

TITLE 5

MUNICIPAL FINANCE AND TAXATION¹

CHAPTER

1. MISCELLANEOUS.
2. REAL PROPERTY TAXES.
3. PRIVILEGE TAXES.
4. WHOLESALE BEER TAX.

CHAPTER 1

MISCELLANEOUS

SECTION

- 5-101. Official depositories for town funds.
- 5-102. Security for municipal deposits.
- 5-103. Fiscal year.
- 5-104. Audit annually.
- 5-105. Budget.
- 5-106. Credit cards.

5-101. Official depositories for town funds. The Newbern Security State Bank, the Newbern Branch of the First Citizens Bank, and the Frontier Federal Savings and Loan Association are hereby designated as the official depositories for all municipal funds. (1982 Code, § 6-101)

5-102. Security for municipal deposits. From time to time, in the discretion of the board, said banks shall pledge bonds as security for any unusually large accumulation of town funds. Such security may consist of U. S. Treasury obligations, State of Tennessee, Dyer County or Newbern bonds, either general obligations or revenue obligations of any of the municipality's utility departments. Such security shall be held by the municipality in common for the protection of any and all of its departments, but, however, nothing in this arrangement shall affect the Federal Deposit Insurance Corporation's insuring protection to each and every account having its individual right and title to the maximum insurance as though such bond security was held separately and independently for each such account. (1982 Code, § 6-102)

¹Charter references

Distress warrants: § 16.

Taxes--how assessed: § 15.

Taxes--how equalized: § 21.

5-103. Fiscal year. The affairs of the general government and of all utility departments shall operate and be accounted for on a fiscal year ending on June 30th. (1982 Code, § 6-103)

5-104. Audit annually. As soon as practical after the close of each fiscal year, an audit shall be made, by a reputable auditing firm, of all affairs of the municipality including each utility department. (1982 Code, § 6-104)

5-105. Budget. A budget of each department of the town and its utilities shall be prepared covering expected revenues and operating expenses, which budget shall be presented to the board of mayor and aldermen at the regular May meeting. The budget shall be adopted finally no later than the regular July meeting at which time the tax rate for the incoming year shall be established sufficient to fully fund all appropriations as set out in aforesaid budget document, taking into consideration expected revenues from other sources. (1982 Code, § 6-105)

5-106. Credit cards. The mayor and town recorder are hereby authorized and directed to execute and attest respectfully the agreement between American Express Company and Exxon Oil Company for the purpose of obtaining credit cards from said companies to be used by town officials while on official business. (1982 Code, § 6-106)

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 municipality against real property shall become due and payable annually on the first day of September of the year for which levied. (1982 Code, § 6-201)

5-202. When delinquent--penalty and interest.² All real property taxes shall become delinquent on and after the first day of November next after they become due and payable and shall thereupon be subject to such penalty and interest as is authorized and prescribed the town's charter.³ (1982 Code, § 6-202)

¹State 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.

²Charter 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.

³Charter and 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.

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 municipality at the rates and in the manner prescribed by the act. (1982 Code, § 6-301)

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 recorder to each applicant therefor upon the applicant's payment of the appropriate privilege tax. (1982 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 municipality of the wholesale beer tax levied by the "Wholesale Beer Tax Act," as set out in Tennessee Code Annotated, title 57, chapter 6.¹ (1982 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.