CHAPTER 1

MISCELLANEOUS

SECTION

5-101. Fiscal year.

5-102. Annual budget required.

5-101. Fiscal year. The fiscal year of the City of Henderson shall begin on July 1 and end on June 30. (1976 Code, § 6-101)

5-102. Annual budget required. A budget shall be prepared each year for the City of Henderson, setting out the anticipated revenues and disbursements, and said budget must be approved and adopted by a majority vote of the board of mayor and aldermen. The approved and adopted budget shall remain on file in the office of the city recorder, city hall, and shall be made available for public inspection at any reasonable time. (1976 Code, § 6-102)

1Charter references
Delinquency penalties: § 15.
Delinquent date: § 15.
Due date: § 15.
CHAPTER 2
REAL PROPERTY TAXES

SECTION
5-201. When due and payable.
5-202. When delinquent--penalty and interest.

5-201. **When due and payable.**\(^1\) Taxes levied by the city against real property shall become due and payable annually on the date fixed in the charter.\(^2\) (1976 Code, § 6-201)

5-202. **When delinquent--penalty and interest.**\(^3\) All unpaid real property taxes shall become delinquent on the date fixed in the charter and shall thereupon be subject to such penalty and interest as is authorized and prescribed by the charter.\(^2\) (1976 Code, § 6-202)

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\(^1\)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.

\(^2\)Charter reference: § 15.

\(^3\)Charter and state law reference
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 of each succeeding month.
CHAPTER 3

PRIVILEGE TAXES

SECTION
5-301. Tax levied.
5-302. License required.

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 city at the rates and in the manner prescribed by the act. The proceeds of the privilege taxes herein levied shall be apportioned to the various city funds according to the subdivision of the property tax levy. (1976 Code, § 6-301)

5-302. License required. No person shall exercise any such privilege within the city without a currently effective privilege license, which shall be issued by the recorder to each applicant therefor upon the applicant's compliance with all regulatory provisions in this code and payment of the appropriate privilege tax. (1976 Code, § 6-302)
CHAPTER 4

WHOLESALE BEER TAX

SECTION

5-401. To be collected.

5-401. **To be collected.** The recorder 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 6.¹ (1976 Code, § 6-401)

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

PURCHASING

SECTION

5-501. Official assigned as purchasing agent.
5-502. Rules for purchases up to $4,000.00.
5-503. Rules for purchases between $4,000.00 and $10,000.00.
5-504. Advertising and bidding rules for purchases greater than $10,000.00.
5-505. Rules for purchases of fixed assets or equipment.
5-506. Department head responsibilities.
5-507. Purchasing agent responsibilities.
5-508-5-509. [Deleted.]

5-501. Official assigned as purchasing agent. The mayor or city recorder shall act as the purchasing agent for the City of Henderson. Purchasing procedures, the powers of the purchasing agent and the responsibilities of the department heads concerning purchasing will be outlined in the following sections. (1976 Code, § 1-1301, as replaced by Ord. #438, Jan. 2009)

5-502. Rules for purchases up to $4,000.00. Department heads are allowed to make purchases of up to four thousand dollars ($4,000.00) without prior board approval. For purchases in an amount of up to five hundred dollars ($500.00), the department head can make the purchase without receiving a purchase order unless he/she is purchasing an item that would be defined as a fixed asset (equipment with a life span of more than one (1) year). The rules that apply to the purchase of fixed assets or equipment are covered in § 5-505. For all purchases over five hundred dollars ($500.00) the department head shall receive a signed purchase order from the purchasing agent before ordering the said item(s). The one (1) exception to this rule is for purchases between five hundred dollars ($500.00) and one thousand five hundred dollars ($1,500.00) related to the maintenance of existing equipment or vehicles where the exact amount of the repairs cannot be determined. In these cases, the purchase order may be obtained after the purchase and/or repair is completed. Only the department head, his/her designee, recorder, or the mayor can make a request for a purchase order. (1976 Code, § 1-1302, as amended by Ord. #306, June 1997, and replaced by Ord. #438, Jan. 2009)

5-503. Rules for purchases between $4,000.00 and $10,000.00. All purchases, leases or lease-purchase arrangements with expenditures of more than four thousand dollars ($4,000.00) but less than ten thousand dollars ($10,000.00) in any fiscal year may be made in the open market without public advertisement, but shall, whenever possible, be based upon at least three (3) competitive quotes. All purchases, leases or lease-purchase arrangements with
expenditures of more than two thousand dollars ($2,000.00) but less than four thousand dollars ($4,000.00) in any fiscal year may be made in the open market without public advertisement, but shall, whenever possible, be based upon at least two (2) competitive quotes.

All purchases, leases or lease-purchase arrangements with expenditures of more than four thousand dollars ($4,000.00) but less than ten thousand dollars ($10,000.00) shall receive prior approval by the board of aldermen. The description of the item(s) shall be prepared by the department head and submitted along with the quotes received to the board of aldermen for approval of purchase. The board of aldermen shall not approve a purchase until they determine that adequate funds are budgeted and available for the purchase. The board of aldermen may require the department head to accept bids or proposals on such items if they deem it is in the best interest of the city to do so. A purchase order shall be issued by the purchasing agent after the purchase is approved by the board.

If a purchase is over four thousand dollars ($4,000.00) and it is necessary due to an actual emergency, equipment breakdown or unforeseeable circumstances and the replacement or repair is required prior to the next city board meeting in order for the department to conform to state or federal regulations, prevent possible fines/citations or maintain essential services to the community, the mayor may approve the purchase. The purchase shall be reviewed and approved by the board of aldermen at its next meeting. (Ord. #306, June 1997, as replaced by Ord. #438, Jan. 2009)

5-504. Advertising and bidding rules for purchases greater than $10,000.00. For all purchases of equipment or material of ten thousand dollars ($10,000.00) or more, a detailed description of the item(s) shall be prepared by the department head and submitted to the mayor for authorization to call for bids or proposals. After the determination that adequate funds are budgeted and available for a purchase, the mayor may authorize the department head to advertise for bids or proposals. The mayor shall reserve the right to refer the decision to bid any purchase to the board of aldermen.

For all major public works or utility construction projects of ten thousand dollars ($10,000.00) or more where costs may be incurred for engineering design and plans, a detailed description of the project shall be prepared by the department head and submitted to the board of aldermen for authorization to call for bids or proposals. After the determination that adequate funds are budgeted and available for a purchase, the board of aldermen may authorize the department head to perform the necessary design work and to advertise the bids or proposals.

The award of purchases, leases or lease purchases of ten thousand dollars ($10,000.00) or more shall be made by the board of aldermen to the lowest responsible bidder. The purchasing agent shall issue a purchase order to the lowest responsible bidder selected by the board of aldermen.
Purchases amounting to ten thousand dollars ($10,000.00) or more, which do not require public advertising and sealed bids or proposals, may be allowed only under the following circumstances and, except as otherwise provided herein, when such purchases are approved by the board of aldermen:

1. Sole source of supply or proprietary products as determined after complete search by the respective department head, with approval of the board of aldermen.
2. Emergency expenditures with subsequent approval of the board of aldermen.
3. Investments in or purchases from the pooled investment fund established pursuant to Tennessee Code Annotated (state investment pool).
4. Purchases from instrumentalities created by two (2) or more cooperating governments.
5. Purchases from non-profit corporations whose purpose or one of whose purpose is to provide goods and services to municipalities.
6. Purchases, leases, or lease-purchases of real property.
7. Purchases, leases, or lease-purchases, from any federal, state, or local government unit or agency, of second-hand articles or equipment or other materials, supplies, commodities, and equipment.
8. Purchases of used or secondhand articles consisting of goods, equipment, materials, supplies, or commodities from any private individual or entity as provided in Tennessee Code Annotated.
10. Purchases directed through or in conjunction with the state department of general services.
11. Purchases from Tennessee state industries.
12. Professional service contracts as provided in Tennessee Code Annotated.

5-505. **Rules for purchases of fixed assets or equipment.**

Department heads are required to have a purchase order prior to the purchase of any equipment that is deemed to be a fixed asset according to generally accepted accounting principles regardless of the cost of the item.

The department head shall report to the city recorder or his designee any time a piece of equipment or fixed asset is delivered. The city recorder or his designee is to affix upon the asset an identification tag when necessary and collect information to enter the asset in the city's fixed asset record keeping system. The department head will be responsible for ensuring that all city equipment and property in his department is accounted for and in its proper
place. The city recorder or his designee will perform an inventory of any or all city equipment at times when he deems it feasible to do so but said inventory will be performed at least once every twenty-four (24) months. (1976 Code, § 1-1305, as amended by Ord. #306, June 1997, modified, and replaced by Ord. #438, Jan. 2009)

**5-506. Department head responsibilities.** The department head or his/her designee shall perform the following tasks before any purchase order is requested:

1. Obtain prices on comparable materials, supplies, equipment or services to be purchased from a group of vendors.
2. Determine the best possible product using objective analysis of price, quality, and vendor reputation, etc.
3. Provide complete information to the purchasing agent including:
   - A complete and accurate description of item(s) to be purchased.
   - The vendor recommended by the department head, including name and mailing address or other information needed.
   - Price and number of item(s) needed.
   - Date item(s) are needed.
   - Reason the item(s) are needed and for whom it is needed.

The department head shall not split orders to circumvent any provision of the municipal code, charter or any policy established by the city, nor shall purchases be made for the sole purpose of using up budgetary balances. No department head shall make any purchase that would overdraw the money appropriated in any line item in the budget without first receiving approval from the board to amend the said budget line item. (1976 Code, § 1-1303, as replaced by Ord. #438, Jan. 2009)

**5-507. Purchasing agents responsibilities.** Purchase orders are to be issued only after the requesting department head provides the information outlined in § 5-506 above to the purchasing agent. The purchasing agent shall be the only person eligible to issue a purchase order. Purchase orders shall be written so that they are clear, concise and complete.

Before issuing a purchase order, the purchasing agent must ensure that sufficient funds are available in the budget line item to purchase said item(s). The city recorder has the authority to determine the appropriate budget line item a purchase is charged to, not the department head. If there is sufficient funds in the line item, the purchase is to be delayed until the board of aldermen makes a decision as to whether or not to amend the budget line item to cover the cost of the purchase.

The purchasing agent shall aid and cooperate with all departments in meeting their needs for operating supplies, equipment, and services. The purchasing agent shall process all purchase orders with the least possible delay.
The purchasing agent has the authority to refer any purchase to the city board of aldermen for a decision if he feels that the purchase of the item(s) is not in the best interest of the city or if he feels the board should be aware of purchase before it is made. The decision to refer a purchase to the board is final and a purchase order will not be issued until after board action.

Purchase orders are to be prepared on forms that contain at least four (4) copies:

(1) White (original) copy is filed with the city recorder or his designee and is the city's permanent record that is to be kept in numerical order for audit purposes. The permanent record may be in digital format.

(2) A copy is mailed or faxed to the vendor to be used as authority to furnish the city the materials or services indicated.

(3) A copy is to be sent to the requesting department head for his files.

(4) A copy shall be attached to and filed with the paid invoice.

The purchasing agent shall be responsible for compliance with these procedures and the Municipal Purchasing Law of 1983, as amended, including required records and reports, as if they were set out herein and made part hereof and within definitions of words and phrases from the law as herein defined. (1976 Code, § 1-1306, as replaced by Ord. #438, Jan. 2009)

5-508–5-508. [Deleted.] (1976 Code, §§ 1-1307 and Ord. #306 were deleted by Ord. #438, Jan. 2009)