CHAPTER 1

MISCELLANEOUS

SECTION

5-101. **Official depository for city funds.** The First National Bank of Lake City, Tennessee, is hereby designated as the official depository for all city funds. (1968 Code, § 6-601)
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.

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.

Charter 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 (continued...)

CHAPTER 2
REAL PROPERTY TAXES

SECTION
5-201. Assessments.
5-202. When due and payable.
5-203. When delinquent--penalty and interest.

5-201. Assessments. Until such time as the board of mayor and council shall appoint a city tax assessor the City of Lake City shall use the same assessments of property within the corporate limits as Anderson County uses. (1968 Code, § 6-101)

5-202. When due and payable. Taxes levied by the City of Lake City against real property shall become due and payable annually on the date prescribed in the city's charter. (1968 Code, § 6-102)

5-203. When delinquent--penalty and interest. Real property taxes shall become delinquent and subject to penalty and interest in accordance with the provisions of the state law. (1968 Code, § 6-103)
CHAPTER 3

PRIVILEGE TAXES GENERALLY

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. (1968 Code, § 6-301)

5-302. License required. No person shall exercise any such privilege within the City of Lake 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. (1968 Code, § 6-302)

5-303. "Business Tax Act" implemented. The taxes provided for in the state's "Business Tax Act" are hereby expressly enacted, ordained, and levied on the businesses, business activities, vocations, and occupations carried on within the City of Lake City at the rates and in the manner prescribed by the said act. (1968 Code, § 6-303)

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(...continued)

delinquent property taxes.

(3) By the county trustee under Tennessee Code Annotated, § 67-5-2005.
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 Lake 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 (1968 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

SALES TAX

SECTION
5-501. Sales tax levied.
5-502. Approval of voters required.
5-503. Collection of tax.
5-504. Suits for recovery of illegally assessed or collected tax.
5-505. Notice of chapter.

5-501. Sales tax levied.1 As authorized by Pub. Acts 1963, ch. 329, there is levied a tax in the same manner and on the same privileges subject to the "Retailers' Sales Tax Act" under Tennessee Code Annotated, title 67, chapter 6, as the same may be amended, which are exercised in Lake City, Tennessee. The tax is levied on all such privileges at a rate of one-half (1/2) of the rates levied in the "Retailers' Sales Tax Act" codified in Tennessee Code Annotated, title 67, chapter 6, and on farm and industrial machinery and on water sold to or used by manufacturers at the rate of one-half of 1%.

(1) Beginning July 1, 1983, the local sales tax at the present rate in effect in the municipality shall apply to the first six hundred sixty-seven dollars ($667.00) on the sale or use of any single article of personal property; beginning on July 1, 1984, to the first eight hundred eighty-nine dollars ($889.00) on the sale or use of any single article of personal property; and beginning on July 1, 1985, to the first one thousand one hundred dollars ($1,100.00) on the sale or use of any single article of personal property.

(2) Any five dollars ($5.00) or seven and one-half dollar ($7.50) tax limit on the sale or use of any single article of personal property in effect at present in the municipality is hereby removed.

(3) Future increases in the base beginning on the dates above specified shall be automatic and shall not require further action of the governing body.

(4) Nothing herein contained shall be deemed to permit an increase in the local sales tax rate heretofore in effect in the municipality.

(5) There is excepted from the tax levied by this chapter the sale, purchase, use, consumption or distribution of electric power or energy, or natural or artificial gas, or coal and fuel oil.

(6) Penalties and interest for delinquencies shall be the same as provided in Tennessee Code Annotated, § 67-6-516. (1968 Code, § 6-501)

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1See the footnote to § 5-502 for references to ordinances increasing the local sales tax.
5-502. **Approval of voters required.** If a majority of those voting in the election required by Pub. Acts 1963, ch. 329, § 5, vote for the ordinance,\(^1\) collection of the tax levied by this chapter shall begin on the first day of the month occurring thirty (30) or more days after the county election commission makes its official canvass of the election returns. (1968 Code, § 6-502)

5-503. **Collection of tax.** It having been determined by the Department of Revenue of the State of Tennessee that it is feasible for this tax to be collected by that department, said determination being evidenced by "Local Option Sales and Use Tax Rules and Regulations" heretofore promulgated by the Department of Revenue, the department shall collect such tax concurrently with the collection of the state tax in the same manner as the state tax is collected in accordance with rules and regulations promulgated by said department. The mayor is hereby authorized to contract with the Department of Revenue for the collection of the tax by the department, and to provide in said contract that the department may deduct from the tax collected a reasonable amount or percentage to cover the expense of the administration and collection of said tax. (1968 Code, § 6-503)

5-504. **Suits for recovery of illegally assessed or collected tax.** In the event the tax is collected by the Department of Revenue, suits for the recovery of any tax illegally assessed or collected shall be brought against the mayor. (1968 Code, § 6-504)

5-505. **Notice of chapter.** A copy of this chapter shall be transmitted to the said Department of Revenue and shall be published one time in a newspaper of general circulation in the City of Lake City, Tennessee. (1968 Code, § 6-505)

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\(^1\)The original ordinance was approved by the voters on March 12, 1968. An ordinance increasing the local sales tax rate was approved by the voters on August 3, 1978. See Ord. #235, of record in the recorder's office. Another ordinance increasing the local sales tax rate was also approved by the voters on July 21, 1987. See Ord. #306, of record in the recorder's office.
CHAPTER 6

ROOM OCCUPANCY TAX

SECTION
5-601. Definitions.
5-602. Tax levied.
5-603. Collection of tax.
5-604. Tax to be remitted to recorder.
5-605. Tax not to be assumed by operator.
5-606. Failure to collect, remit, or pay tax.
5-607. Records to be kept.
5-608. Supplemental powers, duties, and remedies of recorder and taxpayers.
5-609. Disposition by city of tax proceeds.
5-610. Tax is in addition to all others.

5-601. Definitions. As used in this chapter, unless a different meaning clearly appears from the context, the following definitions shall apply:

(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 any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist court, 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 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 room, lodgings, or accommodations in a hotel for a period of less than ninety (90) 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 charged when the space provided to the person is complementary from the operator and no consideration is charged to or received from any person.

(6) "Operator" means the person operating the hotel whether as owner, lessee or otherwise. (1968 Code, § 6-701)
5-602. **Tax levied.** Pursuant to the provisions of Priv. Acts 1985, ch. 59, there is hereby levied on the occupancy in any hotel of each transient a privilege tax of 5% of the consideration charged by the operator. (1968 Code, § 6-702, as amended by Ord. #407, June 2003)

5-603. **Collection of tax.** Said tax shall be added by each and every operator to each invoice prepared by the operator for the occupancy of his hotel, such invoice to be given directly or transmitted to the transient, and shall be collected by such operator from the transient and remitted to the city recorder. (1968 Code, § 6-703)

5-604. **Tax to be remitted to recorder.** The tax hereby levied shall be remitted by all operators who lease, rent, or charge for any rooms to the city recorder not later than the 20th day of each month next following collection from the transient. (1968 Code, § 6-704)

5-605. **Tax not to be assumed by operator.** No operator of a hotel shall 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 be added to the rent, or that, if added, any part will be refunded. (1968 Code, § 6-705)

5-606. **Failure to collect, remit, or pay tax.** Taxes collected by an operator which are not remitted to the city recorder 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 six percent (6%) per annum, and in addition for penalty of one-half percent (1/2 of 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. Willful refusal of an operator to collect or remit the tax or willful refusal to 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). The fine levied herein shall be applicable to each individual transaction involving lodging services paid by a customer to the operator in those cases when the operator fails or refuses to pay the tax payable to the city recorder. (1968 Code, § 6-706)

5-607. **Records to be kept.** It shall be the duty of every operator liable for the collection and payment to the municipality of any tax levied under this chapter to keep and preserve for a period of three (3) years all records necessary to determine the amount of such tax for whose collection and payment to the municipality he may have been liable, which records the city recorder shall have the right to inspect at all reasonable times. (1968 Code, § 6-707)

5-608. **Supplemental powers, duties, and remedies of recorder and taxpayers.** In administering and enforcing the provisions of this Act, the
city recorder shall have as additional powers the power and duties with respect to collection of taxes provided in Tennessee Code Annotated, title 67, or otherwise provided by law. Upon any claim or illegal assessment and collection, the taxpayer shall have the remedy provided in Tennessee Code Annotated, § 67-1-911, it being the intent that the provisions of law which apply to the recovery of taxes illegally assessed and collected shall apply to the tax collected under this chapter; provided, the city recorder shall possess those powers and duties as provided in Tennessee Code Annotated, § 67-1-707, with respect to the adjustment and settlement with taxpayers of all errors of taxes collected by him under this chapter and to direct the refunding of the same. Notice of any tax paid under protest shall be given to the city recorder, and suit for recovery shall be brought against him. (1968 Code, § 6-708)

5-609. **Disposition by city of tax proceeds.** The proceeds from the tax levied herein shall be retained by the municipality and appropriated by the legislative body of Lake City, with no more than eighty (80) percent of the generated revenue going into the general fund and the remainder into a tourism, special projects and programs account. This account shall be under the general management of the city administrator with expenditures budgeted authorized and approved by the legislative body of Lake City in the traditional manner of their handling the municipalities various funds and accounts. (1968 Code, § 6-709)

5-610. **Tax is in addition to all others.** The tax herein levied shall be in addition to all other taxes levied or authorized to be levied whether in the form of excise, license, or privilege taxes, and shall be in addition to all other fees and taxes now levied or authorized to be levied. (1968 Code, § 6-710)