along with the complete estimate of total costs anticipated to be incurred as part of the debt issue.

(3) Costs related to the repayment of debt, including liabilities for future years, shall be provided in context of the annual budgets from which such payments will be funded, that is, general obligations bonds in context of the general fund and revenue bonds in context of the dedicated revenue stream and related expenditures, loans and notes. (as added by Ord. #268, Nov. 2011)

**5-410. Refinancing outstanding debt.** (1) The city may refund debt when it is in the best financial interest of the city to do so, and the city recorder shall have the responsibility to analyze or cause to be analyzed outstanding bond issues for refunding opportunities. The decision to refinance must be explicitly approved by the board and all plans for current or advance refunding of debt must be in compliance with state laws and regulations.

(2) The following issues shall be considered when analyzing possible refunding opportunities:

(a) Elimination of onerous or restrictive covenants contained in existing debt documents or to take advantage of changing financial conditions or interest rates.

(b) When it is in the best financial interest of the city to meet unanticipated revenue expectations, to achieve cost savings, to mitigate irregular debt service payments, and to release reserve funds.

(c) If refunding will generate a positive minimum present value savings.

(d) The refunding is within the term of the originally issued debt; provided, however, a maturity extension may be considered when necessary to achieve a desired outcome if such extension is legally permissible.



(e) A shortened term of the originally issued debt if it will realize greater savings.

(f) The remaining useful life of the financed facility with the concept of inter-generational equity guiding any decision.

(3) The board shall utilize the least costly securities available in structuring refunding escrows. Under no circumstances shall an underwriter, agent or financial advisor sell escrow securities to the city from its own account nor shall the city purchase any such escrow securities.

(4) The board shall consult with persons familiar with the arbitrage rules to determine applicability, legal responsibility, and potential consequences associated with any refunding. (as added by Ord. #268, Nov. 2011)

**5-411. Professional services.** (1) All professionals engaged in the process of issuing debt shall be required to clearly disclose all compensation and consideration received which is related to services provided in the debt issuance process paid or to be paid by both the city, the lender or any conduit issuer. This includes so called soft costs or compensations in lieu of direct payments.

(2) An engagement letter agreement shall be entered into with each lawyer or law firm representing the city in a debt transaction; provided, however, no engagement letter shall be required of any lawyer who is an employee of the city or under a general appointment or contract to serve as legal counsel to the city. No engagement letter with counsel shall be required of a lawyer not representing the city such as an underwriters counsel.

(3) If a financial advisor is engaged the city shall enter into a written agreement with each person or firm serving as a financial advisor in debt management and transactions which shall include provision that the financial advisor shall not be permitted to bid on, privately place or underwrite an issue for which it is or has been providing advisory services for the issuance.

(4) If there is no financial advisor then in advance of pricing of the debt in a publicly offered, negotiated sale, the underwriter must provide to the board pricing information both as to interest rates and as to take down per maturity.

(5) Professionals involved in a debt transaction hired or compensated by the city shall be required to disclose existing client and business relationships between and among the professionals to the transaction including, but not limited to, financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, liquidity or credit enhancement provider, underwriter, counterparty, and remarketing agent, as well as conduit issuers, sponsoring organizations and program administrators. This disclosure shall include information reasonably sufficient to allow the board to appreciate the significance of the relationships.

(6) Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard electronic bidding platform are not subject to this disclosure. No disclosure will be required that violates any rule

or regulation of professional conduct. (as added by Ord. #268, Nov. 2011)

**5-412. Review of debt policy.** The provisions of this legislation as an established municipal policy shall be reviewed annually by the board during the approval of the annual budget. (as added by Ord. #268, Nov. 2011)

## CHAPTER 5

### PURCHASING AND SALE OF PERSONAL PROPERTY CODE

#### SECTION

- 5-501. Citation.
- 5-502. Definitions.
- 5-503. Purchasing agent.
- 5-504. Powers and duties of mayor.
- 5-505. Available appropriation required.
- 5-506. Gifts and favors prohibited.
- 5-507. Evasion prohibited.
- 5-508. Small leases and purchases; use of purchase orders.
- 5-509. Purchases based on informal bids.
- 5-510. Purchases or leases based on formal bids.
- 5-511. Exceptions.
- 5-512. Waiver based on other government purchases.
- 5-513. Personal property declared surplus.
- 5-514. Personal property valued at less than \$5,000.00.
- 5-515. Personal property valued at \$5,000.00 or more.
- 5-516. Severability.

**5-501. Citation.** This chapter may be referred to as the "McEwen Purchasing and Sale of Personal Property Ordinance 2019" and when enacted and codified as the "Purchasing and Sale of Personal Property Code." (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)

**5-502. Definitions.** When used herein the following words, terms, and phrases and their derivations have the meanings ascribed except where the context clearly indicates a different intended meaning:

- (1) "City" means the City of McEwen, Tennessee.
- (2) "Board" means the incumbent board of mayor and aldermen of the city at the time applicable.
- (3) "Mayor" means the incumbent mayor of the city in office at the time applicable.
- (4) "Recorder" means the incumbent recorder of the city in office at the time applicable.
- (5) "City attorney" means the incumbent general outside legal counsel of the city at the time applicable.
- (6) "Contract" means an agreement regardless of form or title which procures or authorized the procurement of personal property by lease or purchase or which authorizes sale, lease or disposal of personal property value.
- (7) "Gift" or "favor" is any tangible or intangible thing or service

having value.

(7) "Personal property" means tangible goods, supplies, apparatus, materials and equipment procured for and owned by the city, but specifically excludes intangible services such as utilities, postage, shipping costs, travel reimbursements, seminars, dues, memberships and subscriptions. (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)

**5-503. Purchasing agent.** The mayor is designated chief purchasing agent of the city. The mayor by executive order may delegate some or all of the functions and powers as chief purchasing agent to a subordinate city employee. (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)

**5-504. Powers and duties of mayor.** The mayor as chief purchasing agent acting has the following powers and duties:

(1) Procure or oversee procurement of all personal property needed by the City including effectuating required advertisement and solicitation for procurement thereof.

(2) Consistent with these regulations and applicable general laws of State of Tennessee by executive order adopt operating procedures relating to the lease, purchase or lease-purchase of personal property.

(3) Provide for and oversee development of specifications for personal property to be leased or purchased; administer lease and purchase contracts to which the city is a party; and provide for inspecting, accepting or rejecting of personal property leased or purchased.

(4) Process all claims for loss, damage, breakage or shortage and claims for refund and adjustment concerning leased or purchased personal property.

(5) Exercise general supervision and control over all inventories of personal property and authorize the transfer of use between city departments of any surplus personal property.

(6) Require bonds, insurance and other forms of protection for the city in the process of procuring personal property.

(7) Terminate solicitations for lease, purchase or sale of personal property when in the best interest of the city to do so.

(8) Reject bids or proposals when in the best interest of the city to do so.

(9) Following consultation with the city attorney terminate contracts or pursue other remedies when a party with whom the city is contracting has breached the contract.

(10) Sell surplus personal property as prescribed in these regulations.

(11) Execute on behalf of the city all contracts for purchase, lease or sale of personal property. (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)

**5-505. Available appropriation required.** No contract for the lease or purchase of personal property will be executed or approved until there is to the credit of the using department or agency a sufficient unencumbered appropriated fund balance in excess of all unpaid obligations which is to defray the amount payable for such any contract for lease or purchase in the then current fiscal year. (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)

**5-506. Gifts and favors prohibited.** Every officer and employee of the city whose duties involve

(1) Recommendation for purchase, lease or sale of personal property;

(2) Preparation of specifications for the lease or purchase of personal property; or

(3) Deciding which personal property should be declared surplus are expressly prohibited from accepting a gift or favor, directly or indirectly, from any person, company, firm, corporation or other entity which seeks to do business with or contract with the city or who has contracted with the city within the past year, or to whom any purchase order or contract is awarded, or to whom any surplus personal property is sold, except where such gift or favor is given for the sole use and benefit of the city. (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)

**5-507. Evasion prohibited.** No lease, purchase nor sale of personal property will be divided for the purpose of evading the provisions of these regulations. (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)

**5-508. Small leases and purchases; use of purchase orders.**

(1) Leases and purchases of personal property involving an estimated expenditure of less than five thousand dollars (\$5,000.00) of public money will not require and may be made without public advertisement or competitive bidding; provided, however, competition should be sought if feasible and written records will be maintained to adequately document competition and account for the funds so expended to facilitate an audit of small purchases being made.

(2) All small leases or purchases will require a written purchase order signed by the mayor or his or her designee. No small lease or purchase will be made by any municipal employee without having procured a prior issued and pre-numbered purchase order. City will not be responsible for payment on a lease or purchase of any small lease or purchase unless the vendor or lessor has received in hand at the time of lease or purchase such pre- numbered purchase order and such number is duly recorded by the lessor or vendor on the sales invoice or lease contract presented to the city for payment. No employee nor other person claiming to be a representative of the city representative will have the authority to make a lease of small purchase without having a duly issued purchase order. Information on the restrictions on authority to make small leases or purchases such as bind the city without a duly issued purchase order

will be disseminated by the recorder to all known regular and re-occurring vendors and lessors to the city and notice thereof will be published at least annual in a newspaper having general circulation in Humphreys County, Tennessee. (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)

**5-509. Purchases based on informal bids.** All contracts for the lease or purchase of personal property involving the estimated expenditure of five thousand dollars (\$5,000.00) or more of public money, but less than ten thousand dollars (\$10,000.00), may be made without public advertisement, but only after informal bids have been secured. All such contracts will be in writing and will be awarded to the lowest responsible bidder after at least three (3) competitive bids are received whenever possible. The quality and performance of the personal property offered by each bidder and the time specified for delivery may be considered in determining the lowest bid. The recorder will keep a record of all such bids submitted and such record will be available for public inspection after a contract is awarded. (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)

**5-510. Purchases or leases based on formal bids.** Except as otherwise herein provided a contract for lease or purchase of personal property involving an estimated expenditure of ten thousand dollars (\$10,000.00) or more of public money will not be awarded unless the provisions of this section are followed.

(1) Proposals will be invited by advertisement in a newspaper having general circulation in the city. The advertisement will state the time and place where specifications may be obtained and the time and place for submitting and opening of bid proposals. At least ten (10) full business days must pass between the day the advertisement appears and the day of the bid opening. The advertisement will state that the city reserves the right to reject any or all of the bids. City officers and employees involved in the procurement will strive to procure at least three (3) competitive bids whenever possible and will, if possible, personally contact known vendors to solicit their interest in the bidding.

(2) The mayor may require that bid deposits be submitted with each bid. If bid deposits are required they will be in an amount equal to five percent (5%) of the amount of the bid and may be submitted in the form of cash, cashier's or certified check, bid bond, or any other form of security deemed sufficient by the city attorney. The bid deposit requirement, including the form in which bonds or other forms of bid security may be submitted, will be included in the specifications.

(3) Bids will be sealed. If at least three (3) bids are not received then the bids may be returned to the bidders prior to opening and at the city's option the bid procedure may be repeated.

(4) All bids will be opened in public. The recorder will make a record

of the bids received. The record of the bids received will be subject to public inspection after the bid opening.

(5) The mayor may require a successful bidder to furnish a performance bond to secure the faithful performance of all of the terms of the contract. The performance bond will be in a form approved by the city attorney. The mayor may reject the bond of any bidder if deemed to be unacceptable.

(6) All contracts to which this section applies will be in writing and must be approved by the board. (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)

**5-511. Exceptions.** (1) The competitive procurement provisions of these regulations do not apply to the lease or purchase of personal property when:

(a) The personal property which is required is available from only one source of supply or when standardization or compatibility is the overriding consideration; or

(b) The lease or purchase is pursuant to a contract of the vendor or lessor with

(i) The United States or the State of Tennessee or

(ii) Any other governmental unit or agency thereof; or

(c) A special emergency exists involving the health and safety of the people or their property.

(2) The mayor will submit to the board a written report concerning any lease or purchase made pursuant to this section. The recorder will keep a record of all leases or purchases made pursuant to this section and such records will be subject to public inspection. (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)

**5-512. Waiver based on other government purchases.** When the mayor or the board determines that it is in the best interest of the city to do so the requirements of these regulations may be waived for the lease or purchase of personal property from any person or entity which has within the previous twelve (12) months completed a public, formal bid process substantially similar to the criteria prescribed in these regulations and has contracted to furnish the same type of personal property to:

(1) The United States or any federal agency; or

(2) The State of Tennessee or any agency or political subdivision thereof; if the person or entity is willing to furnish the personal property to the city at the same or a more favorable price, terms and conditions as those provided under the contract with the other governmental unit or agency.

(3) A lease or purchase made under this section must be finally approved by the board. (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)

**5-513. Personal property declared surplus.** When personal property of the city is no longer necessary or useful to the city the board may declare such and order disposal of the same in the manner prescribed in these regulations. (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)

**5-514. Personal property valued at less than \$5,000.00.** Disposal of surplus personal property valued at less than five thousand dollars (\$5,000.00) will be designed to obtain fair market value for the personal property to be disposed and will accomplish the disposal in an efficient and economical manner. Such disposition may be by private sale or exchange; by auction; by posting on an internet website; by using the personal property as trade-in, credit or part payment on the purchase of other personal property; or by any other manner of disposition that meets the purpose and intent of this section. The recorder will maintain a record that describes generally the personal property disposed of, to whom the personal property was conveyed, and the consideration received for the personal property. The mayor will report to the board concerning dispositions of personal property made pursuant to this section. (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)

**5-515. Personal property valued at \$5,000.00 or more.** With prior approval by the board, the mayor will dispose of surplus personal property valued at five thousand dollars (\$5,000.00) or more by any of the following methods:

(1) Advertisement for sealed bids. The procedure specified in § 5-510 of these regulations for the lease or purchase of personal property by sealed bids will be used except that the sale will be made to the highest bidder.

(2) Public auction. A notice of a public auction will be published in a newspaper having general circulation in the city at least ten (10) business days prior to the date of the auction. The notice will identify the personal property to be sold and set out the date, time, place, and terms of the sale.

(3) Exchange. An exchange of surplus personal property for other personal property by private negotiation if the city receives full and fair consideration in exchange for its surplus personal property.

(4) Other. By any other lawful means approved by the board when the unusual character of the personal property or unusual circumstances affecting the disposition of the personal property appears to be in the best interest of the city. (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)

**5-516. Severability.** The provisions of these regulations are declared to be severable. If any section, sentence, clause or phrase for any reason is held to be invalid by a court of competent jurisdiction such decision will not affect the remaining sections, sentences, clauses and phrases of these regulations, but the same will remain in effect. (as added by Ord. #308, Dec. 2019 *Ch 5\_6-9-20*)



## CHAPTER 6

### REAL AND PERSONAL PROPERTY TAX

#### SECTION

6-101. When due and payable.

6-102. When delinquent--penalty and interest.

**6-101. When due and payable.** (1) There is levied for calendar year 2022 beginning on 1 January and ending on 31 December (the "current calendar year"), ad valorem taxes on all taxable real and personal property situated in the municipality not otherwise exempted by law, to be paid by the owner thereof, at the rate of \$0.4799 for each one hundred dollars (\$100.00) of assessed value thereof as determined by the Assessor of Property of Humphreys County, Tennessee.

(2) Said taxes, when collected will be used for corporate purposes as appropriated from time to time.

(3) Said taxes will become due and payable on October 1 of the current calendar year and will become delinquent if not paid before March 1 of the succeeding calendar year. (as added by Ord. #324, July 2022 **Ch6\_06-13-23**)

**6-102. When delinquent--penalty and interest.** (1) On becoming delinquent and unpaid, the recorder will certify the same to the city attorney who is authorized to initiate and file in the name of and on behalf of the municipality appropriate legal proceedings to collect the same together with statutory interest, penalties, costs and fees and to seek such collection by enforcement of the statutory lien imposed by law on the property on which assessed and may do so by joining in the collection suit as initialed by Humphreys County for collection of those unpaid and delinquent ad valorem taxes levied by Humphreys County on the same property.

(2) In addition thereto for unpaid and delinquents ad valorem personal property taxes, pursuant to § 67-5-2003, Tennessee Code Annotated, the recorder as collector on and after March 1 following of the current calendar year to issue a distress warrant to be levied on the personal property on which such taxes are assessed and the officer executing the same will take possession thereof and after due notice to the owner thereof and after due advertisement and public notice will cause such personal property to be sold at public outcry with the proceeds therefrom applied to payment of the taxes and interest, penalties and fees accrued thereon. (as added by Ord. #324, July 2022 **Ch6\_06-13-23**)