

## TITLE 5

### MUNICIPAL FINANCE AND TAXATION

#### CHAPTER

1. REAL AND PERSONAL PROPERTY TAXES.
2. PRIVILEGE TAXES.
3. WHOLESALE BEER TAX.
4. DEBT POLICY.
5. HOTEL/MOTEL TAX.

#### CHAPTER 1

### REAL AND PERSONAL PROPERTY TAXES

#### SECTION

- 5-101. When due and payable.  
 5-102. When delinquent; penalty and interest.

**5-101. 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. (1990 Code, § 5-101)

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#### <sup>1</sup>Charter references

- Delinquent taxes: section 15.
- Enforcement of tax lien: section 17.
- Lien on delinquent taxes: section 16.
- Tax assessment: section 14.

#### State law reference

*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.

**5-102. When delinquent; penalty and interest.**<sup>1</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>2</sup> (1990 Code, § 5-102)

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<sup>1</sup>State law reference

*Tennessee Code Annotated*, § 67-1-801(c) provides that if the county trustee collects the municipality's property taxes, a penalty of one-half of one percent (0.5%) and interest of one percent (1%) shall be added on the first day of March following the tax due date, and on the first day of each succeeding month.

<sup>2</sup>State law references

A municipality has the option of collecting delinquent property taxes any one 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 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 town at the rates and in the manner prescribed by the Act. (1990 Code, § 5-201, modified)

**5-202. 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. Violations of this section shall be punished under the general penalty provisions of this code of ordinances. (1990 Code, § 5-202)

## CHAPTER 3

WHOLESALE BEER TAX

## SECTION

5-301. To be collected.

**5-301. 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> (1990 Code, § 5-301)

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<sup>1</sup>State law reference

*Tennessee Code Annotated*, title 57, chapter 6 provides for a tax of seventeen percent (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 reference

Alcohol and beer regulations: title 8.

**CHAPTER 4**

**DEBT POLICY**

**SECTION**

5-401. Debt policy adopted.

**5-401. Debt policy adopted.** The Exhibit A<sup>1</sup> attached to this ordinance is adopted by reference as fully as if set out at length herein. (Ord. #01-12, Feb. 2012)

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<sup>1</sup>Exhibit A, Town of Tracy City Debt Policy (and any amendments), is of record in the office of the recorder.

## CHAPTER 5

### HOTEL/MOTEL TAX

#### SECTION

- 5-501. Definitions.
- 5-502. Permit required.
- 5-503. Fee.
- 5-504. Not transferable.
- 5-505. Duration.
- 5-506. Register required; availability for inspection.
- 5-507. Rooms to be numbered.
- 5-508. Privilege tax levied; use.
- 5-509. Payment of the tax.
- 5-510. Compensation to the hotel.
- 5-511. Interest and penalty for late payment.
- 5-512. Records requirement.

**5-501. Definitions.** As used in this chapter:

(1) "Consideration" means the consideration charged, whether or not received, for the occupancy in a hotel valued in money, goods, labor or otherwise, including all receipts, cash, credits, property and services of any kind or nature without any deduction therefrom whatsoever.

(2) "Hotel" means any structure or space, or any portion thereof, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist camp, tourist cabin, motel or any place in which rooms, lodgings or accommodations are furnished to transients for a consideration.

(3) "Occupancy" means the use or possession, or the right to use or possession, of any room, lodgings or accommodations in any hotel.

(4) "Operator" means the person operating the hotel whether as owner, lessee or otherwise.

(5) "Persons" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, estate, trust, business trust, receiver, trustee, syndicate or any other group or combination acting as a unit.

(6) "Transient" means any person who exercises occupancy or is entitled to occupancy of any rooms, lodgings or accommodations in a hotel for a period of less than thirty (30) continuous days. (Ord. #02-15, June 2015)

**5-502. Permit required.** No person will conduct, keep, manage, operate or cause to be conducted, kept, managed or operated, either as owner, lessor, agent or attorney, any hotel in the town without having obtained a permit from the mayor or his designee to do so. (Ord. #02-15, June 2015)

**5-503. Fee.** The fee for each hotel permit will be twenty-five dollars (\$25.00). (Ord. #02-15, June 2015)

**5-504. Not transferable.** No permit issued under this chapter shall be transferred or assigned. (Ord. #02-15, June 2015)

**5-505. Duration.** Hotel permits shall be issued annually and shall expire on the last day of December of each year. (Ord. #02-15, June 2015)

**5-506. Register required; availability for inspection.** Every person to whom a permit is issued under this chapter shall at all times keep a standard hotel register, in which shall be inscribed the names of all guests renting or occupying rooms in his hotel. Such register shall be signed in every case by the persons renting a room or by someone under his direction, and after registration is made and the name of the guest is inscribed as herein provided, the manager shall write the number of the room which guest is to occupy, together with the time such room is rented, before such person is permitted to occupy such room. The register shall be open to inspection at all times to the mayor or his designee. (Ord. #02-15, June 2015)

**5-507. Rooms to be numbered.** Each sleeping room and apartment in every hotel in the town shall be numbered in a plain and conspicuous manner. The number of each room shall be placed on the outside of the door of such room, and no two (2) doors shall bear the same number. (Ord. #02-15, June 2015)

**5-508. Privilege tax levied; use.** (1) Pursuant to the provisions of *Tennessee Code Annotated*, § 67-4-1401 to *Tennessee Code Annotated*, § 67-4-1425, there is hereby levied a privilege of occupancy in any hotel of each transient. From and after the operative date of this chapter the rate of the levy shall be five percent (5%) of the consideration charged by the operator. This privilege tax shall be collected pursuant to and subject to the provisions of these statutory provisions. The mayor shall be designated as the authorized collector to administer and enforce this chapter and these statutory provisions.

(2) The proceeds received from this tax shall be available for the town's general fund. Proceeds of this tax may not be used to provide a subsidy in any form to any hotel or motel. (Ord. #02-15, June 2015)

**5-509. Payment of the tax.** Payment of the tax by the motel to the town shall be no later than the twentieth day of each month for the preceding month. (Ord. #02-15, June 2015)

**5-510. Compensation to the hotel.** The hotel may deduct two percent (2%) from the amount paid to the town. (Ord. #02-15, June 2015)

**5-511. Interest and penalty for late payment.** The hotel operator is responsible for paying interest on delinquent taxes, twelve percent (12%) per annum, plus a penalty of one percent (1%) per month. (Ord. #02-15, June 2015)

**5-512. Records requirement.** The hotel operator must keep records for three (3) years, with the right of inspection by the town. (Ord. #02-15, June 2015)