

## TITLE 5

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

#### CHAPTER

1. MISCELLANEOUS.
2. PROPERTY TAX RELIEF AND SPECIAL ASSESSMENT RELIEF PROGRAMS.
3. PRIVILEGE TAXES.
4. WHOLESALE BEER TAX.
5. ALCOHOLIC BEVERAGE TAX.

#### CHAPTER 1

#### MISCELLANEOUS

#### SECTION

- 5-101. Official depository for city funds.
- 5-102. Fiscal year.
- 5-103. City may deposit funds in the State of Tennessee, Treasury Department, Local Government Investment Pool.
- 5-104. Establishing a maximum amount for purchases without public advertisement and competitive bidding.

**5-101. Official depository for city funds.** Pinnacle National Bank is hereby designated as the official depository for the city of Hendersonville. Pinnacle National Bank is designated as the official depository for electronic deposits for the City of Hendersonville. The mayor and finance director are hereby authorized to deposit funds and make withdrawals as required. They are also authorized to purchase certificates of deposit at other depositories as competitive rates are available. All depositories shall comply with the security requirements of Tennessee Code annotated, §6-4-402. (Ord. 2002-27, July, 2002, Ord. 2005-24, July, 2005)

**5-102. Fiscal year.** The fiscal year for the City of Hendersonville shall be from July 1 to June 30. (Ord. #1969-3, Aug. 1969)

**5-103. City may deposit funds in the State of Tennessee, Treasury Department, Local Government Investment Pool.** The officials responsible for depositing or investing city funds are hereby authorized to deposit or invest city funds in the State of Tennessee,

---

<sup>1</sup>Charter reference

For specific charter provisions on depositories of municipal funds, see Tennessee Code Annotated, § 6-4-402.

Treasury Department, Local Government Investment Pool. (Ord. #1994-8, Feb. 1994)

*Rev. 1/2006*

**5-104. Establishing a maximum amount for purchases without public advertisement and competitive bidding.** Public advertisement and competitive bidding shall be required for the purchase of all goods and services exceeding an amount of five thousand dollars (\$5,000.00) in a fiscal year, except for those purchases specifically exempted from advertisement and bidding by the Municipal Purchasing Act of 1983. (Ord. # 2003-26, May 2003)

**CHAPTER 2****PROPERTY TAX RELIEF CREDIT AND SPECIAL ASSESSMENT RELIEF PROGRAMS****SECTION**

- 5-201. Programs established.
- 5-202. Taxpayers receiving these credits.
- 5-203. Amount of credit granted.
- 5-204. Finance Director to develop procedures.
- 5-205. Eligibility for taxpayers.

**5-201. Programs established.** (1) A property tax relief credit program for elderly low income taxpayers, totally and permanently disabled taxpayers and disabled veteran taxpayers is hereby established.

(2) A special assessment relief credit program for elderly low income taxpayers, totally and permanently disabled taxpayers and disabled veteran taxpayers is hereby established. (Ord. #1983-25, Oct. 1983)

**5-202. Taxpayers receiving these credits.** The taxpayers to receive these credits shall be determined in accordance with the property tax relief listing as specified by Tennessee Code Annotated, § 67-5-701 through 67-5-705, as amended, issued by the State of Tennessee. (Ord. #1983-25, Oct. 1983)

**5-203. Amount of credit granted.** The amount of property tax credit granted by the city shall be an additional amount equivalent to the municipal property tax relief given by the State of Tennessee as defined above.

The amount of special assessment relief credit to eligible persons (as defined herein) shall be an amount equal to one-half (1/2) of the annual special assessment for the purpose of funding the maintenance of a "Universal System of Domestic Garbage Collection and Disposal" imposed by the city on owners of domestic residents each fiscal year. (Ord. #1983-25, Oct. 1983)

**5-204. Finance Director to develop procedures.** The finance director is hereby authorized to develop the necessary procedures to execute said program. (Ord. #1983-25, Oct. 1983, Ord. 2002-26, July, 2002)

**5-205. Eligibility for taxpayers.** Taxpayers qualifying for this exemption shall have their eligibility determined by the State of Tennessee prior to payment of said tax and assessment in order to qualify for the exemptions granted herein. (Ord. #1983-25, Oct. 1983)

### CHAPTER 3

#### PRIVILEGE TAXES

##### SECTION

5-301. Tax levied.

5-302. License required.

**5-301. Tax levied.** 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 enacted, ordained, and levied on the businesses, business activities, vocations, or occupations doing business or exercising a taxable privilege as provided by said Act, in the City of Hendersonville, Tennessee, at the rates and in the manner prescribed by the said Act, with the exception of the minimum payment of tax for Exterminators and Contractors. The minimum payment of tax for Exterminators and Contractors will be fifteen dollars (\$15.00) per annum. The proceeds of the privilege taxes herein levied shall accrue to the general fund. (Ord. #1970-10, May 1970, as amended by Ord. #1971-6, July 1971)

**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 such applicant's compliance with all regulatory provisions and payment of the appropriate privilege tax. (Ord. #1970-10, May 1970)

**CHAPTER 4****WHOLESALE BEER TAX****SECTION**

5-401. To be collected.

**5-401. To be collected.** The finance director 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.<sup>2</sup> (Ord. #1970-2, Jan. 1970, Ord. 2002-26, July, 2002)

---

<sup>2</sup>State 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**

**ALCOHOLIC BEVERAGE TAX**

**SECTION**

- 5-501. Tax levied.
- 5-502. Due and payable.
- 5-503. Definitions, terms, and conditions.

**5-501. Tax levied.** Pursuant to the authority granted by Tennessee Code Annotated, § 57-4-301, there is hereby levied a privilege tax on every person who engages in the business of selling at retail alcoholic beverages for consumption on the premises within the corporate limits of the City of Hendersonville, Tennessee.

The following taxes are levied, and are to be paid on an annual basis:

(1)	Private Club .....	\$ 300
(2)	Hotel and Motel.....	1,000
(3)	Convention Center .....	500
(4)	Premiere Type Tourist Resort.....	1,500
(5)	Restaurant, according to seating capacity, on licensed premises:	
	(a) 75-125 seats .....	600
	(b) 126-175 seats .....	750
	(c) 176-225 seats .....	800
	(d) 226-275 seats .....	900
	(e) 276 seats and over .....	1,000

If a restaurant is licensed by the alcoholic beverage commission to sell wine only under Tennessee Code Annotated, § 57-4-101(n), the privilege tax imposed shall be one-fifth (1/5) the amount specified in this section.

(6)	Historic Performing Arts Center.....	300
(7)	Urban Park Center.....	500
(8)	Commercial passenger boat company.....	750
(9)	Historic Mansion House Site .....	300
(10)	Historic Interpretive Center .....	300
(11)	Community theater.....	300
(12)	Zoological institution .....	300
(13)	Museum .....	300
(14)	Establishment in a terminal building of a commercial air carrier airport .....	1,000
(15)	Commercial airline travel club .....	500
(16)	Public aquarium	

(Ord. #1989-52, Nov. 1989, modified)

*Rev. 1/2004*

**5-502. Due and payable.** The privilege tax hereby levied shall be due and payable each year, and proof of payment of the privilege tax shall be displayed next to the license to sell alcoholic beverages for consumption on the premises. (Ord. #1989-52, Nov. 1989)

**5-503. Definitions, terms, and conditions.** The definitions, terms, and conditions of the privilege tax applicable in Tennessee Code Annotated, § 57-4-301 are expressly made applicable to this chapter. (Ord. #1989-52, Nov. 1989)