

TITLE 5

MUNICIPAL FINANCE AND TAXATION¹

CHAPTER

1. MISCELLANEOUS.
2. PRIVILEGE TAXES.
3. WHOLESALE BEER TAX.
4. PURCHASING POLICY.
5. HOTEL AND MOTEL PRIVILEGE TAX.

CHAPTER 1

MISCELLANEOUS

SECTION

5-101. Official depository for town funds.

5-101. Official depository for town funds. The First Tennessee Bank Franklin, Tennessee, is hereby designated as the official depository for all funds of the Town of Thompson's Station. (Ord. #90-5, Jan. 1991)

¹Charter references

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

CHAPTER 2

PRIVILEGE TAXES

SECTION

5-201. Tax levied.

5-202. License required.

5-203. Privilege tax on retail sale of alcohol.

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 all businesses, business activities, vocations, and occupations carried on within the town at the rates and in the manner prescribed by the Business Tax Act. (Ord. #05-20, Dec. 2005)

5-202. License required. No person shall exercise any such privilege within the town without a currently effective privilege license, as shall be issued by the town recorder to each applicant therefor upon the applicant's payment of the appropriate privilege tax. Violation of this section shall subject the person failing to obtain a privilege license to a fine of fifty dollars (\$50.00) each day constituting a separate offense. (Ord. #05-20, Dec. 2005)

5-203. Privilege tax on retail sale of alcohol. Pursuant to Tennessee Code Annotated, § 57-4-301(b)(2), a privilege tax is here and now levied and shall be collected from every person or entity who engages in the business of selling at retail within the municipal limits of the Town of Thompson's Station for consumption of alcoholic beverages on premises. Said tax shall be an annual privilege tax. The sum(s) which shall hereafter become due and payable unto the Town of Thompson's Station, Tennessee are fully set forth in Tennessee Code Annotated, §§ 57-4-301, et seq., all of which is incorporated by reference as a part of this chapter. The amount of sum(s) to be paid to the municipality are the maximum amounts of the stated 2003 level, as set forth in said statutory provision, as amended. (Ord. #04-9, Jan. 2005)

CHAPTER 3**WHOLESALE BEER TAX****SECTION**

5-301. To be collected.

5-301. To be collected. The mayor 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 6.¹

¹State 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.

CHAPTER 4

PURCHASING POLICY

SECTION

- 5-401. Definitions.
- 5-402. Purchasing agent.
- 5-403. General procedures.
- 5-404. Rejection of bids.
- 5-405. Sealed bid requirements for purchases of \$10,000.00 or greater.
- 5-406. Bid deposit.
- 5-407. Record of bids.
- 5-408. Considerations in determining bid awards.
- 5-409. Statement when award not given to low bidder.
- 5-410. Award in case of tie bids.
- 5-411. Emergency purchases.
- 5-412. Waiver of the competitive bidding process.
- 5-413. Goods and services exempt from competitive bidding.
- 5-414. Leases or lease-purchases beyond fiscal year.
- 5-415. Additional forms and procedures.
- 5-416. Effective date.
- 5-417. Severability.
- 5-418. Repealer.

5-401. Definitions. For the purpose of implementing this chapter, the following definitions shall apply:

(1) "Bid." A vendor's response to an invitation for bids or request for proposal; the information concerning the price or cost of materials or services offered by a vendor.

(2) "Bidder." Any individual, company, firm, corporation, partnership or other organization or entity bidding on solicitations issued by the town and offering to enter into contracts with the town.

(3) "Bid bond." An insurance agreement in which a third party agrees to be liable to pay a certain amount of money should a specific vendor's bid be accepted and the vendor fails to sign the contract as bid.

(4) "Bid opening." The opening and reading of the bids, conducted at the time and place specified in the invitation for bids and in the presence of anyone who wishes to attend.

(5) "Bid solicitation." Invitations for bids.

(6) "Capital items." Equipment which has a life expectancy of one (1) year longer and a value in excess of ten thousand dollars (\$10,000.00).

(7) "Competitive bidding." Bidding on the same undertaking or material items by more than one (1) vendor.

(8) "Evaluation of bid." The process of examining a bid to determine a bidder's responsibility, responsiveness to requirements, qualifications, or other characteristics of the bid that determine the eventual selection of a winning bid.

(9) "Fiscal year." An accounting period of twelve (12) months, July 1 through June 30.

(10) "Invitation for bid." All documents utilized for soliciting bids.

(11) "Invoice." A written account of merchandise and process, delivered to the purchaser; a bill.

(12) "Local bidder." A bidder who has and maintains a business office located within the corporate limits of Thompson's Station, Tennessee.

(13) "Pre-bid conference." A meeting held with potential vendors a few days after an invitation for bids has been issued to promote uniform interpretation of work statements and specifications by all prospective contractors.

(14) "Public purchasing unit." The State of Tennessee, any county, town, town, governmental entity and other subdivision of the State of Tennessee, or any public agency, or any other public authority.

(15) "Purchase order." A legal document used to authorize a purchase from a vendor. A purchase order, when given to a vendor, should be pre-numbered and contain statements about the quantity, description, and price of goods or services ordered, agreed terms of payment, discounts, date of performance, transportation terms, and all other agreements pertinent to the purchase and its execution by the vendor.

(16) "Reject." Refuse to accept, recognize, or make use of; repudiate, to refuse to consider or grant.

(17) "Responsive bidder." One who has submitted a bid which conforms in all materials respects to the invitation for bids.

(18) "Safe source procurement." An award for a commodity which can only be purchased from one (1) supplier, usually because of its technological, specialized, or unique character.

(19) "Town." The Town of Thompson's Station, Tennessee.

(20) "Vendor." The person who transfers property, goods, or services by sale. (Ord. #08-023, Jan. 2009)

5-402. Purchasing agent. The town administrator shall be the purchasing agent for the municipality. Except as otherwise provided in this policy, all supplies, materials, equipment, and services of any nature shall be approved and acquired by the purchasing agent or his/her representative. Purchases by other employees or officers of the town are prohibited unless approved by the purchasing agent. (Ord. #08-023, Jan. 2009)

5-403. General procedures. The following procedures shall be followed by all town employees when purchasing goods or services on behalf of the town. For all purchases over one thousand dollars (\$1,000.00), a written purchase

order for the item(s) to be purchased shall be created and delivered to the purchasing agent. Such request shall include a brief description of the item(s) to be purchased, specifications for the item being purchased, the estimated cost of the items, and shall indicate whether the item(s) have been approved in the annual budget.

(1) For purchases under five hundred dollars (\$500.00), the purchasing agent shall use his/her best offers to obtain the best value for the town, but shall not be required to obtain competitive prices for these purchases. For purchases between five hundred dollars (\$500.00) and one thousand dollars (\$1,000.00), the purchasing agent shall contact at least two (2) vendors, but shall not be required to obtain and record formal quotes for competitive pricing before authorizing such purchase.

(2) For purchases between one thousand dollars (\$1,000.00) and two thousand five hundred dollars (\$2,500.00), the purchasing agent shall obtain at least two (2) verbal or written quotes, documented and filed including the name of the vendor, date and amount of quote. Bids for these purchases may be solicited by phone, direct mail, fax, email or any other method reasonably calculated to obtain competitive bids.

(3) For purchases between two thousand five hundred (\$2,500.00) and ten thousand dollars (\$10,000.00), the purchasing agent shall obtain at least two (2) written quotes and shall receive the approval of the mayor before making such purchase. Bids for these purchases may be solicited by phone, direct mail, fax, email or any other method reasonably calculated to obtain competitive bids.

(4) For purchases in excess of ten thousand dollars (\$10,000.00), competitive sealed bids shall be obtained as set forth in § 5-405 below.

Nothing within this section shall prohibit the purchasing agent from obtaining quotes or conducting competitive bidding for purchases of less than the amounts set forth above. (Ord. #08-023, Jan. 2009)

5-404. Rejection of bids. The purchasing agent shall have the authority to reject any and all bids, parts of bids, or all bids for any one or more supplies or contractual services included in the proposed contract, when the public interest will be served thereby. The purchasing agent may choose not to accept the bid of a vendor or contractor who is in default on the payment of taxes, licenses, fees or other monies of whatever nature that may be due the town by said vendor or contractor. (Ord. #08-023, Jan. 2009)

5-405. Sealed bid requirements for purchases of \$10,000.00 or greater. (1) On all purchases and contracts estimated to be in excess of ten thousand dollars (\$10,000.00), except as otherwise provided in this chapter, formal sealed bids shall be submitted at a specified time and place to the purchasing agent. The purchasing agent shall submit all such bids for award by the board of mayor and aldermen at the next regularly scheduled board meeting

or special-called meeting together with the recommendation as to the lowest responsive bidder.

(2) Notice inviting bids shall be published at least once in a newspaper of general circulation in Williamson County, and at least five (5) days preceding the last day to receive bids. The newspaper notice shall contain a general description of the article(s) to be secured, and the date, time, and place for opening bids.

(3) In addition to publication in a newspaper, the purchasing agent may take other actions deemed appropriate to notify all prospective bidders of the invitation to bid, including, but not limited to, advertisement in community bulletin boards, metropolitan newspapers, professional journals, and electronic media. (Ord. #08-023, Jan. 2009)

5-406. Bid deposit. When deemed necessary, bid deposits may be prescribed and noted in the public notices inviting bids. The deposit shall be in such amount as the purchasing agent shall determine and unsuccessful bidders shall be entitled to a return of such deposits within ten (10) calendar days of the bid opening. A successful bidder shall forfeit any required deposit upon failure on his/her part to enter a contract within ten (10) days after the award. (Ord. #08-023, Jan. 2009)

5-407. Record of bids. The purchasing agent shall keep a record of all bids submitted in competition thereon, including a list of the bidders, the amount bid by each, and the method of solicitation and bidding, and such records shall be open to public inspection and maintained in the town recorder's office. As a minimum, the bid file shall contain the following information:

- (1) Request to start bid procedures.
- (2) A copy of the bid advertisement.
- (3) A copy of the bid specifications.
- (4) A list of bidders and their responses.
- (5) A copy of the purchase order.
- (6) A copy of the invoice. (Ord. #08-023, Jan. 2009)

5-408. Considerations in determining bid awards. The following criteria shall be considered in determining all bid awards:

- (1) The ability of the bidder to perform the contract or provide the material or service required.
- (2) Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference.
- (3) The character, integrity, reputation, judgment, experience, and efficiency of the bidder.
- (4) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service.

(5) The quality of performance of previous contracts or services, including the quality of such contracts or services in other municipalities, or performed for private sector contractors.

(6) The sufficiency of financial resources and the ability of the bidder to perform the contract or provide the service.

(7) The ability of the bidder to provide future maintenance and service for the use of the supplies or contractual service contracted.

(8) Compliance with all specifications in the solicitation for bids.

(9) The ability to deliver and maintain any requisite bid bonds or performance bonds.

(10) Total cost of the bid, including life expectancy of the commodity, maintenance costs, and performance. (Ord. #08-023, Jan. 2009)

5-409. Statement when award not given to low bidder. When the award for purchases and contracts in excess of one thousand dollars (\$1,000.00) is not given to the lowest bidder, a full and complete statement of the reasons for placing the order elsewhere shall be prepared by the purchasing agent and filed with all the other papers relating to the transaction. (Ord. #08-023, Jan. 2009)

5-410. Award in case of tie bids. When two (2) or more vendors have submitted the low bid, the following criteria shall be used to award the bid:

(1) If all bids received are for the same amount, quality of service being equal, the purchase contract shall be awarded to the local bidder.

(2) If two (2) or more local bidders have submitted the low bid, quality of service being equal, the purchase contract shall be awarded by a coin toss or drawing lots.

(3) If no local bids are received and two (2) or more out-of-town bidders have submitted the low bid, quality of service being equal, the purchase contract shall be awarded by a coin toss or drawing lots.

(4) When the award is to be decided by coin toss or drawing lots, representatives of the bidders shall be invited to observe. In no event shall such coin toss or drawing lots be performed with less than three (3) witnesses. (Ord. #08-023, Jan. 2009)

5-411. Emergency purchases. When in the judgment of the purchasing agent an emergency exists, the provisions of this chapter may be waived; provided, however, the purchasing agent shall report the purchases and/or contracts to the board of mayor and aldermen at the next regular board meeting stating the item(s) purchased, the amount(s) paid, from whom the purchase(s) was made, and the nature of the emergency. (Ord. #08-023, Jan. 2009)

5-412. Waiver of the competitive bidding process. Upon the recommendation of the mayor, and the subsequent approval of the board of mayor and aldermen, that it is clearly to the advantage of the town not to contract by competitive bidding, the requirements of competitive bidding may be waived; provided that the following criteria are met and documented in a written report to the board of mayor and aldermen:

(1) Single source of supply. The availability of only one (1) vendor of a product or service within a reasonable distance of the town as determined after a complete and thorough search by the using department and the purchasing agent.

(2) State department of general services. A thorough effort was made to purchase the product or service through or in conjunction with the state department of general services or via a state contract, such effort being unsuccessful.

(3) Purchase from other governmental entities. A thorough effort was made to purchase the product or service through or in conjunction with other municipalities or from any federal or state agency. These purchases may be made without competitive bidding and public advertisement.

(4) Purchases from non-profit organizations. A thorough effort was made to purchase the goods or services from any non-profit organization whose sole purpose is to provide goods and services specifically to municipalities.

(5) Purchases from Tennessee state industries. A thorough effort was made to purchase the goods or services from Tennessee state industries (prison industries).

(6) Purchases from instrumentalities created by two or more co-operating governments. An effort was made to purchase the goods or services from a co-op or group of governments which was formed to purchase goods and services for their members. (Ord. #08-023, Jan. 2009)

5-413. Goods and services exempt from competitive bidding. The following goods and services need not be awarded on the basis of competitive bidding; provided, however, that the purchasing agent and/or the department head shall make a reasonable effort to assure that such purchases are made efficiently and in the best interest of the town:

(1) Certain insurance. The town may purchase tort liability insurance, without competitive bidding, from the Tennessee Municipal League or any other plan offered by a governmental entity representing cities and counties. All other insurance plans, however, are to be awarded on the basis of competitive bidding.

(2) Certain investments. The town may make investments of municipal funds in, or purchases from, the pooled investment fund established pursuant to Tennessee Code Annotated, § 9-17-105.

(3) Motor fuel, fuel products, or perishable commodities. Such commodities may be purchased without competitive bidding.

(4) Professional service contracts. Any services of a professional person or firm, including attorneys, accountants, physicians, architects, engineers, and other consultants required by the town, whose fee is less than two thousand five hundred dollars (\$2,500.00), may be hired without competitive bidding. In those instances where such professional service fees are expected to exceed two thousand five hundred dollars (\$2,500.00), a written contract shall be developed and approved by the board of mayor and aldermen prior to the provision of any goods or services. Contracts for professional services shall not be awarded on the basis of competitive bidding; rather, professional service contracts shall be awarded on the basis of recognized competence and integrity. (Ord. #08-023, Jan. 2009)

5-414. Leases or lease-purchases beyond fiscal year. All leases or lease-purchase contracts which would extend beyond the current fiscal year shall be approved by the board of mayor and aldermen. (Ord. #08-023, Jan. 2009)

5-415. Additional forms and procedures. The purchasing agent is hereby authorized and directed to develop such forms and procedures as are necessary to comply with this chapter. (Ord. #08-023, Jan. 2009)

5-416. Effective date. This chapter shall be in full force and effect from and after its date of passage by the board of mayor and aldermen. (Ord. #08-023, Jan. 2009)

5-417. Severability. Should any section, paragraph, sentence, clause, or phrase of this chapter or its application to any person or circumstance be declared unconstitutional or invalid for any reason, or should any portion of this chapter be preempted by state or federal law or regulation, such decision or legislation shall not affect the validity of the remaining portions of this chapter or its application to other persons or circumstances. (Ord. #08-023, Jan. 2009)

5-418. Repealer. All ordinances or parts of ordinances which are inconsistent with the provisions of this chapter are hereby repealed to the extent of such inconsistency. (Ord. #08-023, Jan. 2009)

CHAPTER 5

HOTEL AND MOTEL PRIVILEGE TAX

SECTION

- 5-501. Definitions.
- 5-502. Privilege tax levied: use.
- 5-503. Payment of tax.
- 5-504. Interest and penalty for late payment.
- 5-505. Compensation to the Hotel.
- 5-506. Records Requirement.
- 5-507. Enforcement and severability.

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; and

(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. (as added by Ord. #2021-011, Aug. 2021 *Ch2_8-2-21*)

5-502. 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 tax in any hotel of each transient, from and after the operative 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 town administrator, or his or her designee, shall be designated as the authorized

collector to administer and enforce this ordinance and these statutory provisions.

(2) The proceeds received from this tax shall be designated for use by the town for tourism and tourism development. Proceeds of this tax may not be used for any other purpose, including as a subsidy in any form to any hotel or motel. (as added by Ord. #2021-011, Aug. 2021 **Ch2_8-2-21**)

5-503. Payment of tax. The tax levied shall be remitted by all operators who lease, rent or charge for rooms or spaces in hotels within the Town of Thompson's Station, Tennessee, to the town administrator, or his or her designee, of the Town of Thompson's Station, Tennessee. The payment of such tax to be remitted not later than the twentieth (20th) day of each month for the preceding month. The operator is hereby required to collect the tax from the transient at the time of the presentation of the invoice for 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 Town of Thompson's Station, Tennessee, for the amount of tax for which credit was given shall be that of the operator. (as added by Ord. #2021-011, Aug. 2021 **Ch2_8-2-21**)

5-504. Interest and penalty for late payment. (1) Taxes collected by an operator which are not remitted to the authorized collector on or before the due date designated herein shall be delinquent.

(2) The hotel operator shall be liable for interest on any delinquent taxes from the due date at the rate of twelve percent (12%) per annum, and in addition, for the 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. (as added by Ord. #2021-011, Aug. 2021 **Ch2_8-2-21**)

5-505. Compensation to the hotel. For the purpose of compensating the operator in accounting for and remitting the tax levied pursuant to this chapter, the operator shall be allowed two percent (2%) of the amount of the tax due and accounted for and remitted to the officer in the form of a deduction in submitting the operator's report and paying the amount due by such operator; provided, that the amount due was not delinquent at the time of payment. (as added by Ord. #2021-011, Aug. 2021 **Ch2_8-2-21**)

5-506. Records requirement. The hotel operator must keep records for three (3) years, with the right of inspection by the town at any reasonable time. (as added by Ord. #2021-011, Aug. 2021 **Ch2_8-2-21**)

5-507. Enforcement and severability. (1) The town administrator, or his or her designee, 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 in Tennessee Code Annotated, title 67, or otherwise provided by law.

(2) The provisions of this chapter are hereby declared to be severable. If any of its sections, provisions, exceptions, or parts be held unconstitutional or void, the remainder of the chapter shall continue to be in full force and effect, it being the legislative intent now hereby declared, that this chapter would have been adopted even if such unconstitutional or void matter had not been included herein. (as added by Ord. #2021-011, Aug. 2021 **Ch2_8-2-21**)