

TITLE 5**MUNICIPAL FINANCE AND TAXATION**¹**CHAPTER**

1. MISCELLANEOUS.
2. TAXATION.
3. HOTEL/MOTEL TRANSIENT OCCUPANCY PRIVILEGE TAX.

CHAPTER 1**MISCELLANEOUS****SECTION**

- 5-101. Purchasing policy.
- 5-102. Authority to make purchases and negotiate contracts.
- 5-103. Financial reports.
- 5-104. Recorder to approve accounting methods.
- 5-105. Duties of city treasurer generally.
- 5-106. Treasurer to collect accounts and receive payments.
- 5-107. Cash receipts.
- 5-108. City officers to turn money over to treasurer.
- 5-109. Daily reports of collections.
- 5-110. Delinquent accounts.
- 5-111. Depositories designated.
- 5-112. Bank deposits.
- 5-113. Annual audit.
- 5-114. Disbursements--generally.
- 5-115. Appropriations for payment of officers and employees.

¹Charter references

Budget and appropriations: art. XVII.

City manager: art. IX.

Departments: art. XVIII.

Recorder as finance officer: art. XII.

Sinking fund: art. XVI.

State law references

Fiscal affairs: Tennessee Code Annotated, § 6-56-101, et seq.

Municipal Budget Law of 1982, Tennessee Code Annotated, § 6-56-201, et seq.

- 5-116. Labor payrolls.
- 5-117. Purchasing--informal bidding.
- 5-118. Purchasing--when public advertising, etc., required.
- 5-119. Notes payable.
- 5-120. City bonds--in treasury.
- 5-121. City bonds--hypothecation.
- 5-122. Procedure for paying contractors on estimates of city engineer.
- 5-123. Preparation of annual departmental budgets.

5-101. Purchasing policy. There is hereby adopted and incorporated by reference and made a part of this chapter, as fully and completely as those set forth verbatim herein, a purchasing policy and purchasing manual for the City of Johnson City, Tennessee, which are appended to Ordinance #3165,¹ as Exhibits "A" and "B," respectively, and which documents, as supplemented, shall constitute the purchasing policy of the City of Johnson City. (Ord. #3165, Nov. 1993)

5-102. Authority to make purchases and negotiate contracts.

(1) The city manager shall have the power to procure all supplies and to negotiate all contracts for departments under his control, including the fire and police departments. No contract negotiated by the city manager shall be binding upon the city until the same has been approved and signed by the mayor and countersigned by the recorder, and no contract covering a greater sum than two thousand dollars (\$2,000.00) shall be binding upon the city until approved and confirmed by the board; provided further, that the city manager shall issue written orders, in duplicate, for all materials and supplies purchased by him, the original to be delivered to the person from whom the purchase is made.

(2) In accordance with section 45.8 of the Charter of the City of Johnson City, the city manager be and is hereby authorized to expend funds in his discretion without specific authorization of the board of commissioners, not to exceed the maximum sum of fifty thousand dollars (\$50,000).

(3) The threshold over which public advertisement and sealed competitive bids or proposals are required shall be twenty-five thousand dollars (\$25,000.00) for nonemergency, nonproprietary purchases. At least three (3) written quotations shall be required whenever possible for purchases costing between ten thousand dollars (\$10,000.00) and twenty-five thousand dollars (\$25,000.00). Purchases of like items shall be aggregated for purposes of the bid threshold. The city manager, as purchasing agent, or his designated purchasing director, are authorized to make purchases as specified herein pursuant to Tennessee Code Annotated, § 12-3-1212 and the charter of the City of Johnson

¹Ord. #3165, Nov. 1993, Exhibits "A" and "B" are available in the office of the city recorder.

City. (1985 Code, § 2-62, as amended by Ord. #3724, Nov. 1999, Ord. #4437-12, Feb. 2012, Ord. #4593-15, Nov. 2015, and Ord. #4707-19, Nov. 2019 *Ch12_6-20-20*).

(4) The city manager shall have authority to enter into binding contracts on behalf of the City, without board of commission approval, for routine matters and matters having insubstantial long-term consequences. The matters for which the city manager's authority extends shall consist of all contracts, purchases, and agreements, which include binding terms and conditions on behalf of the City. The disposition of real property or authority to enter litigation shall be excluded from this section. For the purposes of defining insubstantial long-term consequences, the definitions set forth in Tenn. Code Ann. §6-19-104(f) shall be controlling.

5-103. Financial reports. It shall be the duty of the city manager to render to the board of commissioners reports on the current fiscal condition of each city department, in such form and at such times as may be required by the board. (1985 Code, § 2-63)

5-104. Recorder to approve accounting methods. All departments or officers of the city charged with the collection or disbursement of money shall keep their books and accounts in such manner as shall be approved by the recorder. (1985 Code, § 2-80)

5-105. Duties of city treasurer generally. (1) It shall be the duty of the city treasurer to collect and receive all rents which may be due the city. He shall proceed forthwith to collect all accounts and bills which may be delivered to him for collection, and in any case in which he may be unable to obtain an immediate settlement of a bill or account, he shall report the same to the city attorney for collection.

(2) The city treasurer shall open a public property book, in which he shall enter each piece of property belonging to the city, properly indexed, and when a revaluation is made, shall credit or debit each piece of property with all changes in value.

(3) The city treasurer shall make up his account to the thirtieth day of June, inclusive, and the fiscal year shall begin on the first day of July of each year.¹ (1985 Code, § 2-81)

5-106. Treasurer to collect accounts and receive payments. It shall be the duty of the city manager and all officers of the city to deliver to the city treasurer, for collection, all bills and accounts against persons indebted to the city, and no head of department or officer of the city shall receive payment of any such bill or account. The receipt of the city treasurer shall be deemed the only sufficient and valid discharge of debts due the city; provided, however, that nothing contained in this section shall affect the collection of bills of the water and sewer department, or of the other bills or charges of officers of the city, in pursuance of the provisions of law. (1985 Code, § 2-82)

5-107. Cash receipts. Each employee authorized to receive cash for the city shall, at the time of receiving it, issue to the person paying, a receipt written

in indelible pencil upon a printed receipt form furnished by the city recorder. By the use of a carbon sheet an exact copy of such receipt shall be retained upon the sheet provided for that purpose, such receipts to remain in the bound book of receipt forms until the book is exhausted or until the duplicates are desired for checking the accounts, when all shall be turned over to the recorder, taking his receipt therefor. The following shall govern the preparation of receipt forms. The original, duplicate and, where a third is used, the triplicate forms shall be numbered consecutively by the printer. All receipt forms shall be made into bound books bound economically, with perforations on the originals except the forms provided for property tax, paving assessments, water consumers' bills and for any other class of revenue for which a subsidiary ledger or register, operated under a controlling account in the general ledger, is provided. In the case of receipt forms for collections of the latter classes, instead of the book forms, the receipts may be looseleaf, but numbered by the printer as provided above. All such looseleaf receipts shall be made in three (3) sections, separated by perforations, and shall be made up as follows: First section, office record of collection; second section, receipt for payer, printed in red; third section, notice to be mailed to payer when account is about to become payable. The first and third sections shall be printed in black. After detaching the "notice" portion, the two (2) remaining portions shall be filed, without separation, in a drawer under alphabetical indices until payment is made. In completing the receipt at the time of payment, the amount received, the date and the name of the collector shall be shown on the red portion, retaining an exact copy by the use of carbon. A serial number indicating the order of the payment of such items shall be endorsed upon both copies of all such receipts. The office record portions shall be retained until the accounts are audited, when they shall be turned over to the recorder for filing. Both the original and duplicate of all receipts, in either looseleaf or book form, which may be spoiled shall be marked "spoiled" and turned in to the recorder with the next report, noting same upon the report. (1985 Code, § 2-83)

5-108. City officers to turn money over to treasurer. All city officers who, in their official capacity, receive any money on behalf of the city, shall forthwith pay the same to the treasurer, accompanied by a statement of the purposes for which the same was received. (1985 Code, § 2-84)

5-109. Daily reports of collections. (1) Each department or employee authorized to collect cash for the city shall render a daily report of collections to the recorder. Such report forms shall be furnished in duplicate sheets, numbered by the printer, the original to be separated by perforations and filed with the recorder, the duplicate to be retained by the maker, upon which duplicate the recorder shall acknowledge receipt of the amount remitted, and shall show such receipt by the number thereon, in making up his own daily report.

¹Charter reference
Fiscal year: § 83.

(2) Such report blanks shall be furnished by the recorder, in book form. Collectors shall show thereon each item collected, giving the class of revenue, the receipt number, the name of the payer and the amount collected.

(3) The recorder shall prepare and file a daily report along the same lines.

(4) At the discretion of the recorder-treasurer, any department whose monthly collections average one thousand dollars (\$1,000.00) or more may be required by the officer to whom such department reports collections, to make daily deposits directly in one (1) of the designated depositories, turning in with his daily report to the recorder-treasurer, a duplicate deposit ticket, initialed by the receiving teller of such depository, evidencing the receipt of the deposit. (1985 Code, § 2-85)

5-110. Delinquent accounts. (1) The city attorney shall take such steps as he deems necessary to collect delinquent accounts certified as such by the city manager.

(2) All delinquent tax accounts on real estate and public utilities shall be certified in accordance with the city charter.¹ (1985 Code, § 2-86)

5-111. Depositories designated. The board of commissioners does hereby designate the Hamilton Bank, the Commerce Union Bank, the First Tennessee Bank, the First American National Bank--Eastern and Tri City Bank and Trust Company, with a branch office in the city, as official depositories for any and all funds which are now or which hereafter come into the hands of the recorder-treasurer by virtue of his office. (1985 Code, § 2-87)

5-112. Bank deposits. (1) The following rules shall govern the making of bank deposits to the credit of the city; deposit tickets shall be made in triplicate, one (1) copy each for the bank, the city treasurer and the department making the deposit. Deposits shall be made daily covering collections for the previous day. On deposit tickets, each check shall be listed separately, showing the name of the drawer. All checks received shall be deposited, never cashed. Endorsements of checks shall be substantially in the form shown below, preferably by rubber stamp:

“For deposit in _____ Bank
To the credit of the City of Johnson City, Tennessee,
Treasurer, _____.”

¹Charter references

Collection of delinquent taxes and assessments: § 55, et seq.

All deposits shall be made in the name of the "City of Johnson City, Tennessee."

(2) Employees are forbidden to pay out cash on checks presented, except vouchers or payroll checks of the city's own issue. Any check returned by a bank, and charged to the city's account, shall be handled by the treasurer with the department accepting the check. The receipt given in exchange for a check dishonored by the bank shall be canceled automatically, and the collection of the account shall be proceeded with as though no check had been tendered. (1985 Code, § 2-88)

5-113. Annual audit. At the close of each fiscal year the board of commissioners shall within a reasonable time cause an adequate audit to be made for the preceding year, and for this purpose it may employ a certified public accountant, or firm of certified public accountants; or the board of commissioners may employ a certified public accountant or firm of certified public accountants to make a continuing audit, and a final report at the end of the fiscal year. Such audits shall cover the accounts of each officer and employee whose duties embrace the receipt or disbursement of cash for all departments of the city, and the scope of such audits shall be set forth in audit specifications prescribed by the board.¹ (1985 Code, § 2-89)

5-114. Disbursements--generally. (1) Cash disbursements shall be made by voucher drawn by the city recorder upon the city treasury, after the account has been ordered paid by the board of commissioners. This shall not, however, diminish the authority vested in the city recorder; providing, that the city manager's weekly labor payrolls, the salaries of the city officials elected by the voters and by the board of commissioners, the interest coupons matured and presented for redemption, freight settlements, postage and similar items may, at the discretion of the city manager and recorder, be covered by vouchers issued as required, and such action reported in detail to the board at the first regular meeting after the end of that month, and asking for the adoption of a resolution ratifying such action.

(2) At the close of the month, the city manager shall prepare a summary of account of each person furnishing material or services upon his order or upon a contract authorized by the board of commissioners, for the month. Such summary shall show the invoice date, the city manager's order

¹State law reference

Fiscal affairs: Tennessee Code Annotated, § 6-56-101 et seq.

number and the amount of invoice with the month's total, and shall have attached thereto the original invoices rendered by the creditor. Freight allowances and discounts shall be deducted first. At the first regular meeting of the board in the month following that covered by the summaries, all such bills shall be presented to the board for approval. Any accounts incurred by the recorder, under the authority given him by the charter, this code and other ordinances, shall be similarly handled, after approval of the recorder is endorsed thereon.

(3) In case of any account not being covered by an invoice from the creditor, the city manager or the recorder shall show upon his summary a full description of the account.

(4) The vouchers used for disbursements shall consist of three (3) portions: Check portion, or cash voucher, original; audit portion for recorder, duplicate; advice sheet for treasurer, triplicate (while the recorder and treasurer are one and the same person the use of the triplicate is unnecessary). Each portion shall be numbered by the printer. The check portion shall be made upon safety ruled paper. (1985 Code, § 2-101)

5-115. Appropriations for payment of officers and employees. All officers and persons in the service of the city shall be paid from the appropriation for the department in which they are employed. (1985 Code, § 2-102)

5-116. Labor payrolls. Weekly labor payrolls shall be prepared under the supervision of the city manager upon such forms and in such manner as may be approved by the board of commissioners. (1985 Code, § 2-103)

5-117. Purchasing--informal bidding. The purchasing agent of the city in making purchases in excess of one hundred dollars (\$100.00) and under two thousand dollars (\$2,000.00), shall buy merchandise in a competitive manner, that is, by calling for prices or bids either by phone or on the regular bid forms now being used by the city, from merchants and business houses within the city and outside the city, and awarding the business to the low bidder after both quality and price have been considered. The purchasing agent shall record such competitive prices on the requisition of such material as a matter of record. (1985 Code, § 2-104)

5-118. Purchasing--when public advertising, etc., required. No purchase exceeding two thousand dollars (\$2,000.00) shall be made by the purchasing agent unless bids shall have been requested through public advertisement and award made to the lowest responsible bidder, with price and quality of merchandise considered. (1985 Code, § 2-105)

5-119. Notes payable. (1) Loans which the board of commissioners authorizes its officers to procure, and renewals of these already existing, shall be evidenced by notes executed in the name of the city by the mayor, attested by the recorder. All notes shall be numbered consecutively, and a renewal shall show upon its faces "City Note No. ." Those notes authorized to be further secured by a pledge of bonds or other collateral shall show in the body thereof a full description of such pledges. The recorder shall retain a carbon copy of each note given in the city's name, which shall be attached, after registration in the city's bill book, to the deposit ticket evidencing the banking of the proceeds, in the case of new loans, and to the journal voucher carrying the entry recording the renewal in the case of renewal of loans. Deposit tickets shall show the full amount of notes cashed, and the discount being covered by a voucher.

(2) A note in the hands of an innocent purchaser being good for the face value thereof, it shall be the duty of the recorder carefully to endorse upon the back of a note any partial payments made thereon. For the same reason, the practice of renewing notes by placing renewal endorsements, upon the one matured, is forbidden, as a failure to endorse the payment of interest upon a note renewed by endorsement might, in the case of loans procured from individuals not maintaining an accounting system, subject the city to loss by having to pay such interest twice. (1985 Code, § 2-106)

5-120. City bonds--in treasury. (1) Upon the passage of an ordinance authorizing the issuance of bonds, the recorder shall place an order for their preparation in conformity with the provisions of the ordinance. Immediately upon their receipt the mayor and recorder shall sign and seal them in the presence of an officer of one of the local national banks, and shall execute a certificate showing that they, in their official capacities, on a given date, executed certain bonds, describing them by name of issue and numbers of bonds, acknowledging execution of such certificate either before the bank officer witnessing the execution of the bonds or before a notary public, as preferred by the purchasers of the bonds. The bonds, with such certificate, shall then be turned over to the city treasurer whose receipt shall be taken unless he is the same person as the recorder, and shall be placed by him in a safe deposit vault pending further directions of the board of commissioners.

(2) The recorder shall attach such receipt to a journal voucher carrying an entry: "Bonds in Treasury to Bonds Payable." When bonds are delivered, the treasurer shall record the individual numbers of the bonds delivered and the value of each and of the interest accrued thereon at the date of delivery.

(3) If bonds are sold for cash, the general cash book shall show a credit to the account of "Bonds in Treasury," and to the proper interest account if there is interest accrued at the date of delivery.

(4) If bonds are delivered on account of work done under contract, such transactions shall be recorded by a journal entry debiting the contractor and crediting bonds in the treasury and the appropriate interest account.

(5) A register, showing the details of each issue of bonds, deliveries thereof and of redemptions, shall be kept by the recorder.¹ (1985 Code, § 2-107)

5-121. Purchasing-hypothecation. (1) Upon the adoption of a resolution by the board of commissioners authorizing the mayor and recorder to pledge certain of the city's bonds then in the treasury, as collateral security to notes authorized, the mayor and recorder shall take duplicate receipts of the pledgee, fully describing the bonds pledged, one copy of which shall be attached to the journal voucher carrying the entry, "Bonds Hypothecated to Bonds in Treasury."

(2) At the time of delivery of such bonds, and thereafter as coupons reach maturity, all matured interest coupons shall be detached and endorsed, "Canceled, Not Purchased." (1985 Code, § 2-108)

5-122. Procedure for paying contractors on estimates of city engineer. (1) The monthly estimate sheets of the city engineer, showing amounts due contractors by the city, shall be attached to the audit voucher covering payment, when payment is made in cash. When payment is made in bonds, or deferred until the completion of the work, the estimate sheet shall be attached to the journal voucher carrying an entry: "Asset Account or Expense Account to Contractor." When settlement with such contractor is made, the contractor's account shall be debited, crediting cash or bonds in treasury (and the proper interest fund if there is interest accrued on the bonds delivered).

(2) The practice of passing out bonds to contractors in payment for work covered by the engineer's estimates without a record of such transactions appearing upon the books of account is positively forbidden. (1985 Code, § 2-109)

5-123. Preparation of annual departmental budgets. Every board or officer of the city in charge of a department shall, annually, on or before April tenth, send to the city manager an estimate, in detail, of the appropriation which will be needed to meet the expenditures to be incurred by such board or officer during the succeeding fiscal year, and also an estimate of all income to be received from any source by such board or officer during such year.² (1985 Code, § 2-110)

¹Charter reference
City bonds: art. XV.

²Charter reference
Budget and appropriations: art. XVII.

CHAPTER 2

TAXATION¹

SECTION

- 5-201. Basis; exemptions generally.
- 5-202. Due date.
- 5-203. [Repealed.]
- 5-204. Penalty for late payment.
- 5-205. Back assessments or reassessments.
- 5-206. Telephone or telegraph pole tax.
- 5-207. Central business improvement district.
- 5-208. Purpose.
- 5-209. Tax levy authorized.
- 5-210. Board of assessment created; members.

5-201. Basis; exemptions generally. All property, real, personal and mixed, subject to the state and county taxes, when the same shall have been duly assessed for taxation as now or as may be provided by law, shall be the basis upon which property shall be taxed and taxes collected by the city for municipal purposes, as provided in this chapter, but all property or persons exempted from taxation by the general laws of the state, and all property belonging to the city, shall be exempt from taxation by the city.² (1985 Code, § 22-1)

¹Charter references

Recorder and taxation: art. XI.

Taxation and revenue: art. XIII.

State law references

County boards of equalization: Tennessee Code Annotated, § 67-5-1401, et seq.

Property taxes: Tennessee Code Annotated, § 67-5-101, et seq.

Real property tax deferral: Tennessee Code Annotated, § 7-64-101, et seq.

Taxing powers generally: Tennessee Code Annotated, § 6-55-101, et seq.

²State law reference

Tax exemptions: Tennessee Code Annotated, § 67-5-201, et seq.

5-202. Due date. September first of each year shall be the due and payable date of the current year's taxes.¹ (1985 Code, § 22-2)

5-203. [Repealed.] (1985 Code, § 22-3, as repealed by Ord. #4501-13, Aug. 2013)

5-204. Penalty for late payment. A penalty of one and one-half (1 ½) percent upon all taxes remaining unpaid after December thirty-first shall be imposed and collected by the city as authorized in the city charter for the month of January; and an additional penalty of one and one-half (1 ½) percent shall be added for each month thereafter until paid; and interest at one (1) percent per annum above the prime rate in the city, as described in the city charter, shall be imposed and collected by the city from January first year on all delinquent taxes.² (1985 Code, § 22-4)

5-205. Back assessments or reassessments. Back assessment or reassessment of property shall be made when authorized and in the same manner prescribed by Tennessee Code Annotated, § 67-1-1001 et seq. The city recorder is given the duties which said law imposes upon county court clerks, county trustees, the county executives or chairmen of county courts, and collectors of taxes. The city attorney is given the duties which said law imposes upon county attorneys. (1985 Code, § 22-5)

5-206. Telephone or telegraph pole tax. (1) Each person owning or maintaining a telephone or telegraph pole located on or along the public streets of the city shall pay a tax of twenty-five cents (\$.25) on each telephone or telegraph pole so located.

(2) Each person owning or maintaining telephone or telegraph poles located on or along the public streets of the city shall notify, in writing, the recorder of the city when an additional pole is erected and when a pole is dispensed with.

(3) The proceeds derived from the enforcement of this section shall be for the use and benefit of the city and shall go into the general fund of the city.

(4) The tax levied by this section shall be payable in advance on the first day of August of each year; and if not paid within thirty (30) days from August first, of the year in which such tax became due and payable, a distress

¹Charter reference

Due date of taxes: §§ 51, 54.

²Charter reference

Penalty for delinquency: § 53.

warrant shall be issued by the city recorder to enforce the collection of such taxes.

(5) The tax levied in this section shall not apply to mutual home telephone companies not operated for profit. (1985 Code, § 22-6)

5-207. Central business improvement district. (1) Created; boundaries. Pursuant to the powers granted by Tennessee Code Annotated, title 7, chapter 84, there is hereby created for a period of five (5) years the Johnson City Central Business Improvement District, to contain and include all of the properties within the area herein described: Beginning at a point in the centerline of East Market Street as it intersects with the centerline of Colonial Way; thence in a southeasterly direction along the centerline of Colonial Way a distance of 580.0 feet to a point in the centerline of State of Franklin Road; thence in a southwesterly direction along the centerline of State of Franklin Road a distance of 1312.5 feet to a point in the centerline of Wilson Avenue extended; thence in a westerly direction along the centerline of Wilson Avenue a distance of 922.0 feet to a point in the centerline of Boone Street; thence in a northerly direction along the centerline of Boone Street a distance of 718.0 feet to a point in the centerline of an alley extended from the Little and Horner Subdivision; thence in an easterly direction along the centerline of said alley a distance of 348.5 feet to a point in the centerline of McClure Street; thence in an easterly direction a distance of 12.5 feet to the northwesterly corner of N. Taubman; said point being in the easterly right-of-way line of McClure Street and a distance of 108.0 feet from its intersection with the northerly right-of-way line of West Market Street; thence in an easterly direction along the northerly lines of N. Taubman, and L. Farmer, a distance of 186.1 feet to a point in the westerly right-of-way line of Commerce Street; thence in an easterly direction across the right-of-way line of Commerce Street a distance of 41.0 feet to a point in the easterly right-of-way line of Commerce Street, said point also being the northwesterly corner of the R. Carter et al. property; thence in an easterly direction along the northerly line of the R. Carter et al. property a distance of 125.0 feet to a point, said point being the northeasterly corner of the R. Carter et al. property; thence in an easterly direction along the northerly line of R. Carter et al. property extended as distance of 168.5 feet to a point in the centerline of East Market Street; thence in a northeasterly direction along the centerline of East Market Street a distance of 912.0 feet to the point of beginning. (1985 Code, § 22-7)

5-208. Purpose. The purpose of the Johnson City Central Business Improvement District shall be the financing of a central business district management organization, either "in-house" or a professional consultant, to manage, coordinate and improve the commercial operations in the central business district, to recruit new business interests, to fill vacant buildings, to improve the commercial mix within the central business district, to encourage

building improvements and new construction and to support such other public or private improvements as would better the commercial viability and vitality of the Johnson City Central Business District. The estimated cost of such operation is fifty thousand dollars (\$50,000.00) per year. (1985 Code, § 22-8)

5-209. Tax levy authorized. It is hereby authorized that all properties, except those exempt from taxation, contained within the Johnson City Central Business Improvement District shall be levied an additional assessment sufficient in amount to raise fifty thousand dollars (\$50,000.00) per year for five (5) years or for a shorter period of time should the district be properly dissolved before five (5) years. In no case shall the assessment on any property for the life of the district exceed fifteen (15) percent of the assessed value of the property and the improvements thereon. Said assessment shall be collected at least annually but may be collected as often as quarterly. (1985 Code, § 22-9)

5-210. Board of assessment created; members. There is hereby created the Johnson City Central Business Improvement District board of assessment commissioners to consist of five (5) citizens of the city, none of whom shall be interested in any property contained within the described district. Members of the board shall be appointed by the board of commissioners, shall be at least thirty (30) years of age and shall serve without compensation. It shall be the duty of this board to determine the amount of assessment on each property and to ascertain and award damages and compensation to property owners. (1985 Code, § 22-10)

CHAPTER 3

HOTEL/MOTEL TRANSIENT OCCUPANCY PRIVILEGE TAX¹

SECTION

- 5-301. Definitions.
- 5-302. Levied.
- 5-303. Collected by operator; refund.
- 5-304. Tax advertised as being absorbed, etc.
- 5-305. Remittance of tax to city.
- 5-306. Delinquency.
- 5-307. Collection; disposition of funds.
- 5-308. Operator's and treasurer's responsibilities.
- 5-309. Powers of treasurer; taxpayer's remedies.
- 5-310. Records preserved.

5-301. Definitions. As used in this chapter, unless the context otherwise requires:

(1) "Consideration" means the consideration charged, whether or not received, for the occupancy in a hotel and/or short-term rental 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 complimentary from the operator and no consideration is charged to or received from any person.

(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 inn, tourist camp, tourist court, 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) "Operator" means the person operating the hotel and/or short-term rental whether as owner, lessee or otherwise.

(5) "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint-stock company, corporation, estate, trust, receiver, trustee, syndicate or any other group or combination acting as a unit.

¹State law reference

Hotel occupancy tax: Tennessee Code Annotated, § 67-4-1401, et seq.

(6) "Short-Term Rental Property (STRP) means a residential dwelling unit that is used and/or advertised for transient occupancy. The residence can be owner-occupied, on a lot with an owner-occupied residence, or not owner-occupied. A rental that lasts between one (1) and eighty-nine (89) days is considered short term.

(7) "Transient" means any person who exercises occupancy or is entitled to occupancy for any rooms, lodgings or accommodations in a hotel and/or short-term rental for a period of fewer than ninety (90) continuous days. (1985 Code, § 22-27, as amended by Ord. #4715-19, Dec. 2019 ***Ch12_6-20-20***)

5-302. Levied. There is hereby levied, assessed, and imposed and shall be paid and collected a privilege tax upon the privilege of occupancy in any hotel and/or short-term rental of each transient in an amount equal to seven percent (7%) of the consideration charged by the operator. Of this seven percent (7%) privilege tax, two percent (2%) received by the City of Johnson City shall be used solely for tourism. Such tax is a privilege tax upon the transient occupying such room and is to be collected as provided by this chapter. (Ord. #2823, June 1989, as replaced by Ord. #4580-15, June 2015, and amended by Ord. #4715-19, Dec. 2019 ***Ch12_6-20-20***)

5-303. Collected by operator; refund. (1) The tax levied in this chapter shall be added by each operator to each invoice prepared by the operator for the occupancy in his hotel and/or short-term rental and shall be given directly or transmitted to the transient and shall be collected by such operator from the transient and remitted to the city.

(2) When a person has maintained occupancy for ninety (90) continuous days, he shall receive from the operator a refund or credit for the tax previously collected from or charged to him, and the operator shall receive credit for the amount of such tax if previously paid or reported to this city. (1985 Code, § 22-29, as amended by Ord. #4715-19, Dec. 2019 ***Ch12_6-20-20***)

5-304. Tax advertised as being absorbed, etc. No operator of a hotel and/or short-term rental 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 not be added to the rent, or that if added, any part will be refunded. (1985 Code, § 22-30, as amended by Ord. #4715-19, Dec. 2019 ***Ch12_6-20-20***)

5-305. Remittance of tax to city. The tax levied in this chapter shall be remitted by all operators who lease, rent or charge for occupancy within a hotel and/or short-term rental in the city to the city treasurer, such tax to be remitted to such officer no later than the twentieth day of each month for the preceding month. The operator is required to collect the tax from the transient at the time of the presentation of the invoice for such occupancy, whether prior

to occupancy or after occupancy as may be the custom of the operator, and if credit is granted by the operator to the transient, then the obligation to the city for such tax shall be that of the operator. (1985 Code, § 22-31, as amended by Ord. #4715-19, Dec. 2019 *Ch12_6-20-20*)

5-306. Delinquency. Taxes under this chapter, collected by an operator, which are not remitted to the city treasurer 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 twelve (12) percent per annum, and in addition, a penalty of one (1) percent for each month or fraction thereof such taxes are delinquent. Such interest and penalty shall become a part of the tax. Each occurrence of willful refusal of an operator to collect or remit the tax or willful refusal of an operator to collect or remit the tax or willful refusal of a transient to pay the tax imposed is declared to be unlawful and shall be punishable upon conviction by a fine not in excess of fifty dollars (\$50.00). (1985 Code, § 22-32)

5-307. Collection; disposition of funds. The city treasurer is hereby charged with the duty of collection of the tax levied in this chapter and shall place the proceeds of such tax in the municipal general fund. (1985 Code, § 22-33)

5-308. Operator's and treasurer's responsibilities. A monthly tax return under oath shall be filed with the city treasurer by the operator with such number of copies thereof as the city treasurer may reasonably require for the collection of such tax. The report of the operator shall include such facts and information as may be deemed reasonable for the verification of the tax due. The form of such report shall be developed by the city treasurer and approved by the board of commissioners prior to use. The city treasurer shall audit each operator in the city at least once per year and shall report on the audits made on a quarterly basis to the board of commissioners. (1985 Code, § 22-34)

5-309. Powers of treasurer; taxpayer's remedies. (1) The city treasurer, in administering and enforcing the provisions of this chapter, shall have those powers and duties with respect to collecting taxes as are provided in Tennessee Code Annotated, title 67, or otherwise provided by law for county clerks.

(2) Upon any claim of illegal assessment and collection, the taxpayer shall have the remedy provided in Tennessee Code Annotated, § 67-1-901 et seq., it being the intent of this chapter that the provisions of law which apply to the recovery of state taxes illegally assessed and collected shall also apply to the tax levied under the authority of this chapter. The city treasurer shall also possess those powers and duties provided in Tennessee Code Annotated, § 67-1-707(b), for county clerks with respect to the adjustment and settlement with taxpayers of all errors of taxes collected by him under authority of this

chapter and to direct the refunding of same. Notice of any tax paid under protest shall be given to the city treasurer and any suit may be brought for recovery of such tax paid under protest by filing the same against the city recorder-treasurer. (1985 Code, § 22-35)

5-310. Records preserved. It shall be the duty of every operator liable for the collection and payment to the city of the tax levied by this chapter to keep and preserve for a period of three (3) years all records as may be necessary to determine the amount of such tax as he may have been liable for the collection of and payment to this city, which records the city treasurer shall have right to inspect at all reasonable times. (1985 Code, § 22-36)