

TITLE 5

MUNICIPAL FINANCE & TAXATION¹

CHAPTER

1. DEPOSITORIES FOR CITY FUNDS.
2. BUSINESS TAXES.
3. PROPERTY TAXES.
4. HOTEL OCCUPANCY TAX.
5. ALCOHOLIC BEVERAGE PRIVILEGE TAX.
6. MUNICIPAL PURCHASING.

CHAPTER 1

DEPOSITORIES FOR CITY FUNDS²

SECTION

- 5-101. Depositories--specific.
5-102. Depositories--general.

5-101. Depositories--specific. The First American Bank, First Tennessee Bank, Union Planters Bank, BancorpSouth, First South Bank, Bank of Jackson, Bank of Madison County and the State of Tennessee Local Government Investment Pool are designated as depositories of funds for the City of Jackson. (Ord. #99-060, Nov. 1990)

5-102. Depositories--general. Any of the depositories of the State of Tennessee designated pursuant to Tennessee Code Annotated, § 9-4-107 from time to time shall be and are hereby designated as depositories of funds of the City of Jackson. (1995 Code, § 5-102)

¹Charter references

General and specific taxing authority and procedures, etc.: §§ 54-65.
Recorder's duty relative to assessment, levy, collection, etc.: § 32.

²Charter reference: § 41.

CHAPTER 2**BUSINESS TAXES****SECTION**

5-201. Business tax levied.

5-201. Business tax levied.¹ 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, title 67, chapter 4) are hereby expressly enacted, ordained, and levied on the businesses, business activities, vocations, and occupations carried on within the city at the maximum rates and in the manner prescribed by the act. (1995 Code, § 5-201)

¹Charter reference: § 55.

CHAPTER 3

PROPERTY TAXES¹

SECTION

- 5-301. When due and payable.
- 5-302. Current property tax rate.
- 5-303. When delinquent; penalty and interest.
- 5-304. Publication of delinquent property taxes directed.
- 5-305. Other proceedings against delinquent taxpayers.
- 5-306. Deleted.
- 5-307. Partial payment of property taxes.

5-301. When due and payable. Property taxes shall be due and payable on the dates prescribed by the Jackson City Charter.² (1995 Code § 5-301)

5-302. Current property tax rate. The ad valorem tax rate on real estate and personal property for the fiscal year 2019-2020 shall be and is hereby established at one dollar and 9619/100 (\$1.9619) per hundred dollars (\$100.00) of assessed valuation, as certified by the State of Tennessee.

¹Charter references

Assessment: § 57.

Collection delinquent taxes: §§ 63--64.

Due and delinquency dates: § 61.

Interest on delinquent taxes: § 61.

Levy: §§ 58--60.

Scope of taxing power: § 54--65.

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 turnover 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 reference: § 61.

Said levy is composed of the following individual levies:

General Fund	\$1.4400
Sinking Fund	\$0.4610
Capital Fund	\$0.0609
TOTAL	\$1.9619

(Ord. #2001-036, Aug. 2001, as replaced by Ord. #2013-005, June 2013, Ord. #2014-009, June 2014, Ord. #2014-010, Sept. 2014, Ord. #2015-010, July 2015, Ord. #2016-010, June 2016, Ord. #2017-008, July 2017, Ord. #2018-010, June 2018, and Ord. #2019-012, June 2019)

5-303. When delinquent; penalty and interest. Property taxes shall become delinquent, and shall be subject to such penalties and interest, as prescribed by the Jackson City Charter.¹ (1995 Code, § 5-303)

5-304. Publication of delinquent property taxes directed. Under the authority of Tennessee Code Annotated, § 67-5-2002, the city council may, at its discretion, direct that a list of all delinquent real property taxes be published in a newspaper of general circulation in the city on April 1 each year. When so directed by the city council, the recorder shall prepare, or cause to be prepared, a list showing the name of the taxpayer, tax plat number, and amount of all delinquent real property taxes, and shall deliver the same to the newspaper for publication. (1995 Code, § 5-304)

¹Charter reference: § 61.

State law references

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.
- (2) Under Tennessee Code Annotated, §§ 6-55-201--6-55-206.
- (3) By the county trustee under Tennessee Code Annotated, § 67-5-2005.

5-305. Other proceedings against delinquent taxpayers.¹ Any and all other proceedings authorized under state law and the charter relative to the collection of delinquent taxes shall be instigated against delinquent taxpayers. (1995 Code, § 5-305)

5-306. [Deleted.] (1995 Code, § 5-306, as deleted by Ord. #2016-002, Feb. 2016)

5-307. Partial payment of property taxes. (1) (a) The delinquent date for property taxes and penalties and interest applicable to delinquent property taxes shall not be affected by application of a partial payment system.

(b) Penalties and interest shall apply only to the amount of delinquent property taxes remaining due as of the date property taxes become delinquent.

(2) If a partial payment of property taxes is accepted, such partial payment does not release the tax lien on the property upon which the taxes were assessed. (Ord. #2008-013, June 2008, as replaced by Ord. #2015-011, Aug. 2015)

¹Charter references

General power to collect taxes in accordance with state law: § 56.

Liens: § 62.

Proceedings authorized

Bills in chancery: § 64.

Sale of property: § 63.

State law reference

Tennessee Code Annotated, §§ 6-55-201--6-55-206 and 67-5-2005.

CHAPTER 4

HOTEL OCCUPANCY TAX¹

SECTION

- 5-401. Definitions.
- 5-402. Tax levied; amount; authority.
- 5-403. Penalties and interest for delinquency.
- 5-404. Tax added to room invoice.
- 5-405. Remittance to county trustee.
- 5-406. Rules and regulations generally; monthly tax return; annual audits.
- 5-407. Offer to absorb tax prohibited.
- 5-408. Records.
- 5-409. Administration of chapter provisions; illegal assessment and collection; adjustment and settlement.
- 5-410. Application and allocation of revenue.

5-401. Definitions. (1) "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

(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 court, 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 the use or possession, of any room, lodgings or accommodations in any hotel.

(4) "Transient" means any person who exercises occupancy or is entitled to occupancy for any rooms, lodgings or accommodations in a hotel for a period of less than thirty (30) continuous days.

(5) "Consideration" means the consideration charged, whether or not received, for the occupancy in a hotel valued in money whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits, property and services of any kind or nature without any deduction therefrom whatsoever. Nothing in this definition shall be construed to imply that consideration is

¹Charter reference

The hotel-motel tax is authorized by Private Acts 1980, Chapters 324. (See footnote 1 on pages 1 and 2 of the charter.)

State law reference

Tennessee Code Annotated, § 67-4-1401, et seq.

charged when the space provided to the person is complimentary from the operator and no consideration is charged to or received from any person.

(6) "City" means the City of Jackson, Tennessee.

(7) "County" means Madison County, Tennessee.

(8) "Operator" means the person operating the hotel whether as owner, lessee or otherwise. (1995 Code, § 5-401)

5-402. Tax levied; amount; authority. (1) There is hereby levied a privilege tax upon the privilege of occupancy in any hotel of each transient in an amount of five percent (5%) of the rate charged by the operator of such hotel.

(2) The tax so levied is authorized by Chapter 324 of the Private Acts of the General Assembly of the State of Tennessee for 1980 and in conjunction with a levy by Madison County, Tennessee of a similar tax; the total of the tax here levied and the Madison County tax is not to exceed five percent (5%). (1995 Code, § 5-402)

5-403. Penalties and interest for delinquency. Taxes collected by an operator which are not remitted to the county trustee on or before the due dates are delinquent. An operator shall be liable for interest on such delinquent taxes from the due date at the rate of twelve percent (12%) per annum, and in addition for penalty of one percent (1%) for each month or fraction thereof such taxes are delinquent. Such interest and penalty shall become a part of the tax herein required to be remitted. Each occurrence of willful refusal of an operator to collect or remit the tax or willful refusal of a transient to pay the tax imposed is hereby declared to be unlawful and shall constitute a misdemeanor punishable upon conviction by a fine not in excess of fifty dollars (\$50.00). (1995 Code, § 5-403)

5-404. Tax added to room invoice. Such tax shall be added by each and every operator to each invoice prepared by the operator for the occupancy of his hotel and which invoice is to be given directly or transmitted to the transient and such tax shall be collected by such operator from the transient. (1995 Code, § 5-404)

5-405. Remittance to county trustee. (1) The tax hereby levied shall be remitted by all operators who lease, rent or charge for any rooms or spaces in hotels, as heretofore defined, within the city and county, to the county trustee, said tax to be remitted to such officer not later than the twentieth (20th) day of each month for the preceding month. The operator is hereby required to collect the said tax from the transient at the time of the presentation of the invoice for said occupancy whether prior to occupancy or after occupancy as may be the custom of the operator, and if credit is granted by the operator to the transient, then the obligation to the city entitled to such tax shall be that of the operator.

(2) For the purpose of compensating the operator in accounting for remitting the tax levied by these sections the operator shall be allowed two percent (2%) of the amount of the tax due and accounted for and remitted to the trustee in the form of a deduction in submitting his report and paying the amount due by him, provided the amount due was not delinquent at the time of payment. (1995 Code, § 5-405)

5-406. Rules and regulations generally; monthly tax return; annual audits. The county trustee or other authorized collector of the tax authorized by this chapter shall be responsible for the collection of said tax. A monthly tax return under oath shall be filed with the trustee by the operator with such number of copies thereof as the trustee may reasonably require for the collection of such tax. The report of the operator shall include such facts and information as may be deemed reasonable for the verification of the tax due. The form of such report shall be developed by the trustee and approved by the city council and the board of county commissioners prior to use. The trustee shall audit each operator in the city and county at least once per year and shall report on the audits made on a quarterly basis to the city council. (1995 Code, § 5-406)

5-407. Offer to absorb tax prohibited. No operator of a hotel should advertise or state in any manner whether directly or indirectly that the tax or any part thereof will be assumed or absorbed by the operator or that it will not be added to the rent, or that if added, any part will be refunded. (1995 Code, § 5-407)

5-408. Records. It shall be the duty of every operator liable for the collection and payment of any tax imposed by this chapter to keep and preserve for a period of three (3) years all records as may be necessary to determine the amount of such tax as he may have been liable for the collection of and payment to the city and county, which records the county trustee shall have the right to inspect at all reasonable times. (1995 Code, § 5-408)

5-409. Administration of chapter provisions; illegal assessment and collection; adjustment and settlement. The county trustee in administering and enforcing the provisions of this chapter shall have as additional powers, those powers and duties with respect to collecting taxes as provided by law for the county clerks.

For his services in administering and enforcing the provisions of this chapter, the county trustee shall be entitled to retain as a commission one percent (1%) of the taxes so collected.

Upon any claim of illegal assessment and collection, the taxpayer shall have the remedy provided in Tennessee Code Annotated, title 67,¹ it being the intent of this chapter that the provisions of law which apply to the recovery of state taxes shall apply to taxes illegally assessed and collected under the authority of this chapter; provided further, the county trustee shall possess those powers and duties as provided in Tennessee Code Annotated, § 67-1-707, for the county clerks.

With respect to the adjustment and settlement with taxpayers, all errors of city and county taxes collected by the county trustee under authority of this chapter shall be refunded by him.

Notice of any tax paid under protest shall be given to the county trustee and the ordinance and resolution authorizing levy of the tax shall designate a city and county officer against whom suit may be brought to recover. (1995 Code, § 5-409)

5-410. Application and allocation of revenue. The proceeds of the tax shall be appropriated by the county trustees as follows:

- (1) Thirty-seven and one-half percent (37.5%) of the proceeds shall be allocated to and placed in the general fund of the City of Jackson;
- (2) Thirty-seven and one-half percent (37.5%) of the proceeds shall be allocated to and placed in the general fund of Madison County; and
- (3) Twenty-five percent (25%) shall be allocated to and placed in a fund to be administered by the community economic development commission in accordance with Chapter 324 of the Private Acts of the General Assembly of the State of Tennessee for 1980.

The maximum amount of money that shall be appropriated and distributed by the county trustee to this fund shall be limited to the sum of one hundred thousand dollars (\$100,000.00). After the allocations provided for herein have been made and the appropriation of funds to said commission has attained this maximum limit thereupon, all monies received from this tax by the county trustee shall be apportioned equally between the City of Jackson and Madison County and shall be placed in the general fund of the respective governmental entities. (1995 Code, § 5-410)

¹Public Acts 1980, Chapter 324, which authorizes the hotel-motel tax provides in section 8 thereof that upon any claim of illegal assessment the taxpayer shall have remedy provided in Tennessee Code Annotated, § 67-3033. That provision was repealed by Public Acts 1984, Chapter 832, section 36, but provisions governing claims of illegal assessment are still contained in Tennessee Code Annotated, title 67.

CHAPTER 5

ALCOHOLIC BEVERAGE PRIVILEGE TAX

SECTION

5-501. Levied on retail sale of alcoholic beverages for consumption on the premises.

5-501. Levied on retail sale of alcoholic beverages for consumption on the premises. (1) Pursuant to the authority contained in Tennessee Code Annotated, § 57-4-301, there is hereby levied a privilege tax upon each and every person, firm and corporation engaging in the business of selling at retail in the City of Jackson alcoholic beverages for consumption on the premises where sold. For the exercise of such privilege, the following taxes are levied for the City of Jackson general fund purposes to be paid annually:

Private club.....	\$ 300.00
Hotel and motel.	1,000.00
Convention center.....	500.00
Premiere-type tourist resort.	1,500.00
Restaurant, according to seating capacity, on licensed premises:	
75--125 seats.	600.00
126--175 seats.	750.00
176--225 seats.	800.00
226-275 seats.....	900.00
276 seats and over.....	1,000.00
Historic performing arts center.....	300.00
Urban park center.	500.00
Commercial passenger boat company.....	750.00
Historic mansion house site.....	300.00
Historic interpretive center.	300.00
Community theater.	300.00
Zoological institution.	300.00
Museum.	300.00

(2) Any person, firm or corporation exercising the privilege of selling alcoholic beverages for consumption on the premises in the City of Jackson shall file annually, with the license clerk in the city hall, an accounting of the retail sales of such business covered by this section, along with the payment of the appropriate tax. Such accounting shall be filed not less than thirty (30) days following the close of each calendar year, with both business and payment to be made at that time. Upon the transfer of ownership of such business or the

discontinuance of such business, an accounting shall be filed within thirty (30) days following such event; and the tax due shall be paid. Any person, firm, or corporation failing to make the payment of the appropriate tax when due or failing to make accounting, as here required, shall be subject to the penalty provided by law.

(3) No tax authorized or imposed by this section shall be levied or assessed from any charitable, nonprofit or political organization selling alcoholic beverages at retail pursuant to a special occasion license. (1995 Code, § 5-501)

CHAPTER 6**MUNICIPAL PURCHASING****SECTION**

5-601. Purchase of less than \$25,000.00 but more than \$10,000.00.

5-602. Competitive sealed proposals.

5-601. Purchase of less than \$25,000.00 but more than \$10,000.00.

Pursuant to Tennessee Code Annotated, § 6-56-306, as amended by the Public Acts of 1991, Chapter 270, and pursuant to the provisions of Tennessee Code Annotated, § 12-3-201, et seq., all purchases, leases, or lease purchase arrangements by the City of Jackson with expenditures of less than twenty-five thousand dollars (\$25,000.00), but more than ten thousand dollars (\$10,000.00), in any fiscal year may be in the open market without public advertisement, but shall, whenever possible, be based upon at least three (3) quotes. Purchases, leases, or lease purchases of twenty-five thousand dollars (\$25,000.00) or less in any fiscal year shall not require any public advertisement or competitive bidding. (Ord. #2001-031, July 2001, as replaced by Ord. #2016-008, June 2016)

5-602. Competitive sealed proposals. (1) Notwithstanding anything to the contrary in the municipal ordinances and/or resolutions governing purchases, the city may use competitive sealed proposals to purchase goods and services rather than competitive sealed bids when the City Council, acting under the restrictions and requirements of Tennessee Code Annotated Title 12, Chapter 3, Part 12, as same may hereinafter be amended, and the procurement code adopted by this section, determines that the use of competitive sealed bidding is either not practicable or not advantageous to the city. The City Council must make the aforesaid determination with regard to each use of competitive sealed proposals rather than competitive sealed bids, except that in actual emergencies caused by unforeseen circumstances such as natural or human-made disasters, delays by contractors, delays in transportation, or unanticipated volume of work, purchases through competitive sealed proposals may be made without specific authorizing action of the City Council. A record of any emergency purchase shall be made by the person authorizing the emergency purchase, specifying the amount paid, the items and services purchased, from whom the purchase was made, and the nature of the emergency. A report of the emergency purchase purchased through competitive sealed proposals containing all relevant information shall be made as soon as possible by the person authorizing the purchase to the City Council.

(2) Criteria and procedure. The following shall constitute the criteria and procedures for purchasing through competitive sealed proposals:

(a) Conditions for Use.

(i) Competitive sealed proposals may be used only after the municipality has documented the reasons why competitive sealed bids are not practicable or not advantageous to the municipality, and

(ii) Competitive sealed proposals may be used only when qualifications, experience, or competence are more important than price in making the purchase and:

(1) When there is more than one solution to a purchasing issue and the competitive sealed proposals will assist in choosing the best solution; or

(2) When there is no readily identifiable solution to a purchasing issue and the competitive sealed proposals will assist in identifying one or more solutions.

(b) Public Notice. Adequate public notice of the request for competitive sealed proposals shall be given in the same manner provided by applicable law for competitive sealed bids.

(c) Request/Evaluation Factors. The request for competitive sealed proposals shall state the relative importance of price and other evaluation factors. Among other things, the request shall include the desired specifications (which may be expressed in the context of the result sought to be obtained); the qualifications of each proposer; warranties, time frame for performance, the contract; and, if applicable, the bond or other security that the successful proposer will be required to furnish.

(d) Opening of Proposals. Competitive sealed proposals shall be opened in a manner that avoids disclosure of contents to competing proposers during the negotiation. The proposals shall be open for public inspection after, but not before, the intent to award the contract to a particular proposer is announced.

(e) Discussions with Responsive Proposers and Revisions to Proposals. The request for competitive sealed proposals shall provide that after receipt by the city of a proposal discussions may be conducted for clarification to assure full understanding of, and responsiveness to, the solicitation requirements with responsible proposers who submit proposals determined by the purchasing agent to be reasonably susceptible of being selected. These proposers shall be accorded fair and equal treatment with respect to any opportunity for discussion and for revision of proposals, both as to the particular goods or services to be furnished and the price thereof. In order to permit the city to obtain the best offers of proposers, revisions may be permitted after submission and before the intent to award to a particular proposer is announced. In conducting discussions, the purchasing agent and other municipal personnel may make no disclosure to any proposer of any information derived from proposals submitted by competing proposers. Nothing contained herein shall preclude the city from conducting conferences or

otherwise communicating with all parties who may be interested in responding to a proposal prior to the time that proposals are to be received.

(f) Best and final offers. If discussions are conducted, the purchasing director shall issue a written request for best and final offers. The request shall set forth the date, time; and place for submission of best and final offers. Best and final offers shall be requested only once, unless the purchasing director makes a written determination that it is advantageous to the city to conduct further discussion or clarify the city's requirements. The request for best and final offers shall inform proposers that, if they do not submit a notice of withdrawal or a best and final offer, their immediate previous offer will be construed as their best and final offer. Nothing contained herein shall preclude the City Council from rejecting all proposals and thereafter requesting new proposals.

(g) Award. The award shall be made to the responsible proposer whose proposal the City Council determines is the most advantageous to the city, taking into consideration price and the evaluation factors set out in the request for competitive sealed proposals. No other factor may be used in the evaluation. The purchasing director shall place in the contract file a statement containing the basis on which the award was made.

(h) Protest. In the event that any proposer to a request for competitive sealed proposals is aggrieved by the decision of the city, such aggrieved proposer may protest the intended award to another proposer if the protest is filed within seven (7) days after the intended award is announced. The protest must be filed with the City in care of the City Recorder of the city and shall be promptly decided by the City Council.

(i) No Conflict with Other Laws. Nothing contained herein is intended to change the authority of the city with respect to contracting for professional services in accordance with the applicable laws of the state of Tennessee. (as added by Ord. #2021-3, April 2021)