

## TITLE 5

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

#### CHAPTER

1. REAL AND PERSONAL PROPERTY TAXES.
2. PRIVILEGE TAXES.
3. WHOLESALE BEER TAX.
4. LITIGATION TAX.
5. PRIVILEGE TAX ON OCCUPANCY IN ANY HOTEL, MOTEL, PLACES OF LODGING OR ACCOMMODATIONS FURNISHED TO TRANSIENTS.
6. PURCHASING POLICY.

#### CHAPTER 1

### REAL AND PERSONAL PROPERTY TAXES

#### SECTION

- 5-101. When due and payable.  
 5-102. When delinquent--penalty and interest.

**5-101. When due and payable.**<sup>2</sup> Taxes levied by the town against real and personal property shall become due and payable annually on the first day of October of the year for which levied. (2004 Code, § 5-101)

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<sup>1</sup>Charter reference

Fiscal administration: art. IV.

<sup>2</sup>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.

**5-102. When delinquent--penalty and interest.**<sup>1</sup> All real property taxes shall become delinquent on and after the first day of March next after they become due and payable and shall thereupon be subject to such penalty and interest as is authorized and prescribed by the charter<sup>2</sup> (2004 Code, § 5-102)

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<sup>1</sup>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 one-half (1/2) of one percent (1%) and interest of one percent (1%) shall be added on the first day of March, following the tax due date and on the first day of each succeeding month.

<sup>2</sup>Charter and state law references

A municipality has the option of collecting delinquent property taxes any one (1) of three (3) ways:

- (1) Under the provisions of its charter for the collection of delinquent property taxes;
- (2) Under *Tennessee Code Annotated*, §§ 6-55-201 to 6-55-206; or
- (3) By the county trustee under *Tennessee Code Annotated*, § 67-5-2005.

## CHAPTER 2

### PRIVILEGE TAXES

#### SECTION

5-201. Tax levied.

5-202. License required.

**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 the businesses, business activities, vocations, and occupations carried on within the town at the rates and in the manner prescribed by the act. (2004 Code, § 5-201)

**5-202. License required.** No person shall exercise any such privilege within the town 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. The license shall be prominently displayed in the place of business. (2004 Code, § 5-202)

## CHAPTER 3

WHOLESALE BEER TAX

## SECTION

5-301. To be collected.

**5-301. To be collected.** The town recorder 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.<sup>1</sup> (2004 Code, § 5-301)

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<sup>1</sup>State 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**

**LITIGATION TAX**

**SECTION**

5-401. To be collected.

**5-401. To be collected.** In all cases in which a state litigation tax is imposed, a town litigation tax shall also be levied and collected, in the amount equal to the prevailing state litigation amount. (Ord. #2015-5, July 2015)

**CHAPTER 5****PRIVILEGE TAX ON OCCUPANCY IN ANY HOTEL, MOTEL,  
PLACES OF LODGING OR ACCOMMODATIONS FURNISHED  
TO TRANSIENTS****SECTION**

- 5-501. Definitions.
- 5-502. Permit required.
- 5-503. Fee.
- 5-504. Not transferable.
- 5-505. Duration.
- 5-506. Register required; availability for inspection.
- 5-507. Rooms to be numbered.
- 5-508. Privilege tax to be levied; use.
- 5-509. Payment of the tax.
- 5-510. Compensation to the hotel.
- 5-511. Interest and penalty for late payment.
- 5-512. Records requirement.
- 5-513. Repealer.

**5-101. Definitions.** As used in this ordinance:

(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, that is occupied or intended or designed for occupancy by transients for dwelling, lodging, or sleeping purposes, and includes privately, publicly, or government-owned hotels, inns, tourist camps, tourist courts, tourist cabins, motels, Airbnb, bed and breakfast (B&B), short-term rental units, primitive and recreational vehicle campsites and campgrounds, or any place in which rooms, lodgings, or accommodations are furnished to transients for 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. #2022-009, May 2022 *Ch1\_02-13-24*)

**5-502. Permit required.** No person will conduct, keep, manage, operate or cause to be conducted, kept, managed or operated, either as owner, lessor, agent or attorney, any hotel in the town without having obtained a permit from the city administrator or his designee to do so. (as added by Ord. #2022-009, May 2022 *Ch1\_02-13-24*)

**5-503. Fee.** The fee for each hotel permit will be twenty-five dollars (\$25.00). (as added by Ord. #2022-009, May 2022 *Ch1\_02-13-24*)

**5-504. Not transferable.** No permit issued under this ordinance shall be transferred or assigned. (as added by Ord. #2022-009, May 2022 *Ch1\_02-13-24*)

**5-505. Duration.** Hotel permits shall be issued annually and shall expire on the last day of December of each year. (as added by Ord. #2022-009, May 2022 *Ch1\_02-13-24*)

**5-506. Register required; availability for inspection.** Every person to whom a permit is issued under this ordinance shall at all times keep a standard hotel register, in which shall be inscribed the names of all guests renting or occupying rooms in his hotel. Such register shall be signed in every case by the persons renting a room or by someone under his direction, and after registration is made and the name of the guest is inscribed as herein provided, the manager shall write the number of the room which guest is to occupy, together with the time such room is rented, before such person is permitted to occupy such room. The register shall be open to inspection at all times to the city administrator or his designee. (as added by Ord. #2022-009, May 2022 *Ch1\_02-13-24*)

**5-507. Rooms to be numbered.** Each sleeping room and apartment in every hotel in the town shall be numbered in a plain and conspicuous manner. The number of each room shall be placed on the outside of the door of such room, and no two (2) doors shall bear the same number. (as added by Ord. #2022-009, May 2022 *Ch1\_02-13-24*)

**5-508. Privilege tax levied; use.** (1) Pursuant to the provisions of *Tennessee Code Annotated* § 67-4-1401, *et seq.*, there is hereby levied a privilege of occupancy in any hotel of each transient. From and after the operative date of this ordinance 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 city administrator shall be designed as the authorized collector to administer and enforce this ordinance and these statutory provisions.

(2) The proceeds received from this tax shall be available for the town's general fund and pursuant to *Tennessee Code Annotated*, § 67-4-1403, must be designated and used for the promotion of tourism and tourism development. Proceeds of this tax may not be used to provide a subsidy in any form to any hotel or motel. (as added by Ord. #2022-009, May 2022 *Ch1\_02-13-24*)

**5-509. Payment of the tax.** Payment of the tax by the motel to the town shall be no later than the 20th day of each month for the preceding month. (as added by Ord. #2022-009, May 2022 *Ch1\_02-13-24*)

**5-510. Compensation to the hotel.** The hotel may deduct two percent (2%) from the amount paid to the town. (as added by Ord. #2022-009, May 2022 *Ch1\_02-13-24*)

**5-511. Interest and penalty for late payment.** The hotel operator is responsible for paying interest on delinquent taxes, twelve percent (12%) per annum, plus a penalty of one percent (1%) per month. (as added by Ord. #2022-009, May 2022 *Ch1\_02-13-24*)

**5-512. Records requirement.** The hotel operator must keep records for three (3) years, with the right of inspection by the town. (as added by Ord. #2022-009, May 2022 *Ch1\_02-13-24*)

**5-513. Repealer.** All ordinances and parts of ordinances which are inconsistent with the provisions of this ordinance are hereby repealed to the extent of such inconsistency. (as added by Ord. #2022-009, May 2022 *Ch1\_02-13-24*)



## CHAPTER 6

### PURCHASING POLICY

#### SECTION

5-501. Generally.

5-502. General procedures.

5-503. Competitive bidding required; exceptions.

5-504. Purchases by department heads.

5-505. Purchase orders required.

**5-501. Generally.** (1) The provisions of *Tennessee Code Annotated*, § 6-56-301, *et seq.*, and all amendments thereto, known as the Municipal Purchasing Law of 1983, is adopted herein by reference.

(2) All acquisitions made under this law must be made within the limits of the approved budget and appropriations. (as added by Ord. #2022-024, Dec. 2022 *Ch1\_02-13-24*)

**5-502. General procedures.** It is the town's policy to have issuance of purchase orders for all items or groups of items purchased which exceed five hundred dollars (\$500.00). In addition, any spending in excess of the total annual budget requires a budget amendment which must be approved by the board of mayor and aldermen.

(1) All purchase orders require prior approval by the department head.

(2) All purchases, expenditures and service contracts which exceed five hundred dollars (\$500.00) require a purchase order except in the case where the purchasing agent has a written contract for service on file.

(3) A "purchase order request form" must be submitted to the purchasing agent prior to the issuance of a purchase order and must be countersigned by the department head.

(4) Purchase orders shall be issued prior to the purchase.

(5) Only the purchasing agent, or designee, may act upon a purchase order.

(6) Factors considered when determining the "lowest and best" value are:

(a) Price,

(b) Quality,

(c) Warranty,

(d) Service,

(e) Availability,

(f) Past performance with the town,

(g) References, and

(h) Responsiveness to the bid specifications. (as added by Ord. #2022-024, Dec. 2022 *Ch1\_02-13-24*)

**5-503. Competitive bidding required: exceptions.** The following purchases are exempt from the competitive bidding process:

- (1) Buys, leases, or lease-purchases during the fiscal year that cost five thousand dollars (\$5,000.00) or less;
- (2) Products or services available only from a single source or supply or of a proprietary nature.
- (3) Purchases, leases, or lease-purchases of real property.
- (4) Emergency purchases; in the event of an emergency, the purchasing agent may, at the agent's discretion, declare an emergency situation under the following conditions:
  - (a) Delays by contractors,
  - (b) Delays in transportation,
  - (c) A surprising amount of work, and
  - (d) For the immediate protection of citizens from hazards threatening public safety or welfare.

Once an emergency purchase has been made, the purchasing agent must prepare a record specifying the nature of the emergency, the amount paid, a list of the items or services purchased and the vendor information. This record must be presented as soon as possible to the mayor and the governing body of the municipality for their approval. (as added by Ord. #2022-024, Dec. 2022 *Ch1\_02-13-24*)

**5-504. Purchases by department heads.** Spending approval guidelines are as follows:

- (1) Each department head, director and administrator must stay within their individual spending limits.
- (2) Establishment of spending limits:
  - (a) \$0.00 to \$500.00 -- No purchase order required for purchases of \$500.00 or less. Only the following supervisory personnel shall have the right to purchase: mayor, public works director, police chief, fire chief, assistant public works director, utility manager, public works supervisor, water plant manager, lagoon manager, sewer supervisor, natural gas supervisor, meter reading supervisor, police captain and assistant fire chief.
  - (b) \$500.01 to \$2,500.00 -- Spending limit for department heads -- purchase order required. Only the following personnel shall have the right to purchase: public works director, police chief and fire chief.
  - (c) \$500.01 to \$5,000.00 -- Spending limit for administrative personnel -- purchase order required. Only the following personnel shall have the right to purchase: mayor.
  - (d) \$2,500.01 to \$5,000.00 -- The staff will seek to obtain written quotes and present those quotes to the mayor before a purchase order will be issued.

(e) \$5,000.01 to \$10,000.00 -- Requires approval of the Town of Rossville Board of Mayor and Aldermen with a minimum of three (3) competitive quotes.

(f) \$10,000.01 and up -- All purchases over \$10,000.00 must adhere to the established sealed bid process which requires the approval of the Town of Rossville Board of Mayor and Aldermen. (as added by Ord. #2022-024, Dec. 2022 *Ch1\_02-13-24*)

**5-505. Purchase orders required.** (1) A copy of the appropriate purchase order shall be attached to the vendor's invoice and approved by the appropriate department head before being submitted to the accounting department for payment. Small purchases being made at one vendor may be assigned to a single purchase order, if the accumulated total does not exceed five hundred dollars (\$500.00).

(2) The office of city recorder shall issue purchase order books to all departments. A record shall be kept of what numbers have been issued to each department. Upon the using of the last purchase order in a department's current purchase order book, the book shall be returned to the city recorder's office and a new purchase order book will be issued. The city recorder's office shall verify that all pink copies of every purchase order are returned in the spent book. Any purchase order which has been voided will have the word "void" written on it and all copies of the voided purchase order will be left in the purchase order book. (as added by Ord. #2022-024, Dec. 2022 *Ch1\_02-13-24*)