

TITLE 5

MUNICIPAL FINANCE AND TAXATION¹

CHAPTER

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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.
- 5-105 Competitive Sealed Proposals

5-101. Official depository for city funds. Pinnacle National Bank is hereby designated as the official depository for the City of Hendersonville, Tennessee. Pinnacle National Bank is designated as the official depository for electronic deposits for the City. Notwithstanding the foregoing, Citibank, N.A., is hereby designated as a depository for the deposit of City funds for the City's medical insurance claims program. 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, Ord. 2014-13, June, 2014)

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)

¹Charter reference

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

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

5-104. Establishing a maximum amount for purchases without public advertisement and competitive bidding.

(1) Public advertisement and competitive bidding shall be required for the purchase of all goods and services exceeding an amount of twenty-five thousand dollars (\$25,000) 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, Ord. 2015-13, August 2015, Ord. 2018-5, February 2018; Ord. 2023-18, Sept. 2023)

5-105. Competitive Sealed Proposals.

(1) Notwithstanding anything to the contrary in the municipal ordinances and/or resolutions governing purchases, the city may use competitive sealed proposals to purchase goods and services rather than competitive sealed bids when the Board, acting under the restrictions and requirements of Tennessee Code Annotated Title 12, Chapter 3, Part 12, as same may hereinafter be amended, and the procurement code adopted by this section, determines that the use of competitive sealed bidding is either not practicable or not advantageous to the city. The Board must make the aforesaid determination with regard to each use of competitive sealed proposals rather than competitive sealed bids, except that in actual emergencies caused by unforeseen circumstances such as natural or human-made disasters, delays by contractors, delays in transportation, or unanticipated volume of work, purchases through competitive sealed proposals may be made without specific authorizing action of the Board. A record of any emergency purchase shall be made by the person authorizing the emergency purchase, specifying the amount paid, the items and services purchased, from whom the purchase was made, and the nature of the emergency. A report of the emergency purchase purchased through competitive sealed proposals containing all relevant information shall be made as soon as possible by the person authorizing the purchase to the Board.

(2) Criteria and Procedure. The following shall constitute the criteria and procedures for purchasing through competitive sealed proposals:

(a) Conditions for Use.

(i) Competitive sealed proposals may be used only after the municipality has documented the reasons why competitive sealed bids are not practicable or not advantageous to the municipality, and

(ii) Competitive sealed proposals may be used only when qualifications, experience, or competence are more important than price in making the purchase and:

(1) When there is more than one solution to a purchasing issue and the competitive sealed proposals will assist in choosing the best solution; or

(2) When there is no readily identifiable solution to a purchasing issue and the competitive sealed proposals will assist in identifying one or more solutions.

(b) Public Notice. Adequate public notice of the request for competitive sealed proposals shall be given in the same manner provided by applicable law for competitive sealed bids.

(c) Request/Evaluation Factors. The request for competitive sealed proposals must state the relative importance of price and other evaluation factors. Among other things, the request shall include the desired specifications (which may be expressed in the context of the result sought to be obtained); the qualifications of each proposer; warranties, time frame for performance, the contract; and, if applicable, the bond or other security that the successful proposer will be required to furnish. The request for competitive sealed proposals shall provide that, after receipt by the city of a proposal, interviews, presentations, demonstrations, and discussions, either oral or in writing or both, may be conducted for clarification to assure full understanding of, and responsiveness to, the solicitation requirements with one (1) or more responsible proposers who submit proposals determined by the purchasing agent to be reasonably susceptible of being selected. The request shall set forth the date, time, and place for submission of proposals.

(d) Opening of Proposals. Competitive sealed proposals must be opened in a manner that avoids disclosure of the contents to competing proposers during the negotiation. The proposals and all related materials must be open for public inspection after, but not before, the intent to award the contract to a particular proposer is announced.

(e) Discussions with Responsive Proposers and Revisions to Proposals. After receipt by the city of a proposal, interviews, presentations, demonstrations, and discussions, either oral or in writing or both, may be conducted for clarification to assure full understanding of, and responsiveness to, the solicitation requirements with one (1) or more responsible proposers who submit proposals determined by the purchasing agent to be reasonably susceptible of being selected. The proposers must be accorded fair and equal treatment with respect to an opportunity for an interview, presentation, demonstration, discussion, or revision of proposals, both as to the particular goods or services to be furnished and the price thereof. In order to permit the city to obtain

the best offers of proposers, revisions may be permitted after submission and before the intent to award to a particular proposer is announced. In conducting interviews, presentations, demonstrations, or discussions, the purchasing agent and other municipal personnel shall not disclose to a proposer during the negotiations information derived from proposals submitted by competing proposers. Nothing contained herein shall preclude the city from conducting conferences or otherwise communicating with all parties who may be interested in responding to a proposal prior to the time that proposals are to be received.

(f) Best and final offers. If interviews, presentations, demonstrations, or discussions are conducted, the purchasing agent shall issue a written request for best and final offers. The request shall set forth the date, time, and place for submission of best and final offers. Best and final offers shall be requested only once, unless the purchasing agent makes a written determination that it is advantageous to the city to conduct further discussion or clarify the city's requirements. The request for best and final offers shall inform proposers that, if they do not submit a notice of withdrawal or a best and final offer, their latest written offer will be construed as their best and final offer. Nothing contained herein shall preclude the Board from rejecting all proposals and thereafter requesting new proposals.

(g) Award. The award shall be made to the responsible proposer whose proposal the Board determines is the most advantageous to the city, taking into consideration price and the evaluation factors set out in the request for competitive sealed proposals. No other factor may be used in the evaluation. The purchasing agent shall place in the contract file a statement containing the basis on which the award was made. Bid results, awards, and award cancellations shall be published on the City's website.

(h) Protest. In the event that any proposer to a request for competitive sealed proposals is aggrieved by the decision of the city, such aggrieved proposer may protest the intended award to another proposer if the protest is filed within seven (7) days after the intended award is announced. The protest must be filed with the Board in care of the City Administrator of the city and shall be promptly decided by the Board. The purchase shall not be finalized, and work may not commence until the Board has reviewed and made a decision on the protest.

(i) No Conflict with Other Laws. Nothing contained herein is intended to change the authority of the city with respect to contracting for professional services in accordance with the applicable laws of the state of Tennessee. (Ord. 2023-18, Sept. 2023)

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 (½) 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

PROPERTY TAX FREEZE PROGRAM

SECTION

- 5-301. Program established.
- 5-302. Implementation and administration
- 5-303. Filing of ordinance.
- 5-304. Application and eligibility agent.

5-301. **Program established.** The property tax freeze program is provided for in Tennessee Code Annotated, Section 67-5-705 and as adopted by the Board of Mayor and Aldermen.

5-302. **Implementation and administration.** The property tax freeze program shall be implemented and administered in accordance with Tennessee Code Annotated Section 67-5-705 and the rules promulgated by the State Board of Equalization through the Division of Property Assessments.

5-303. **Filing of ordinance.** The City Recorder shall file a copy of this ordinance with the Division of Property Assessments within forty-five (45) days of its adoption.

5-304. **Application and eligibility agent.** The City may authorize and appoint the Sumner County Trustee to act as its agent for receiving applications and determining eligibility for its tax freeze program. (Ord. # 2008-22, October 2008)

CHAPTER 4**PRIVILEGE TAXES****SECTION**

5-401. Tax levied.

5-402. License required.

5-401. 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)

5-402. 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 5**WHOLESALE BEER TAX****SECTION**

5-501. To be collected.

5-501. 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 6.² (Ord. #1970-2, Jan. 1970, Ord. 2002-26, July, 2002)

²State 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 6

ALCOHOLIC BEVERAGE TAX

SECTION

- 5-601. Tax levied.
- 5-602. Due and payable.
- 5-603. Definitions, terms, and conditions.

5-601. 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) 25 seats.....550
 - (b) 75-125 seats.....600
 - (c) 126-175 seats.....750
 - (d) 176-225 seats.....800
 - (e) 226-275 seats.....900
 - (f) 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, Ord. 2020-36, October 2020)

5-602. 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)

5-603. 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)