

December 18, 2013

City of Eagleville Tennessee
Ms. Amy Von Almen
City Recorder
108 South Main Street
Eagleville, Tennessee 37060

VIA ELECTRONIC MAIL

Dear Ms. Von Almen:

Responsive to your request, please be advised that the acceptance of partial property tax payments are authorized pursuant to TCA § 6-56-109:

§ 6-56-109. Property taxes collected by municipality; partial payments

- (a) Any municipality that collects its own property taxes may by ordinance opt to accept partial payments of property taxes.
- (b) Prior to any municipality accepting partial payment of property taxes, the municipality must file a plan with the comptroller of the treasury. The plan must indicate that the municipality has the accounting system technology to implement a program for partial payment of property taxes. The plan shall also indicate whether such a program will be implemented within the existing operating resources of the municipal department collecting the tax or indicate prior approval of the municipal legislative body if additional operating resources are needed. This subsection (b) does not apply to any municipality which has implemented a partial payment program prior to March 29, 2010.
- (c) A municipality may accept taxes paid by electronic funds transfer, including, but not limited to, bank customer preauthorized payments, wire transfers or automated clearing house (ACH) credits. If the entire amount of taxes due is not paid prior to the delinquency date for such taxes, the entire property shall be subject to the tax lien and enforcement by a tax sale or other legally authorized procedures. Unless partial payment is made by electronic transfer of funds, if the municipality accepts partial payment within ten (10) days of the delinquency date, or at any time following such delinquency date, then prior to accepting such payment the municipality must inform the taxpayer of the delinquency date and must advise such taxpayer that the property may be subjected to a tax lien and enforcement by tax sale or other legally authorized procedures.
- (d) Direct bank transfers and partial payments are subject to the following guidelines:
 - (1) Vouchers issued pursuant to a relief program shall be used as all or a portion of the final payment;
and
 - (2) A receipt shall be issued to the taxpayer for any partial payment of taxes. The receipt shall state that:
 - (A) The payment is a partial payment of property taxes;
 - (B) The balance owing on such taxes that must be paid prior to the delinquency date; and

Amy Von Almen
December 18, 2013
Page 2

- (C) A failure to pay the entire amount of the taxes prior to the delinquency date subjects any unpaid taxes to the penalties and interest applicable to delinquent taxes and subjects the entire property on which there is a lien for taxes to a tax sale. The final partial payment shall show that a zero (0) balance is owing or shall state that the taxes are paid in full. Receipts shall also be sent to the taxpayer for payments made by direct bank transfer of funds.
- (e) The powers conferred by this section are in addition to any existing powers conferred by statute, municipal charter or other provision of law.

Please be mindful that an ordinance must be adopted to allow partial payments, a resolution is not satisfactory; and before commencement of such collection practices, a plan must be submitted to the Comptroller of the Treasury for approval.

I have enclosed a copy of an ordinance and resolution adopted in Murfreesboro Tennessee for your review and information. Ordinance 10-O-33 authorizes partial property tax payments while Resolution 10-R-25 sets forth the terms and conditions under which partial payments may be made. Should you decide to move forward with this initiative, the terms and conditions of payment may be placed in a single, enacting ordinance or you can mirror Murfreesboro and establish the program and payment terms by use of both an ordinance and a resolution.

As to your question of the acceptance of partial payment for traffic citations, please be advised that we are aware of no authorities or limitations that prevent you from either accepting, or refusing to accept, partial payment. If a decision is made to accept partial payments, the adoption of a resolution setting forth the terms and conditions of payment (such as would be done for property tax payments as discussed above), would be your best course of action.

Please let me know if you require any additional assistance on this matter.

Very truly yours,



Jeffrey J. Broughton
Municipal Management Consultant

ORDINANCE 10-O-33 to allow for the partial payment of property taxes.

WHEREAS, Chapter 660 of the Public Acts of 2010 authorizes Tennessee municipalities collecting their own property taxes to opt to accept partial payments of said property taxes; and,

WHEREAS, Chapter 660 requires any such City to first file a plan with the State Comptroller of the Treasury stating if the municipality has the accounting system technology to operate a partial payment of property taxes program and whether the program will be implemented within existing operating resources of the municipal department collecting the tax; and,

WHEREAS, the City Recorder has filed such a plan with the Comptroller and has indicated that no additional resources will be required; and,

WHEREAS, the Comptroller's Director of the Division of Municipal Audit approved the City Recorder's request on August 3, 2010; and,

WHEREAS, on August 12, 2010 the City Council approved the concept of partial payments of property taxes commencing with the current tax year in accordance with state law.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MURFREESBORO, TENNESSEE, AS FOLLOWS:

SECTION 1. The City Recorder may accept partial payments of property tax in accordance with applicable state law and any resolution adopted by the City Council as to the frequency, amount, method or other terms and conditions of such partial payments.

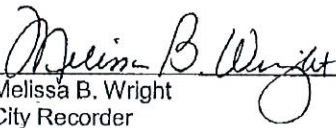
SECTION 2. That this Ordinance shall take effect immediately after its passage upon third and final reading as an emergency exists, and the public welfare and the welfare of the City require its adoption as an emergency ordinance.

Passed:

1st reading August 25, 2010
2nd reading September 16, 2010
3rd reading September 30, 2010


Tommy Bragg, Mayor

ATTEST:


Melissa B. Wright
City Recorder

APPROVED AS TO FORM:


Susan Emery McGannon
City Attorney

SEAL

RESOLUTION 10-R-25 to establish terms and conditions for partial payments of property taxes.

WHEREAS, The City Council is in the process of adopting Ordinance 10-O-33 allowing for the partial payment of property taxes; and,

WHEREAS, the City Recorder has recommended certain guidelines for such partial payments to ensure that the new tax payment option does not cause administrative or accounting difficulties for City staff.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MURFREESBORO, TENNESSEE, AS FOLLOWS:

SECTION 1. Partial payments of property taxes may not be made more than twice in one calendar month.

SECTION 2. Partial payments of property taxes may not be made in installments of less than Fifty Dollars (\$50.00), except for a final payment.

SECTION 3. Any voucher issued pursuant to a relief program shall be used as all or a portion of the final payment.

SECTION 4. Partial payments made after the delinquency date of December 31st will first be applied to outstanding penalties and interest and then to the remaining tax balance.


SECTION 5. Any payments made on or after the first (1st) of any month after the delinquency date of December 31st will decrease the penalty and interest for the following month only.

SECTION 6. The City Recorder or designee shall have the ability to accept payments more frequently or in smaller amounts than specified herein if the City Recorder determines that unusual circumstances provide good cause for doing so.

SECTION 7. The City Recorder will accept partial payments made by cash, check or money order but not by electronic funds transfer.

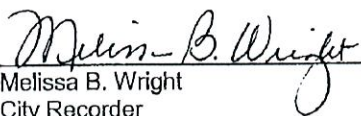
SECTION 8. This Resolution shall be take effect upon the effective date of Ordinance 10-O-33.

Passed: August 25, 2010



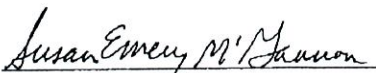
Tommy Bragg, Mayor

ATTEST:



Melissa B. Wright
City Recorder

APPROVED AS TO FORM:



Susan Emery McGannon
City Attorney