

TITLE 5

MUNICIPAL FINANCE AND TAXATION¹

CHAPTER

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

CHAPTER 1

MISCELLANEOUS

SECTION

5-101. Recorder to be tax collector.

5-101. Recorder to be tax collector.² The recorder shall be the tax collector for the city and shall collect all property, privilege, and ad valorem taxes levied within the city. (1982 Code, § 6-101)

¹Charter references

For specific charter provisions on depositories of municipal funds, see Tennessee Code Annotated, § 6-4-402.

²Municipal code reference

Recorder's duties: title 1, chapter 3.

CHAPTER 2

PROPERTY TAXES

SECTION

- 5-201. Annual tax levy.
- 5-202. Preparation and contents of tax list.
- 5-203. Tax list to be presented to board.
- 5-204. When taxes due; delinquency date.
- 5-205. Distress warrant for delinquent taxes.
- 5-206. Costs and penalties on delinquent taxes.
- 5-207. Employment and compensation of attorney for filing delinquent tax bill.
- 5-208. Tax lien on real estate.
- 5-209. Applicability of law relating to collection and enforcement of state and county taxes.
- 5-210. Report of uncollected taxes to board.

5-201. Annual tax levy. The board of mayor and aldermen shall, at its regular meeting in the month of June each year, or as soon thereafter as practicable, levy a tax commensurate with the wants and needs of the city, and cause a tax list to be made out as provided in § 5-103 and placed in the hands of the recorder to be collected by him. Taxes shall be levied by the board upon all property--real, personal, and mixed--within the limits of the city which by the laws of the state, is subject to taxation by the county. (1982 Code, § 6-201)

5-202. Preparation and contents of tax list. It shall be the duty of the recorder to prepare annually a list of all taxable property, as defined by the state laws, within the corporate limits of the city, to be made up from the assessment lists for that year. The recorder's list shall be made in a well-bound book, with all names alphabetically arranged therein and the amount of taxes due from each taxpayer computed and extended on the book, and with an aggregate showing the total value of lots or tracts of land and the total taxes levied.

The recorder shall add to his list, and value, assess, and collect taxes upon, all property within the corporate limits which has been omitted or overlooked by the tax assessor, and report the same to the board of mayor and aldermen, which may order same assessed. (1982 Code, § 6-202)

5-203. Tax list to be presented to board. The tax list prepared in accord with § 5-202 shall be presented by the recorder to the board of mayor and aldermen at its first regular meeting in September of each year, or as soon thereafter as possible. (1982 Code, § 6-203)

5-204. When taxes due; delinquency date.¹ All taxes shall be due on October first of each year for each respective year and become delinquent March first of each year following. (1982 Code, § 6-204, as replaced by Ord. #1622, Sept. 2010, and Ord. #1633, Feb. 2011)

5-205. Distress warrant for delinquent taxes. The recorder is hereby authorized and empowered to issue a distress warrant, in the name of the city, for all delinquent taxes due the city. Such warrant shall be directed to any policeman, constable, deputy sheriff, or any other person whom the board of mayor and aldermen may designate and authorize to levy and execute such distress warrant against delinquent taxpayers. Any officer collecting such delinquent taxes shall charge, recover, and collect from the taxpayer the same fees and commissions as the law provides in the case of collecting state and county taxes which are delinquent. (1982 Code, § 6-205)

5-206. Costs and penalties on delinquent taxes.² (1) Delinquent taxes shall bear a delinquency rate (interest rate) of 1% per month, which shall begin on the 1st day of May of each year. The delinquency charge shall be accumulated and shall increase at the rate of 1% per month until paid.

(2) To the amount of tax due and payable on any property taxes becoming delinquent after January 1, 1983, a penalty of one-half of one percent (.5%) and interest of one percent (1%) shall be added on the first day of May following the tax due date and on the first day of each succeeding month.

(3) In the event that in the year a reappraisal program is completed and approved by the State Division of Property Assessments the values established in such reappraisal program are turned over to the municipality after October 1 of such year, no penalty and interest shall be added until five months following the tax roll completion date as evidence by written notification

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. 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.

²Charter 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.

from the assessor of property to the trustee and/or recorder specifically stating the date the tax roll was delivered to the trustee and/or recorder. (1982 Code, § 6-206)

5-207. Employment and compensation of attorney for filing delinquent tax bill. The board of mayor and aldermen is empowered to employ an attorney for the purpose of filing a delinquent tax bill in the courts for the collection of delinquent real estate taxes, and, for his services, such attorney shall receive ten (10) per cent on the total amount recovered which shall be adjudged against the delinquent taxpayers in proportion to their respective taxes. (1982 Code, § 6-207)

5-208. Tax lien on real estate. Taxes levied by the board of mayor and aldermen pursuant to the laws and ordinances of the city, on real estate, and all costs and damages accruing thereon, shall be and remain a lien upon such real estate from the tenth day of January each year until the same are paid in full. (1982 Code, § 6-208)

5-209. Applicability of law relating to collection and enforcement of state and county taxes. The city tax list, when made out and placed in the hands of the recorder or other officers, shall have the same force and effect in his hands as the tax list has in the hands of a collector of state and county taxes, and all laws for the collection and enforcement of same shall, so far as applicable, apply in the collection of the municipal taxes. (1982 Code, § 6-209)

5-210. Report of uncollected taxes to board. The recorder shall report to the board of mayor and aldermen, on October first each year, a list of uncollected taxes, showing the name, description of property, the amount due from each delinquent taxpayer, the aggregate of such taxes, and why same have not been paid. (1982 Code, § 6-210)

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. The proceeds of the privilege taxes herein levied shall accrue to the general fund. (1982 Code, § 6-301)

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 therefor upon payment of the appropriate privilege tax. The recorder shall keep a revenue docket which shall show the names of persons procuring such licenses, the kind of license procured, the date of the issuance thereof, the date of its expiration, and the amount collected thereon for each municipal fund. (1982 Code, § 6-302)

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 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 (1982 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 5

PURCHASING¹

SECTION

- 5-501. Office of purchasing agent created.
- 5-502. Definitions.
- 5-503. Procedures.
- 5-504. Funding purchases.
- 5-505. Maintenance of purchase ledger.
- 5-506. Preference to local dealers.
- 5-507. Rotation of purchases.
- 5-508. Specifications and quality standards.
- 5-509. Federal excise tax.
- 5-510. Disposal of surplus supplies.
- 5-511. Claims.
- 5-512. Public inspection of records.
- 5-513. Petty cash purchases.
- 5-514. [Deleted.]

5-501. Office of purchasing agent created. The office of purchasing agent is hereby created for the city and will operate under rules, regulations and requirements of this chapter. The city administrator or the recorder in the absence of the city administrator, in addition to the duties and responsibilities of that office, is hereby designated purchasing agent for the City of McMinnville. (1982 Code, § 6-501, as replaced by Ord. #1378, May 2001)

5-502. Definitions. The following definitions will apply with respect to the provisions of this chapter.

(1) "Purchasing agent." The individual responsible and vested with authority to enforce the provisions of this chapter.

(2) "Alternate agent." Any city employee authorized to make purchases on behalf of the purchasing agent.

(3) "Purchase." The authorized single purchase of supplies, equipment, material or services for and on behalf of the City of McMinnville and for which there is a clear defined budgetary or special authorization. Purchases are classed as follows:

¹State law reference

See Tennessee Code Annotated, §§ 6-54-107 and 12-4-101 for provisions prohibiting municipal officers from having an interest in contracts with the city.

(a) Class "A". The single purchase of supplies, materials, equipment or services exceeding a cost of \$10,000.00. All items in this class must have prior approval of the board of mayor and aldermen.

(b) Class "B". The single purchase of supplies, equipment, material or services exceeding \$5,000.00 but not exceeding \$10,000.00.

(c) Class "C". The single purchase of supplies, equipment, material or services not exceeding \$5,000.00.

(d) Emergency purchase. The single purchase of any item of supplies, material, equipment or services, the urgency of which dictates a waiver of the procedures in 5-503 below in the interest of public safety. (1982 Code, § 6-502, as replaced by Ord. #1378, May 2001)

5-503. Procedures. The following procedures will apply in effecting purchases in all classes.

(1) Class "A". Class "A" purchases will be initiated by request to the purchasing agent. Requests will include complete description of items of material, supplies and equipment. The requests will include complete specifications and any known vendors considered qualified and acceptable as supplier of items being requested. Public advertisement and competitive bidding shall be required for the purchase of all goods and services exceeding an amount of \$10,000 except for those purchases specifically exempted from advertisement and bidding by the Municipal Purchasing Act of 1983, Tennessee Code Annotated, 6-56-301, et seq. and amendments thereto.

(2) Class "B". Class "B" purchases are authorized to be made directly by the department head with approval of the respective committee. Purchases in this category shall be executed by purchase order by competitive bid. At least three (3) bids will be obtained on each purchase by public advertising, telephone or mail, whichever is deemed most appropriate. A bid form reflecting names of bidders and amounts of each bid will be completed and attached to the invoice.

(3) Class "C". Class "C" purchases may be made by any city employee upon authorization of the department head. Purchases of over \$2,500.00 shall be subject to competitive bids as required for Class "B" purchases. All invoices will be reconciled with statements of respective vendors, stamped with "departmental approval" stamp, and forwarded to the accounting department for payment.

(4) Emergency purchase. Emergency purchases include only those items for which public safety would be severely impaired by delay necessary to comply with the administrative procedures of this section. Any department head, or the person acting in his absence, may initiate emergency purchases. The administrative documentation shall be completed within 48 hours after purchase is made.

(5) Action of purchasing agent. (a) Class "A" purchases. The purchasing agent shall advertise for bids via whatever is considered most

expedient and effective means of disseminating information to qualified suppliers. Bids will be awarded by the board of mayor and aldermen based on lowest and/or best bid, reserving the right to reject any or all bids. The purchasing agent shall approve payment only after verification of receipt of purchase by the appropriate departmental superintendent and/or department head unless otherwise specified in the terms of the purchase agreement.

(b) Class "B" and "C" and emergency purchases. The city recorder will approve all such purchases for payment when properly documented as heretofore specified. (1982 Code, § 6-503, as replaced by Ord. #1378, May 2001)

5-504. Funding purchases. For each routine purchase there must be funding authorization in the budget or special authorization from the board. The appropriate fund code must be cited on each requisition, purchase order or invoice forwarded to the accounting department by departmental superintendents and/or department heads. (1982 Code, § 6-504, as replaced by Ord. #1378, May 2001)

5-505. Maintenance of purchase ledger. Each department head shall maintain a purchase ledger of each fund code applicable to his department. Entries shall be recorded for each purchase made showing a running fund balance of that code. No purchase shall be made that will exceed the department budget without special approval of the board of mayor and aldermen. (1982 Code, § 6-505, as replaced by Ord. #1378, May 2001)

5-506. Preference to local dealers. In the purchasing of supplies, materials, and equipment for the city's requirements, preference shall be given those dealers having stores or warehouses within the City of McMinnville --- price, quality, delivery, and service being equal. (1982 Code, § 6-506, as replaced by Ord. #1378, May 2001)

5-507. Rotation of purchases. Purchases for the city shall be distributed or rotated among the various merchants regularly handling or stocking such merchandise --- price, quality, delivery, and service being equal. (1982 Code, § 6-507, as replaced by Ord. #1378, May 2001)

5-508. Specifications and quality standards. Each department head shall have the right to request goods or services that meet whatever standards he considers necessary for efficient operation, however, specifications must not be unduly restrictive for the purpose of favoring a particular brand or manufacturer, but so written that the city will receive at least three competitive bids. (1982 Code, § 6-508, as replaced by Ord. #1378, May 2001)

5-509. Federal excise tax. The City of McMinnville is exempt from the payment of taxes imposed by the federal government, and suppliers should be requested to deduct the amount of such taxes from their bids, quotations, and invoices. (1982 Code, § 6-509, as replaced by Ord. #1378, May 2001)

5-510. Disposal of surplus supplies. The purchasing agent, upon the advice and consent of the board of mayor and aldermen, shall act as the city's agent when supplies, materials, and equipment are to be disposed of by sale or otherwise. (1982 Code, § 6-510, as replaced by Ord. #1378, May 2001)

5-511. Claims. The purchasing agent shall prosecute all claims for shortages, breakages, or other complaints against either shipper or carrier in connection with shipments. (1982 Code, § 6-511, as replaced by Ord. #1378, May 2001)

5-512. Public inspection of records. The purchasing agent shall keep a complete record of all quotations, bids, and purchase orders. Such records shall be open to public inspection. (1982 Code, § 6-512, as replaced by Ord. #1378, May 2001)

5-513. Petty cash purchases. Employees making purchases of \$100.00 or less, in instances where an immediate cash payment is required or from business firms that do not normally carry an account for the City of McMinnville, shall be reimbursed by submitting an approved sales ticket for such purchases. (1982 Code, § 6-513, as replaced by Ord. #1378, May 2001)

5-514. [Deleted]. This section was deleted by Ord. #1378, May 2001. (1982 Code, § 6-514, as deleted by Ord. #1378, May 2001)