

TITLE 5

MUNICIPAL FINANCE AND TAXATION<sup>1</sup>

CHAPTER

1. REAL AND PERSONAL PROPERTY TAXES.
2. PRIVILEGE TAXES.
3. WHOLESALE BEER TAX.
4. PARTICIPATION IN LOCAL GOVERNMENT INVESTMENT POOL.
5. PURCHASING; PUBLIC ADVERTISING AND COMPETITIVE BIDDING.
6. PURCHASING, LEASING, AND DISPOSAL OF MUNICIPAL PERSONAL PROPERTY.
7. GOVERNMENT AUDITING STANDARDS BOARD (GASB).

CHAPTER 1

REAL AND PERSONAL PROPERTY TAXES

SECTION

- 5-101. Levy of taxes.
- 5-102. Rate of taxation.
- 5-103. Delinquency - penalty and interest.

5-101. Levy of taxes. There is hereby levied upon all real and personal property in the City of Waverly, Tennessee, not otherwise exempt by law, to be paid by the owner thereof, taxes annually according to the value thereof as determined by the Assessor of Property of Humphreys County, Tennessee and which said taxes shall be assessed on a calendar year annual basis and when assessed and collected shall be used for general corporate purposes in the general fund of the City of Waverly, Tennessee. (1984 Code, § 6-101)

5-102. Rate of taxation. The taxes so levied on such real and personal property according to value shall be at a rate as shall be fixed annually by the

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<sup>1</sup>Charter references

- Appropriations: § 18.
- Collection of delinquent taxes: § 28.
- Distress warrants: § 30.
- Limitation on appropriations: § 16.
- Property tax assessment: § 25.
- Property taxes: § 26.
- Tax rate: § 15.

board of mayor and aldermen of the City of Waverly, Tennessee at the time of the adoption of a budget and the making of appropriations for the City of Waverly. (1984 Code, § 6-102)

5-103. Delinquency - penalty and interest. (1) All real and personal property taxes levied and assessed pursuant to this chapter shall become delinquent on and after March 1 of the year following the year for which such taxes shall have been assessed and levied.

(2) If such taxes shall not have been paid on or before the date fixed for the delinquencies thereof, to the amount of tax due and payable, a penalty of one-half of one percent (.5%) 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. (1984 Code, § 6-103, as amended by Ord. #1985-5, June 1985)

## CHAPTER 2

PRIVILEGE TAXES

## SECTION

- 5-201. Scope of taxation.
- 5-202. Definitions.
- 5-203. Prohibition and penalties.
- 5-204. Administration of chapter.
- 5-205. Intention of chapter.
- 5-206. City payment of taxes to state.

5-201. Scope of taxation. Pursuant to Tennessee Code Annotated, § 67-4-701 et seq., known as the "Business Tax Act" of the State of Tennessee, there is hereby levied annually taxes for the privilege of making sales or performing services within the City of Waverly by any person engaged in any of the vocations, occupations, business or business activity declared so taxable pursuant to the said "Business Tax Act" by municipalities in the State of Tennessee to the fullest extent therein provided and according to the classifications and upon and at the maximum rates of taxation therein allowed to be imposed by municipalities and payable in such manner and at such times as in said "Business Tax Act" provides. (1984 Code, § 6-201)

5-202. Definitions. The definitions for the operation and enforcement of this chapter shall be in accordance with and be the same definitions as contained in the aforesaid "Business Tax Act." (1984 Code, § 6-202)

5-203. Prohibition and penalties. (1) No person shall exercise any such privilege without holding a then currently effective license, tax receipt or other indicia of payment of the taxes imposed by this chapter and which shall have been issued by the city recorder's office to such person upon compliance with the provisions of this chapter and the payment of the appropriate taxes therefor.

(2) Any person who shall exercise such privileges without having complied with the provisions hereof shall, in addition to being liable for the taxes otherwise required to be paid hereby, be deemed guilty of a offense committed against the city and upon a finding of guilt thereof such person shall be fined under the general penalty provisions of this code and shall pay the court costs imposed in addition thereto. (1984 Code, § 6-203)

5-204. Administration of chapter. The provisions for the administration, collection, computation, relative to exemptions, credits allowable, making of returns and payments, requirements for the keeping of books and records and disclosure of information, and the other provisions of Tennessee Code Annotated, § 67-1-701 et seq., governing the same, are hereby adopted as the

rules, regulations and provisions for the administration of this chapter by the City of Waverly, Tennessee. (1984 Code, § 6-204)

5-205. 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 "Business Tax Act" of the State of Tennessee and that the administration of the same within the City of Waverly shall be in accordance with the allowance of provisions of said "Business Tax Act." (1984 Code, § 6-205)

5-206. City payment of taxes to state. The City of Waverly shall pay to the State of Tennessee as shall be required to be paid by local collectors annually, such percentage of such taxes collected as may by law be due the State of Tennessee. (1984 Code, § 6-206)

## 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 City of Waverly 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> (1984 Code, § 6-301)

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<sup>1</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 4

PARTICIPATION IN LOCAL GOVERNMENT INVESTMENT POOL

## SECTION

- 5-401. Participation in the program.
- 5-402. Designation as depository.
- 5-403. Transfer between official depositories of the city.
- 5-404. Interest earnings.
- 5-405. Administrative fees of LGIP.
- 5-406. Designation of city's financial officer or agent.

5-401. Participation in the program. The City of Waverly, Tennessee, as a municipal corporation and entity, is hereby authorized to participate fully and to all intents and purposes in the "Local Government Investment Pool" (hereinafter referred to as LGIP) of the State of Tennessee as administered by the Treasury Department of the State of Tennessee and as created by Chapter 545 of the Public Acts of the 91st General Assembly of the State of Tennessee. (1984 Code, § 6-401)

5-402. Designation as depository. To the extent required such LGIP is hereby designated as an official depository for any and all city funds subject to the terms and conditions and requirements as established from time to time by the legislation creating the LGIP and any and all regulations duly and lawfully adopted thereunder by such administrative officer as may be entitled to adopt such regulations. (1984 Code, § 6-402)

5-403. Transfer between official depositories of the city. Any and all other official depositories of the City of Waverly, Tennessee are authorized to transfer funds to any accounts as may be established by the administrator of the LGIP from time to time for the purpose of accomplishing the deposit of city funds into the LGIP as contemplated under the laws and regulations applicable thereto. (1984 Code, § 6-403)

5-404. Interest earnings. Any and all interest earned on the deposits of the City of Waverly, Tennessee in the LGIP shall be considered a part of the particular fund on which the income was earned and shall be includable as a part of the revenues into such particular fund. (1984 Code, § 6-404)

5-405. Administrative fees of LGIP. The city shall pay any and all administrative fees to the LGIP as required by law or regulation and in accordance with the method of payment as may be from time to time provided therefor. (1984 Code, § 6-405)

5-406. Designation of city's financial officer or agent. The individual holding the office of city manager of the City of Waverly, Tennessee, from time to time, and such officer is hereby designated as the "financial officer" of the City of Waverly, Tennessee insofar as the participation in the LGIP as herein authorized is concerned and is authorized and empowered to act for and on behalf of the City of Waverly in regard to all transactions in connection therewith. (1984 Code, § 6-406)

## CHAPTER 5

PURCHASING; PUBLIC ADVERTISING AND COMPETITIVE BIDDING

## SECTION

5-501. Public advertising and competitive bidding required if gross amount exceeds \$5,000.

5-502. Purchasing officials to seek best price.

5-503. City manager authorized for purchases not over \$5,000.

5-501. Public advertising and competitive bidding required if gross amount exceeds \$5,000. No public advertisement nor formal competitive bidding process shall be required for any purchase, lease or lease-purchase of any property, commodity, service or supply required for public purposes unless the gross amount therefor or the reasonably anticipated gross amount therefor shall exceed \$5,000. (Ord. #1996-14, § 1, Aug. 1996)

5-502. Purchasing officials to seek best price. Notwithstanding the threshold amount under which public advertisement and formal competitive bidding shall not be required it is the policy of the city that all purchasing officials seek the most competitive and best possible price available to the city for any property, supply, service, commodity or other object for which public funds are to be expended. (Ord. #1996-14, § 2, Aug. 1996)

5-503. City manager authorized for purchases not over \$5,000. The city manager is generally authorized to enter into, execute and deliver for and on behalf of the city such purchasing orders, contracts, requisitions or leases as may be required or appropriate for purchases or leases made for property, supplies, services or commodities costing not over \$5,000 provided an existing appropriation has previously been made therefor and the object thereof has been previously authorized by the board of mayor and aldermen and the funds appropriated therefor are otherwise available and unexpended. (Ord. #1996-14, § 3, Aug. 1996)



CHAPTER 6

PURCHASING, LEASING AND DISPOSAL OF  
MUNICIPAL PERSONAL PROPERTY

SECTION

- 6-101. Purpose.
- 6-102. Definitions.
- 6-103. Purchasing agent.
- 6-104. Powers and duties of the city manager.
- 6-105. Available appropriation required.
- 6-106. Gifts and favors prohibited.
- 6-107. Evasion prohibited.
- 6-108. Small purchases.
- 6-109. Purchases based on informal bids.
- 6-110. Purchases or leases based on formal bids.
- 6-111. Exceptions.
- 6-112. Waiver based on other governmental purchases.
- 6-113. Personal property declared surplus.
- 6-114. Personal property valued at less than five thousand dollars (\$5,000).
- 6-115. Personal property valued at five thousand dollars (\$5,000) or more.

6-101. Purpose. The purpose of this chapter is to provide a legally sufficient, efficient, and equitable system of municipal purchasing to obtain the maximum purchasing value of public funds utilized in procurement; to provide for a procurement system of quality and integrity; and to provide for the sale of surplus personal property in a manner that yields the highest sales price. (as added by Ord. #2006-21, Nov. 2006)

6-102. Definitions. When used in this chapter the following words, terms, and phrases and their derivations have the meanings ascribed except where the context clearly indicates a different meaning:

- (1) "City" means the City of Waverly, Tennessee.
- (2) "Board" means the incumbent board of mayor and aldermen of the city at the time applicable.
- (3) "City manager" means the incumbent city manager at the time applicable.
- (4) "Contract" means any agreement regardless of form or title for the procurement by lease, purchase or lease-purchase or for sale and disposition of city property.
- (5) "Gifts" or "favors" means any thing or service of value.
- (6) "Personal property" means goods, supplies, apparatus, materials, equipment, and other forms of tangible personal property. (as added by Ord. #2006-21, Nov. 2006)

6-103. Purchasing agent. The city manager is designated purchasing agent; provided, however, he or she may delegate some or all of the functions or powers thereof to a subordinate city employee. (as added by Ord. #2006-21, Nov. 2006)

6-104. Powers and duties of the city manager. As purchasing agent the city manager has the following powers and duties:

(1) Procure or oversee the procurement of all personal property needed by the city and the advertisement for bids for the procurement of personal property. Consistent with the chapter and the general laws of the State of Tennessee applicable the city manager may adopt operating procedures relating to the lease, purchase, or lease-purchase of personal property for the city.

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

(3) Process all claims for loss, damage, breakage, or shortage, and claims for refund and adjustment concerning the lease or purchase of personal property for the city.

(4) Exercise general supervision and control over all inventories of personal property belonging to the city and provide for the transfer between city departments of surplus personal property belonging to the city.

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

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

(7) Reject bids when in the city's best interest to do so.

(8) Following consultation with the city attorney terminate contracts or pursue other remedies when the parties with whom the city is contracting have breached the contract.

(9) Sell surplus personal property belonging to the city as prescribed in this chapter. (as added by Ord. #2006-21, Nov. 2006)

6-105. Available appropriation required. The city manager shall not approve any contract for the lease or purchase of personal property until there is to the credit of the using department or agency a sufficient unencumbered appropriation balance in excess of all unpaid obligations to defray the amount payable for such contract for the then current fiscal year. (as added by Ord. #2006-21, Nov. 2006)

6-106. Gifts and favors prohibited. The city manager and every officer and employee of the city whose duties involve the procurement of sale of personal property, or the preparation of specifications for the lease or purchase of personal property for the city or whose duties include deciding which personal

property should be declared surplus are expressly prohibited from accepting any gift or favor, directly or indirectly, from any person, company, firm, or corporation 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 use and benefit of the city. (as added by Ord. #2006-21, Nov. 2006)

6-107. Evasion prohibited. No lease, purchase or sale of personal property shall be divided for the purpose of evading the provisions of this chapter. (as added by Ord. #2006-21, Nov. 2006)

6-108. Small purchases. Leases or purchases of personal property involving an estimated expenditure of not more than four thousand dollars (\$4,000) of public money do not require and may be made without public advertisement or competitive bidding; provided, however, competition should be sought if feasible and written records adequate to document competition shall be maintained to account for the funds so expended and to facilitate an audit of small purchases made. (as added by Ord. #2006-21, Nov. 2006)

6-109. Purchases based on informal bids. All contracts for the lease or purchase of personal property involving the estimated expenditure of four thousand dollars (\$4,000) or more of public money, but less than ten thousand dollars (\$10,000) shall be made without public advertisement, but only after informal bids have been secured. All such contracts shall be in writing and shall 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 city manager shall keep a record of all such bids submitted and the record shall be available for public inspection after a contract is awarded. (as added by Ord. #2006-21, Nov. 2006)

6-110. Purchases or leases based on formal bids. Except as otherwise provided in this chapter a contract for lease or purchase of personal property involving the estimated expenditure of ten thousand dollars (\$10,000) or more of public money shall not be awarded unless the provisions of this section are followed.

(1) Proposals shall be invited by advertisement in a newspaper having general circulation in the city. The advertisement shall state the time and place where specifications may be obtained and the time and place for submitting and opening of bids. At least ten (10) full business days must pass between the day the advertisement appears and the day of the bid opening. The advertisement shall state that the city reserves the right to reject any or all of the bids. The city manager shall strive to procure at least three (3) competitive bids whenever

possible and shall, if possible, personally contact known vendors to solicit their interest in the bidding.

(2) The city manager may require that bid deposits be submitted with each bid. If bid deposits are required they shall be in 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, shall be included in the specifications.

(3) Bids shall be sealed. If at least three (3) bids are not received 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 shall be opened in public. The city manager shall make a record of the bids received. The record of the bids received shall be subject to public inspection after the bid opening.

(5) The city manager may require a successful bidder to furnish a performance bond to secure the faithful performance of all the terms of the contract. The performance bond shall be in a form approved by the city attorney. The board may reject the bond of any bidder if they find it to be unacceptable.

(6) All contracts to which this section applies shall be in writing and shall be approved by the board. The board may reject any and all such bids. (as added by Ord. #2006-21, Nov. 2006)

6-111. Exceptions. (1) The provisions of the chapter do not apply to the lease or purchase of personal property when:

(a) The personal property required is available from only one (1) source of supply or when standardization or compatibility is the overriding consideration; or

(b) The lease or purchase is pursuant to a contract with (a) the United States or the State of Tennessee or (b) any other government unit or agency thereof; or

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

(2) The city manager shall submit to the board a written report concerning any lease or purchase made pursuant to this section. The city manager shall keep a record of all leases or purchases made pursuant to this section and such records shall be subject to public inspection. (as added by Ord. #2006-21, Nov. 2006)

6-112. Waiver based on other government purchases. When the city manager determines that it is in the best interest of the city to do so the requirements of the chapter 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 that

prescribed in the chapter 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; and
- (3) If the person or entity is willing to furnish the personal property at the same or more favorable price, terms, and conditions as those provided under the contract with the other governmental unit or agency.
- (4) Any lease or purchase made under this section shall be approved by the board. (as added by Ord. #2006-21, Nov. 2006)

6-113. Personal property declared surplus. When personal property of the city is no longer necessary or useful to the city, the city manager or the board may declare such personal property to be surplus and dispose of the same in the manner prescribed in this chapter. (as added by Ord. #2006-21, Nov. 2006)

6-114. Personal property valued at less the five thousand dollars (\$5,000). Disposal of surplus personal property valued at less than five thousand dollars (\$5,000) shall be designed to obtain fair market value for the property disposed of and to accomplish the disposal in an efficient and economical manner. Such disposition may be by private sale or exchange, or by auction, posting on internet website, or 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 city manager shall 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 city manager shall make periodic reports to the board concerning dispositions of personal property made pursuant to this section (as added by Ord. #2006-21, Nov. 2006)

6-115. Personal property valued at five thousand dollars (\$5,000) or more. The city manager shall dispose of surplus property valued at five thousand dollars (\$5,000) or more by any of the following methods:

(1) Advertisement for sealed bids. The procedure specified in § 6-110 of this chapter for the lease or purchase of personal property by sealed bids shall be used except that the sale be made to the highest bidder.

(2) Public auction. A notice of a public auction shall 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 shall identify the personal property to be sold and set out the date, time, place, and terms of the sale.

(3) Exchange. The city manager may exchange surplus personal property belonging to the city for other personal property by private negotiation if the city receives full and fair consideration in exchange for its surplus personal property. An exchange under this subsection requires prior approval by the board.

(4) Other. The board may authorize the disposition of personal property by any other lawful means when the unusual character of the personal property to be disposed of or unusual circumstances affecting the disposition of the personal property appears to be in the city's best interest to do so. (as added by Ord. #2006-21, Nov. 2006)

CHAPTER 7

GOVERNMENT AUDITING STANDARDS BOARD (GASB)

SECTION

5-701. Standards.

5-701. Standards. (1) When an expense is incurred for purposes for which both restricted and unrestricted funds of the municipality are available in accordance with GASB 54, the use and application of the restricted fund balance shall be utilized prior to utilization of the unrestricted fund balance.

(2) Whenever there are committed and assigned components of an unrestricted fund balance, in accordance with GASB 54, the committed component amounts shall be utilized first followed by utilization of assigned amounts whenever the expenditure incurred is for a purpose for which amounts in those fund balances are so classified as an unrestricted fund balance.

(3) Pursuant to GASB 54, in all municipal funds other than the designated general fund, interest income, if any, will be utilized first followed by use of restricted, committed and assigned revenues when the expense is incurred for purposes for which both restricted and unrestricted funds are available.

(4) Pursuant to GASB 54, transfers to other funds will be considered committed revenues in the fund to which transferred.

(5) Pursuant to GASB 54 during its initial implementation year all beginning fund balances for all municipal funds, except the general fund, will be classified as restricted and the beginning fund balance in the general fund will be classified as unassigned. (as added by Ord. #2011-20, June 2011)