

## TITLE 5

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

#### CHAPTER

1. MISCELLANEOUS.
2. REAL AND PERSONAL PROPERTY TAXES.
3. BUSINESS, MERCHANT TAXES.
4. BEER TAX.

#### CHAPTER 1

#### MISCELLANEOUS

#### SECTION

- 5-101. Official depository for city funds.
- 5-102. Expenditures by city clerk.
- 5-103. City budget.
- 5-104. Public advertising and competitive bidding.

**5-101. Official depository for city funds.** \_\_\_\_\_ shall be the official depository for all city funds. (1952 Code, § 2-12)

**5-102. Expenditures by city clerk.** (1) All expenditures shall be made by the city clerk or, in his absence, by some person designated by him and responsible to him; provided, however, that any expenditure in excess of fifty dollars (\$50.00) shall have the prior approval of the council.

(2) All checks issued in payment for expenditures shall be signed by the clerk and countersigned by the mayor. (1952 Code, § 4-4)

**5-103. City budget.** It shall be the duty of the city clerk on or before the 1<sup>st</sup> day of each fiscal year to present to the council a tentative budget for the ensuing year.

Such tentative budget shall be based upon expected revenues for the ensuing fiscal year. Total estimated expenditures shall not exceed expected revenues. (1952 Code, § 4-5)

**5-104. Public advertising and competitive bidding.** The amount required for public advertisement and competitive bidding is hereby increased

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<sup>1</sup>Charter references

Fiscal year and annual budget: §§ 35-38.

Taxation and revenue: §§ 39-41.

to ten thousand dollars (\$10,000.00). All purchases for less than ten thousand dollars (\$10,000.00) may be made by the City of Friendsville without public advertisement and competitive bidding. (as added by Ord. #2005-01, Feb. 2005)

**CHAPTER 2****REAL AND PERSONAL PROPERTY TAXES****SECTION**

5-201. Taxes due and payable.

**5-201. Taxes due and payable.** (1) All city taxes shall become due and payable at the time designated, and unless paid shall become delinquent and subject to the penalties provided in the charter.<sup>1</sup>

(2) The collectors of such taxes are authorized to seize and sell any property that any collector for state and county taxes could seize, and to sell the same for payment of such taxes.

(3) Any willful or negligent failure of the city clerk, chief of police, or other city employee, so authorized, to collect any taxes due shall constitute a breach of the bond of such officer or employee and shall render him liable for the payment of such taxes not collected. (1952 Code, § 4-1)

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<sup>1</sup>Charter reference  
Taxation and revenue: § 39.

## CHAPTER 3

### BUSINESS, MERCHANT TAXES

#### SECTION

5-301. Occupation and business tax.

5-302. Transient merchant tax.

**5-301. Occupation and business tax.** (1) It shall be unlawful for anyone not excused by state law to operate or conduct a business or occupation listed in Chapter 108, Public Acts of Tennessee, 1937, and subsequent amendments, without first having obtained a license from the city clerk.

(2) The city clerk shall collect for the privilege of conducting a business or occupation within the city the maximum rate for such business or occupation as authorized by Chapter 108, Public Acts of Tennessee, 1937, as amended. (1952 Code, § 4-2)

**5-302. Transient merchant tax.** (1) Each transient or temporary merchant shall pay a tax of three hundred fifty dollars (\$350.00) per annum. This tax shall not be paid for less than one (1) year.

(2) Every person, whether as principal or agent, who engages in a temporary business in any building, structure, car, booth, tent, or other place, or who advertises, represents, or holds out any goods, wares, or merchandise, being sold as insurance, bankrupt, railway wreck, wholesale manufacturers closing out sale, or so-called smoke, fire, or water damaged goods sale; and every person engaging in the sale, distribution, or otherwise marketing or dealing in any fresh fruits and vegetables, or either, as a temporary business, in any building, structure, car, wagon, motor vehicle, booth, tent, or other place, shall be deemed for the purpose of this section a temporary and transient merchant, unless such person has previously, for a period of one (1) year immediately prior thereto, conducted in good faith a merchant's business within this city.

(3) Any person intending to go into business permanently shall be exempt from the provisions of this section upon filing with the city clerk an application under oath for a license as a permanent merchant, provided, however, that the clerk may require a bond with corporate sureties for the amount due the city under this section, conditional upon his becoming and remaining a permanent merchant for a period of one (1) year.

(4) This section shall not apply to farmers selling their own farm produce. (1952 Code, § 4-2.1)

## CHAPTER 4

### BEER TAX

#### SECTION

- 5-401. Definitions.
- 5-402. Amount of tax.
- 5-403. Penalty and interest.
- 5-404. Failure to file return.
- 5-405. Administration of tax.
- 5-406. Bond of licensee.

**5-401. Definitions.** (1) The word "beer" shall mean beer and all other beverages of like alcoholic content as defined by the provisions of Chapter 69, Public Acts of Tennessee, for the year 1933, as amended by Chapter 170, Public Acts of Tennessee, for the year 1935.

(2) "Retail sale" shall mean any sale or distribution where beer is to be consumed or finally disposed of in any manner, including sales or gifts by wholesalers or distributors, except where such sale is intended for resale. (1952 Code, § 4-3(1))

**5-402. Amount of tax.** Every person selling beer at retail shall collect from the purchaser thereof a tax of ten percent (10%), and shall hold same in a separate fund until paid to the city on or before the 10<sup>th</sup> day of the succeeding month. Every such person on or before the 10<sup>th</sup> day of each month after the effective date of this chapter shall make a return in duplicate to the city clerk on a form which shall show the quantity of beer delivered by wholesalers, or secured from any other source during the preceding calendar month, and show the retail sale price for each brand of beer. The quantity of beer so received shall be the amount sold at retail for the purposes of the computation of the tax herein levied. (1952 Code, § 4-3(2))

**5-403. Penalty and interest.** Every such person, at the time of making a return, shall pay the amount of the tax shown on the return as being due for the preceding month. If payment is not made on or before the 10<sup>th</sup> day of the said succeeding month, a penalty of one dollar (\$1.00) per day, plus interest at the rate of six percent (6%) from the date the taxes become due until the date paid, shall be added. (1952 Code, § 4-3(3))

**5-404. Failure to file return.** (1) The tax, together with the penalty and interest thereon, shall be a debt due the city and shall be a lien upon all the property of the taxpayer, and said lien shall have priority over all other liens as obligations except those due the State of Tennessee and the United States and

except others due the city and county, with which said lien shall be of equal dignity.

(2) If any person liable for the tax herein imposed fails to file a return, or the city clerk or the council have reasonable cause to believe that an erroneous statement has been filed, the city clerk shall proceed to determine the amount of the tax due, and in connection therewith shall make such investigation and take such testimony and evidence as may be necessary; provided, however, that the taxpayer shall be given notice and an opportunity to be heard before the city clerk before any final determination is made. (1952 Code, § 4-3(4) & (5))

**5-405. Administration of tax.** (1) The council may adopt rules and regulations not inconsistent with the terms of this chapter for the purpose of carrying out and enforcing the payment of the tax herein levied and the copy of such rules and regulations shall be on file and available for public examination in the office of the city clerk. Failure or refusal to comply with any rules and regulations promulgated pursuant to this chapter shall be deemed as a violation of this chapter.

(2) Any person charged with the collection of the tax shall make all his books and records available to the city clerk or his agent, at all reasonable times, and shall keep all invoices and records of sales and purchases of beer for a period of not less than two (2) years, unless duly authorized by the city clerk, in writing, to destroy them.

(3) All tax returns submitted pursuant to this chapter shall be sworn to before a notary public or before the city clerk, who is hereby given the authority to administer such oath.

(4) In the event any person required to file this return shall fail or refuse to do so, the city clerk may assess such tax on the basis of available information, but such an assessment shall not prejudice a later determination based on more exact information.

(5) In order to insure an orderly and efficient administration of this chapter, the city clerk shall have the authority to conduct hearings, subpoena witnesses and records, administer oaths, and to do all things which shall become necessary in connection therewith. (1952 Code, § 4-3(6)-(10))

**5-406. Bond of licensee.** Hereafter no license shall be issued or renewed for the sale of beer at retail until the applicant or licensee shall have filed with the city clerk a bond in the penal sum of five hundred dollars (\$500.00), payable to the city, and conditioned that the principal thereof will pay over and account for all taxes collected or due to be collected by the principal on the sale of beer at retail. Such bond shall be executed by the principal and some surety company authorized to do business in the State of Tennessee, or it may be signed by two good and sufficient sureties who are not in the beer business, and it shall be the duty of said clerk to see that said bond is kept in full force

and effect during the continuance in business of the principal named in said bond. (1952 Code, § 4-3(11))