TITLE 5
MUNICIPAL FINANCE AND TAXATION

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CHAPTER 1
MISCELLANEOUS

SECTION
5-102. Fiscal year.
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5-104. Payment by credit card or debit card.

5-101. **Official depository** for, and disbursement of city funds. The Red Bank Branch of the Hamilton National Bank of Chattanooga, Tennessee, is hereby designated as the depository of all funds of the City of Red Bank, provided, however, that said bank shall furnish adequate security to protect the interest of the city, either by collateral in the form of bonds of the city or state in an amount ten per cent (10%) in excess of the deposits, or by a bond in a sum ten per cent (10%) in excess of the deposits with surety to be approved by the board of commissioners.

All checks drawn upon this account shall be signed by the treasurer and countersigned by the mayor. Any bank or branch bank located in the City of Red Bank may be an additional depository of the funds of the City of Red Bank and the funds of the City of Red Bank shall be deposited in the various banks on an equitable basis. (1975 Code, § 6-601)

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

2 Charter reference
Tennessee Code Annotated, § 6-2221 prescribes depositories for city funds.
5-102. **Fiscal year.** The fiscal year of the city is hereby fixed and determined to commence on the first day of July of each year and to end on the following June 30th.¹ (1975 Code, § 6-602)

5-103. **Budget amendments.** (1) Prior to the approval of any amendments to the annual budget that would increase appropriations for the expenditure of city funds, the city council shall approve a resolution that identifies a corresponding source of funds to cover the proposed additional expenditure, and/or identifies a corresponding reduction in expenditure to compensate for the proposed additional expenditure.

   (2) Nothing in this section shall be construed or interpreted as an expansion or limitation of any power or authority granted to the City of Red Bank by the State of Tennessee. (1975 Code, § 6-604)

5-104. **Payment by credit card or debit card.** (1) It is lawful for the city to receive payment by credit card or debit card for any public taxes, licenses, fines, fees, assessments, or other monies collected by such municipal entity or officer.

   (2) As used in this subsection, unless the context otherwise requires:

   (a) "Credit card" has the same meaning as defined in Tennessee Code Annotated, § 47-22-101.

   (b) "Debit card" has the same meaning as defined in Tennessee Code Annotated, § 39-14-102(3).

   (3) Any city officer or official collecting payment by credit card or debit card pursuant to the provisions of this subsection shall set and collect a processing fee in an amount that is equal to the amount paid the third party processor for processing the payment. However, the processing fee shall not be set in an amount that exceeds five percent (5%) of the amount of the payment collected by credit card or debit card company or entity.

   (4) If a payment by credit card is not honored by the credit card company issuing the card, or if a payment by a debit card is not honored by the entity on which the funds are drawn, the city officer or official may collect a service charge from the person who owes the tax, fee, fine, penalty, interest or other charge, for processing the transaction. The amount of the service charge shall be the same amount as the fee charged for the collection of a check drawn on an account with insufficient funds. Provided, however, this service charge shall not apply and shall not be collected if an electronic device is used to conduct the transaction, the card and card holder are present, and the officer

¹Charter reference

Tennessee Code Annotated, § 6-2222 provides that the fiscal year of the city shall begin on July 1 unless otherwise provided by ordinance.
learns of the declination of the credit card or debit card at the time the transaction is processed.

(5) Processing fees or service charges collected under this subsection shall be deposited into the city's general fund, and thereafter, if applicable, allocated and transferred to the appropriate enterprise fund(s).

(6) With respect to every such transaction or receipt of payment, written notice shall simultaneously issue to the person owing the taxes, fine, fee, assessment or other money either the percentage of the processing fee for use of a credit card or debit card or the actual fee imposed for the use of a credit card or debit card.

(7) In no event shall the use of the credit card or debit card result in the city collecting less than is otherwise required or permitted by law for the payment of the taxes, licenses, fees, fines, assessments, or other monies due and payable.

(a) The city manager shall promulgate, and may amend from time to time, policies and procedures necessary to implement this section.

(as added by Ord. #01-835, Feb. 2001)
CHAPTER 2

REAL PROPERTY TAXES

SECTION

5-201. When due and payable.
5-202. When delinquent--penalty and interest.
5-203. County trustee to collect.

5-201. When due and payable. Taxes levied by the municipality against real property shall become due and payable annually on the first Monday in October of the year for which levied. (1975 Code, § 6-101)

State 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.

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.

Charter references

Tennessee Code Annotated, § 6-2211 sets the due date of November 1 of the year for which the taxes are assessed, but Tennessee Code Annotated, § 6-2214 provides that a different tax due date may be set by ordinance (by unanimous vote of the board of commissioners.)
5-202. **When delinquent—penalty and interest.**¹ 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.² (1975 Code, § 6-102)

5-203. **County trustee to collect.** The county trustee of Hamilton County shall act as the collector of all city property taxes. (1975 Code, § 6-103)

¹Charter reference

Tennessee Code Annotated, § 6-2213 sets the tax delinquency of December 1 of the year for which the taxes are assessed, but Tennessee Code Annotated, § 6-2214 provides that a different delinquent date may be set by ordinance (by unanimous vote of the board of commissioners).

²State 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.
CHAPTER 3

PRIVILEGE TAXES GENERALLY

SECTION
5-301. Tax levied.
5-302. License required.
5-303. Litigation tax levied.
5-304. Collection by city recorder--liability.

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 municipality at the rates and in the manner prescribed by the act. (1975 Code, § 6-201)

5-302. **License required.** No person shall exercise any such privilege within the municipality without a currently effective privilege license, which shall be issued by the city manager to each applicant therefor upon the applicant's compliance with all regulatory provisions in this code and payment of the appropriate privilege tax. (1975 Code, § 6-202)

5-303. **Litigation tax levied.** In accordance with the authority of Tennessee Code Annotated, § 67-4-601et seq., there is hereby levied a privilege tax on litigation in the city court for the City of Red Bank, Tennessee, in the amount of fourteen and 75/100 dollars ($14.75), which tax is to be collected upon all cases before the city court by the city court clerk, the same to be collected as any other litigation tax and/or court cost authorized by ordinance, by the Red Bank Municipal Code and/or by the Tennessee Code Annotated. (1975 Code, § 6-203, as replaced by Ord. #00-815, § 1, June 2000)

5-304. **Collection by city recorder--liability.** The city recorder shall collect litigation tax from all defendants in any criminal case instituted in the Red Bank City Court upon a finding of guilt, a plea of guilty, or a submission to a fine by the city court judge, in the same manner as the recorder collects the state litigation tax. Privilege taxes imposed by this chapter which the recorder shall fail to collect and account for, shall be a debt of the recorder, for which he, and his official bondsman, shall be liable to the city. (1975 Code, § 6-204)
CHAPTER 4

WHOLESALE BEER TAX

SECTION
5-401. To be collected.

5-401. To be collected. The city treasurer 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. (1975 Code, § 6-301)

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

RENTAL TAX ON TELEPHONE AND TELEGRAPH POLES

SECTION
5-501. Levy, due date, delinquency, collection.

5-501. **Levy, due date, delinquency, collection.** There is hereby levied on each and every telephone and telegraph company doing business within the City of Red Bank, Tennessee, or maintaining poles, lines, or other assets therein, an annual rental tax of twenty-five cents (25¢) on each telephone and telegraph pole standing on the streets, or along the streets of this city. This tax shall be due on the first day of July 1956, and on the first day of each year thereafter. This tax shall become delinquent sixty (60) days after the due date specified herein, and may at anytime thereafter be enforced and collected in any manner authorized by law for the collection of delinquent taxes. (1975 Code, § 6-401)

5-502. **Report required.** Each telephone or telegraph company owing a tax to the city hereunder shall submit, with its tax payment, a detailed list of all telephone or telegraph poles maintained or standing within the corporate limits of the City of Red Bank, Tennessee, which report shall show the name of each street in the city along which said company maintains or has erected telephone or telegraph poles, and the number of poles along said street. In the event a tax-paying company fails to submit a report as required herein, the city manager is authorized to estimate the number of poles standing within the corporate limits based upon an actual count of the poles standing within any given block, area, or lineal street distance within the city. After making such estimate, the city manager shall submit a bill to the tax-paying company for any deficiency between their actual tax payment, and the payment due based upon his estimate made as provided herein, and, in the event the deficiency is not paid by the company within sixty (60) days, or a detailed itemized list as required herein submitted, the city manager shall proceed to declare said tax delinquent. (1975 Code, § 6-402)
CHAPTER 6

PROPERTY TAX INCENTIVES FOR ECONOMIC DEVELOPMENT

SECTION

5-601. Property tax incentives for economic development.

5-601. **Property tax incentives for economic development.** (1) The City of Red Bank declares it to be the policy of the city to lawfully provide for property tax incentives in order to foster and encourage economic development within the city limits of the City of Red Bank, Tennessee.

(2) The Hamilton County Industrial Board is nominated and designated pursuant to Tennessee Code Annotated, § 7-53-305(b) as the public entity having authority to provide for and to hold title to properties as relates to payment in lieu of ad valorem taxes if and only if upon a finding that such payments are deemed to be in furtherance of the Hamilton County Industrial Development Board's public purposes, i.e. the encouragement of industrial and commercial business development.

(3) The City of Red Bank shall designate an entity to be vested with delegated provisional authority to negotiate for and on behalf of the City of Red Bank with applicants of and with respect to the economic development tax incentive hereby authorized and provided. Such designee shall be an entity domiciled in Hamilton County and recognized by the Hamilton County Industrial Board as having the necessary experience and expertise to negotiate the encouragement of industrial and commercial business development.

(4) Pursuant to the authority of Tennessee Code Annotated, § 7-53-305(b), the city commission retains unto itself the authority to accept or reject any agreements provisionally negotiated by its designee and/or as proposed by the Hamilton County Industrial Development Board.

(5) The city will devise a uniform standard by which incentive applications are to be evaluated. The city may authorize their designee to administer such uniform standard as part of the designee's duties.

(6) The provisions of this chapter are severable. If any provision of this chapter or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this chapter.

(7) This chapter shall take effect from and after the date of its final passage, the health, safety and welfare of the citizens of the City of Red Bank requiring it. (as added by Ord. #11-964, Aug. 2011)
CHAPTER 7
HOTEL-MOTEL TAX

SECTION
5-701. Definitions.
5-702. Permit required.
5-703. Fee.
5-704. Not transferable.
5-705. Duration.
5-706. Register required; availability for inspection.
5-707. Rooms to be numbered.
5-708. Privilege tax levied; use.
5-709. Payment of the tax.
5-710. Reserved.
5-711. Interest and penalty for late payment.
5-712. Records requirement.
5-713. Collection of tax.

5-701. Definitions. As used in this chapter:

(1) "Consideration" means the consideration charged, whether or not received, for the occupancy in a hotel or motel 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 travelers for temporary lodging or sleeping purposes, and includes any hotel or motel in which rooms, lodgings, or accommodations are furnished to travelers 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; and

(6) "Traveler" means any person who exercises occupancy or is entitled to occupancy of any rooms, lodgings, or accommodations in a hotel.

(7) "Exempt transactions" means an operator may grant an exemption from the tax to employees of the federal government and its agencies or the State of Tennessee and its political subdivisions when the hotel room charges are either billed directly to the applicable government, are paid using a government credit card, or are paid with cash, a personal check or personal credit card. In situations when the federal or State of Tennessee employee
requests exemption from the occupancy tax and pays with either cash, a personal check, or a personal credit card, an operator must obtain both a copy of the employee's government identification card and a signed dated statement from the federal or State of Tennessee government entity documenting that the employee is traveling on government business during the date of occupancy and has been or will be reimbursed by the government for the cost of the occupancy. A deduction may be made on the designated space of the return for the consideration received from employees of the federal government and its agencies or the State of Tennessee and its political subdivisions as herein otherwise permitted. (as added by Ord. #14-1016, Jan. 2015)

5-702. **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 city without having obtained a permit from the city manager or his/her designee to do so. (as added by Ord. #14-1016, Jan. 2015)

5-703. **Fee.** The fee for each hotel permit will be fifty dollars ($50.00) per annum. (as added by Ord. #14-1016, Jan. 2015)

5-704. **Not transferable.** No permit issued under this chapter shall be transferred or assigned. (as added by Ord. #14-1016, Jan. 2015)

5-705. **Duration.** Hotel permits shall be issued annually and shall expire on the last day of December of each year. The fee for permits expiring in the year issued shall not be pro-rated. (as added by Ord. #14-1016, Jan. 2015)

5-706. **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/her 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 city manager or his designee. (as added by Ord. #14-1016, Jan. 2015)

5-707. **Rooms to be numbered.** Each sleeping room and apartment in every hotel in the city 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. (as added by Ord. #14-1016, Jan. 2015)
5-708. Privilege tax levied; use. (1) Pursuant to the provisions of Tennessee Code Annotated, §§ 67-4-1401 through 67-4-1425, there is hereby levied a privilege of occupancy in any hotel of each traveler. From and after the effective date of this chapter the rate of the levy shall be four percent (4%) 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 city manager 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 city's general fund. Proceeds of this tax may not be used to provide a subsidy in any form to any hotel or motel. (as added by Ord. #14-1016, Jan. 2015)

5-709. Payment of the tax. Payment of the tax by the hotel operator to the city shall be no later than the twentieth (20th) day of each month for the preceding month on a form prepared and furnished by the city. (as added by Ord. #14-1016, Jan. 2015)

5-710. Reserved. (as added by Ord. #14-1016, Jan. 2015)

5-711. Interest and penalty for late payment. The hotel operator is responsible for paying interest on delinquent taxes, at the rate of twelve percent (12%) per annum, plus a penalty of one percent (1%) per month for each month such taxes remain delinquent. (as added by Ord. #14-1016, Jan. 2015)

5-712. Records requirement. The hotel operator must keep all records necessary to determine the amount of consideration paid and the amount of the tax hereby imposed for three (3) years, with the right of inspection by the city at all reasonable times. (as added by Ord. #14-1016, Jan. 2015)

5-713. Collection of tax. The city may designate and contract with an agent to serve as intermediary for collection of the tax and/or all inspection functions herein authorized. (as added by Ord. #14-1016, Jan. 2015)