The Tennessee City Recorder

Ronnie Neill
Municipal Technical Advisory Service, Ronnie.Neill@tennessee.edu

Follow this and additional works at: http://trace.tennessee.edu/utk_mtaspubs

Part of the Public Administration Commons

The MTAS publications provided on this website are archival documents intended for informational purposes only and should not be considered as authoritative. The content contained in these publications may be outdated, and the laws referenced therein may have changed or may not be applicable to your city or circumstances.
For current information, please visit the MTAS website at: mtas.tennessee.edu.

Recommended Citation
http://trace.tennessee.edu/utk_mtaspubs/201

This Report is brought to you for free and open access by the Municipal Technical Advisory Service (MTAS) at Trace: Tennessee Research and Creative Exchange. It has been accepted for inclusion in MTAS Publications: Full Publications by an authorized administrator of Trace: Tennessee Research and Creative Exchange. For more information, please contact trace@utk.edu.
The Municipal Technical Advisory Service (MTAS) was created in 1949 by the state legislature to enhance the quality of government in Tennessee municipalities. An agency of the University of Tennessee Institute for Public Service, MTAS works in cooperation with the Tennessee Municipal League and affiliated organizations to assist municipal officials.

By sharing information, responding to client requests, and anticipating the ever-changing municipal government environment, MTAS promotes better local government and helps cities develop and sustain effective management and leadership.

MTAS offers assistance in areas such as accounting and finance, administration and personnel, fire, public works, law, ordinance codification, and wastewater management. MTAS houses a comprehensive library and publishes scores of documents annually.

MTAS provides one copy of our publications free of charge to each Tennessee municipality, county and department of state and federal government. There is a $50 charge for additional copies of “The Tennessee City Recorder.”

Photocopying of this publication in small quantities for educational purposes is encouraged. For permission to copy and distribute large quantities, please contact the MTAS Knoxville office at (865) 974-0411.
TABLE OF CONTENTS

INTRODUCTION .......................................................... 1
  The City Recorder in Municipal Government ..................... 1
  Forms of Municipal Government in Tennessee ................... 1
  Duties of City Recorder ............................................. 2
  Organizational Chart of Your City ................................ 2

LEGISLATIVE ASSISTANCE AND RECORDS CONTROL ............ 3
  Recording Actions of the Council ................................ 3
  Guardian of City Records ......................................... 4
  Miscellaneous Duties of the City Recorder ...................... 5

TAXES AND ISSUANCE OF LICENSES ................................. 6
  Setting Up the Current Tax Files .................................. 8
  Receiving Payment of Current Taxes ............................... 9
  Partial Payment of Taxes ........................................... 10
  Processing Tax Rebates ............................................ 10
  Effect on Taxes of the Agricultural, Forest, and Open Space Land Act of 1976 ...................................................... 11
  Payments in Lieu of Taxes .......................................... 12
  Local Utility in Lieu Tax ............................................ 12
  The Importance of Collecting Delinquent Taxes ................. 12
  Receiving Payment of Delinquent Taxes .......................... 13
  Providing for Tax Sales ............................................. 13
  Correcting the Tax Roll ............................................ 13
  Reappraisal of Property—Certified Tax Rate ..................... 13
  Business Tax ....................................................... 14
  Detailed Procedures for New Business ........................... 15
  Renewal of Business Licenses and Payment of Gross Receipts Tax ......................................................... 15
  Reports to Commissioner of Revenue .............................. 16
  Detailed Procedures for Issuance of a Beer License ............. 17
  Detailed Procedures for Collection of the Wholesale Beer Tax .......................................................... 18
  Consumption of Alcoholic Beverages on Premises ............... 20
  Receiving Payments of Liquor Taxes and Inspection Fees ........................................................................... 20
  Hotel/Motel Occupancy Tax ......................................... 21
  Franchise Fees ....................................................... 21
  Building and Related Codes and Permits ......................... 22
  Special Assessments—What They Are and How They Are Used ................................................................. 23
  Issuance of Capital Outlay, Grant Anticipation, Capital Funds ................................................................. 24
  Bond Anticipation, and Tax Anticipation Notes .................. 24
  Debt Limit ................................................................ 25
  Allowable Projects .................................................... 25
  Owners of Local Governments ..................................... 25
  Limits on Local Governments ....................................... 26
  Process for Issuing Debt ............................................. 26
  Utility Bond Law ....................................................... 28
  Cash Basis Law of 1937 ............................................. 28
  Registering Bonds .................................................... 29

CASHIERING AND ACCOUNTING FOR REVENUE .................. 29
  Cash Handling Procedures ......................................... 29
  Sources of Cash Receipts .......................................... 31
  County and State-Shared Taxes ..................................... 32
  State Sales Tax ....................................................... 33
  Local Option Sales Tax ............................................. 34
  State Beer Tax ....................................................... 34
  Alcoholic Beverage Tax ............................................. 35
  State Gasoline and Motor Fuel Taxes ............................. 35
  TVA in Lieu of Tax .................................................. 36
  Income Tax .......................................................... 36
  Charges for Services ............................................... 37
  Rents and Concessions .............................................. 37
  Public Enterprise Revenues ........................................ 37
  Other Municipal Revenues ......................................... 37
  Preparation of Daily Cash Report .................................. 38
  Coding of Revenues on Receipt and Daily Cash Report Forms ............................................................ 38
  Coding of Collections as Agent for the State for Trust Funds, Utilities, Etc ..................................................... 38
  Totaling the Daily Cash Report and Balancing with the Cash Drawer ..................................................... 38

CONDUCTING CITY COURT ............................................. 39
  Ordinance Provisions .............................................. 39
  Traffic Tickets and General Warrants ............................ 39
  City Court Docket, Reports ......................................... 40

OTHER DUTIES THAT MAY BE ASSIGNED TO THE CITY RECORDER ......................................................... 40
  Budget Preparation and Administration ......................... 40
  Purchasing ................................................................ 41
  Insurance Administration .......................................... 42
  Inventory of Capital Assets ........................................ 42
  Capital Assets Accounting References ............................ 43
  Personnel Administration .......................................... 43
  Clerk Certification from the MTAS Municipal Handbook: City Recorder or Clerk Certification ...................... 43
  Infectious Disease Control Policy .................................. 44
  Americans with Disabilities Act .................................... 44
  Family and Medical Leave Act .................................... 45
  Municipal Travel Policy ............................................. 46
  Drug Testing ......................................................... 46

APPENDICES .................................................................. 48
OVERVIEW: The Tennessee City Recorder

I. INTRODUCTION
The City Recorder in Municipal Government

The city recorder is a key official in Tennessee municipal governments. In very small cities this person may be the only office employee. In addition to maintaining financial records, keeping minutes and all other records, the city recorder of a small city is also responsible for correspondence, collecting utility bills, and answering police and fire phones. In larger cities the recorder usually has assistants to do the day-to-day work, and the recorder’s duties are primarily supervisory, problem-solving, and public relations oriented.

Frequently, the city recorder is the purchasing agent, budget officer, insurance administrator, and personnel director. Their duties may include serving as city judge or court clerk. Generally, the city recorder is appointed by the municipal governing body or the city manager, but in a few cases a city charter requires election by the citizens. The specific duties of the recorder depend upon provisions of the city charter, the municipal code of ordinances, directives of the municipal governing body, and, to some extent, the individual skills and capabilities of the office-holder.

Many cities have finance officers or finance directors, especially in the larger cities. Where there is both a city recorder and a finance director, the latter is usually responsible for the overall collection and disbursement of funds, the administration of the accounting system, the signing of checks or warrants, the preparation of periodic reports to the city board/council, and often serves as insurance administrator, investment coordinator, and purchasing agent. The city recorder usually retains the duties as the secretary to the board/council, custodian of city records, issues licenses, may serve as personnel director, and possibly city judge or court clerk.

Although this manual is addressed to city recorders, much of the content pertains to the duties of the chief financial officer, whether called finance director, treasurer, or city recorder.

Forms of Municipal Government in Tennessee

Of the approximately 348 incorporated municipalities in Tennessee, 212 operate under private act charters. There are also 13 home rule cities that are organized under charters that have been approved by referendum of the citizens and can only be changed by referendums. A 1953 amendment to the Tennessee Constitution prohibited further incorporation of municipalities by private act and all cities established after 1953 have been incorporated under one of four general law provisions:

- Mayor-Aldermandic Charter, Tennessee Code Annotated (T.C.A.), Title 6, Chapters 1-4 (70 cities).
• Uniform City Manager-Commission Charter, T.C.A., Title 6, Chapters 18-23 (51 cities).
• Modified City Manager-Council Charter, T.C.A., Title 6, Chapters 30-36 (two cities: Elizabethton, Union City).
• Metropolitan Government, T.C.A., Title 7, Chapters 1-21 (three city/county consolidated governments: Nashville and Davidson County, Lynchburg and Moore County, and Hartsville and Trousdale County).

A city recorder, in ascertaining his or her duties must be thoroughly familiar with the city’s charter and the city’s code of ordinances.

**Duties of City Recorder**

**In Private Act Charter Cities.** In the case of cities incorporated under private acts, the duties of the recorder vary from city to city, but will include many of those mentioned in the first section of this chapter. The charter may designate the person to perform these duties as city clerk rather than city recorder. The charter may also assign major financial responsibilities to a finance director or treasurer.

**In Mayor-Aldermanic Charter Cities.** This general law charter was created by assembling a large number of legislative acts dating back as far as 1858 into specific chapters of the *Tennessee Code Annotated*. The recorder’s duties are found beginning in T.C.A. § 6-4-201. The recorder shall be appointed by the board and may also serve as the finance director, treasurer, or both. The recorder keeps an accurate record of all business transacted by the board. The recorder shall have custody of all of the official records of the city and shall provide copies of records and ordinances.

**In Uniform City Manager-Commission Cities.** This charter was created by Chapter 173 of the Public Acts of 1921 as a single document, and is codified in *Tennessee Code Annotated* as indicated above. T.C.A. §§ 6-21-401—405 outline the major duties of the city recorder. Specifically, the city manager may appoint the recorder to be finance director, treasurer, or both. (T.C.A. § 6-21-401 and § 6-22-119). Sections 6-21-403—405 state that it is the duty of the recorder to be present at all meetings of the board of commissioners and keep a full and accurate record of all business transacted by the board in permanent book form. Further, the recorder is custodian of all official records, and when called upon must provide and certify copies of records, papers, and documents in his/her office. The recorder is allowed to charge a fee for this service provision. Except for a few cities excluded by population range, whenever the office of the city judge is not filled by the appointment of some other person, the city recorder shall be the city judge (T.C.A. § 6-21-501).

Because of the limited adoption of the *Modified City Manager-Council* and *Metropolitan Government* forms of local government, this manual will not elaborate on the duties of recorder in those governments, but details can be found in the *Tennessee Code Annotated*.

**Organizational Chart of Your City**

An organizational chart of a city is useful for showing the relationship between the city governing body and such administrative officials as the city manager, chief administrative officer, department heads, and advisory and regulatory boards and commissions.

Every organization should have an organizational chart. If your city needs assistance in preparing or updating an organizational chart, the University of Tennessee Municipal Technical Advisory Service (hereafter referred to as MTAS) can provide assistance.
II. LEGISLATIVE ASSISTANCE AND RECORDS CONTROL

Recording Actions of the Council

Minutes. The city recorder or an assistant to the recorder takes notes of the business transacted at each regular, adjourned, and special meeting of the city council (city commission, or board of mayor and aldermen). The notes should include the names of the mayor and each councilman attending, a summary of each topic discussed and action taken or agreed upon, specifics of action on each ordinance or resolution, names of persons moving and seconding adoption, and names of persons voting for passage or against (or mention that passage was by unanimous vote). Some cities also make audio tape recordings to support the minutes. If you are using tape to support your written minutes, how long should you keep the tape? The legal requirement is only until the minutes are approved, but you may want to keep the tape for a longer period of time depending on the amount of conflict and discussion during the meeting.

As soon as practicable, the minutes of each meeting should be typed. Copies of the minutes should be distributed to the mayor, councilmen, and other officials with an agenda for the next meeting and other pertinent material. Tennessee’s open meetings law in § 8-44-104(a) requires that, “The minutes of a meeting of any such governmental body shall be promptly and fully recorded, shall be open to public inspection, and shall include, but not be limited to, a record of persons present, all motions, proposals and resolutions offered, the results of any votes taken, and a record of individual votes in the event of roll call.”

Action of the board does not become effective until approved at next council meeting. Therefore, at each meeting of the mayor and council, minutes of the preceding meeting should be introduced for approval or correction, after which the city recorder shall arrange to have them typed into the permanent minute book, signed by the mayor and the recorder, and indexed in the front or rear of the book. Cross-indexing subjects that appear under more than one heading is also recommended. Texts of ordinances and resolutions should not be typed into the minute book unless specifically ordered by the mayor and council. Such practice inflates the volume of the minutes. An ordinance book and a resolution book are usually kept as adjuncts to the minute book.

Ordinances and Resolutions. The city attorney generally drafts all ordinances and resolutions, and should approve for legal form any ordinance drafted by someone else. All ordinances that amend the City's Code of Ordinances should specifically state the chapters and sections amended, deleted, or added, so that the effect of the legislation can readily be seen. Prior to introduction of an ordinance or resolution in a council meeting, the city recorder should be contacted for the next consecutive ordinance or resolution number. Thus, it will always be possible to identify the readings of an ordinance in the minute book.

Many cities identify their ordinances and resolutions by numbers that run consecutively from year to year, with a calendar year prefix in each case, such as O2003-01 for ordinances and R2003-01 for resolutions. In the case of ordinances (which usually require two or three readings, depending upon the terms of your charter), the date of first reading would determine the year prefix. For example, Ordinance No. O2002-32 might have had its first reading on December 16, 2002, and its final reading on January 13, 2003. Resolutions must be passed only one time.

The city recorder could assign ordinance and resolution numbers by referring to a file or notebook.
that contains all prior numbers, and entering the
number, date of introduction, and subject of each
new ordinance or resolution. If an ordinance or
resolution fails to pass, its number would not be
re-used, but a notation “failed to pass,”
“withdrawn,” etc., entered in the notebook.

The dates of passage of a resolution and of readings
of an ordinance should be entered at the end of
each such document. After first reading, the original
of an ordinance would be placed in a suspense file
until the next meeting.

Many charters require every ordinance to be read
two different days in open session before adoption.
You should be familiar with the requirements of your
charter regarding passage of ordinances.

Upon passage of a resolution and final reading of
an ordinance, the mayor should sign the document,
attested by the signature of the city recorder. Then
the city recorder files these documents in numerical
sequence in the recorder’s office.

Every city should have a municipal code of
ordinances that should be updated annually. Such
a code arranges ordinances that are currently in
effect according to major subject matter, and makes
it easy to determine exactly what the local law is
at any time. MTAS will codify a city’s ordinances
upon request of its governing body, and if supplied
with all new and amending ordinances, will provide
annual updates to the municipal code. (See MTAS
publication, Your Municipal Code…Adopting It and
Keeping It Up to Date.)

**Guardian of City Records**

The recorder is the custodian of the records of the
city. This responsibility is often spelled out in the
charter and is specifically mentioned in the Uniform
City Manager-Commission Charter. Contracts, bonds,
title deeds, certificates, oaths of office, financial
records (unless there is a separate finance director),
and other appropriate original papers are in the
custody of the city recorder. The recorder is also
custodian of the city seal, attests to the accuracy
of copies of documents, and oversees storage of
public records.

The city’s business is built upon the written word
and the city recorder is usually responsible for
controlling the documents. Records management
involves determination of which files and records
are “active” or currently in use, which are “inactive”
or non-current but need to be referred to from time
to time, and which are “dead” but must be retained
for an extended period. Records management also
involves consideration of filing equipment and
techniques—types of filing cabinets, microfilming,
and temporary retention through data processing
equipment. Finally, records management has
a special application in the review, selection, and
preservation of historic records and photographs.

Following are some of the current topics in
records management.

**Retention Schedules.** An accumulation of records
in the operating area of the office not only reduces
efficiency, but also decreases the integrity of the
filing system. Therefore a comprehensive program
for the transfer and/or disposal of noncurrent
records must be established. The council should
adopt its own records retention schedule. MTAS has
developed a publication titled Records Management
for Municipal Government, a guide for developing
a records management system.

The adoption of a retention schedule serves several
vital purposes.

1. It identifies and preserves permanent records.
2. It provides for the orderly and regular removal from active files of dated and unneeded material from active files.
3. It lays out a method for the efficient, economical storage and retrieval of current records, historical records, and other information.
4. It gives the authority to dispose of obsolete and useless records according to a legislatively adopted timetable.

**Security of Records.** How do we protect the valuable records of the city? Where they are stored is the first step to a secure records management system. The records room should be clean, dry, and well lighted. Avoid dampness and excessive dryness. Do not use sprinkler protection because water damages more records than actual fire. Tightly packed records in metal files will usually not be damaged irreparably by fire. Metal files are better than cardboard as they are more fire resistant. Use special fireproof metal files for irreplaceable records.

A file retrieval procedure is necessary to ensure control over the transmittal, storage, and retrieval of all filed documents, current and historical. No personnel should be permitted in the records room except file department personnel. This includes other department heads, officers, and auditors. As an exception, file units may be assigned to specific departments, and personnel from such departments may have free access to those records. The balance of the room should be fenced off from the free access area.

Provide for duplicate copies of important records and store them in a separate location away from your place of business.

This should include all data necessary to reconstruct
1. Accounting records.
2. Fixed asset ledger.
3. Summary payroll records.
4. Data processing tapes.
5. Copies of important contracts.
6. Copies of all computer programs.
7. Minute, ordinance, and resolution file and books.

Records destruction should be accomplished either by sale to a reputable scrap dealer (who will agree to promptly shred or bale the material) or by burning under the observation of a file department representative. Records should not be left unattended at the municipal landfill to be destroyed at a later time.

**Storage and Retrieval Systems.** See the MTAS publication *Records Management for Municipal Governments*.

**Miscellaneous Duties of the City Recorder**

Other duties that city recorders sometimes perform are administering oaths of office to city officials, accepting legal process against the city; calling special meetings of city council; serving as secretary for various boards in the city; issuing permits for charitable solicitations, beer permits, and taxicab licenses; and preparing deeds to cemetery lots. Copies of building, electric, plumbing, and other standard codes that are “adopted by reference” (instead of being copied into a city ordinance verbatim) are usually required to be kept on file in the recorder’s office.

Major functions that normally are assigned to other officials or employees in medium to large cities may become the responsibility of recorders in small cities. Examples, which will be discussed later in this manual, are collection of utility bills, preparing and
administering the budget, purchasing, inventorying fixed assets, administering insurance and personnel programs, and safety and retirement plans.

III. TAXES AND ISSUANCE OF LICENSES

This section discusses the many taxes and licenses that will be collected and issued by the recorder. The recorder especially in small towns will be responsible for collecting the many different taxes that a city levies and for issuing licenses and permits.

Property Tax
The property tax is one of the oldest, and one of the least popular ways of raising governmental revenue. The tax, which began in colonial times, is the main support for many Tennessee local governments. The property tax is one, if not the only, source of significant amounts of income that is solely at the discretion of the council. Because of this, the property tax is becoming an ever larger percentage of general revenue for cities.

The property tax is a tax on real and personal property. The tax rate is applied to an assessment of the value of the taxable property that ideally reflects the value of the property. No reduction of the assessed value is made because of a mortgage or other debt carried against the property.

Some argue that the property tax is regressive, and concerned legislators in some states, including Tennessee, have attempted to offset this perceived characteristic by providing tax relief for the aged and the poor.

Background Information
The annual property tax cycle begins on January 1, the statewide property assessment date. This means that all real and personal property subject to taxation is assessed to the owner of such property on that date.

In earlier years, the assessment of real and personal property within Tennessee municipalities was done by the municipality. This activity has been transferred to the county assessor by state statute. T.C.A. § 67-1-513 allows any municipality lying within the boundaries of two or more counties to maintain its own assessment office and have its own board of equalization, separate from those of the counties.

Public Utilities
Telephone and telegraph, railroads, bus lines, gas transmission lines, private water, gas and electric systems— including electric membership cooperatives—are assessed by the comptroller of the treasury under the authority granted by T.C.A. § 67-5-1301. The comptroller sends annual property tax rolls to each city recorder so that the recorder can prepare tax bills and property taxes due. Cable television systems are subject to assessment by county assessors. Municipally owned water, gas, and electric systems are exempt from the property tax; however they may pay an in lieu of tax.

T.C.A. § 67-5-203 exempts government property in these words:

“All property of the United States, all property of the State of Tennessee, of any county, or of any incorporated town, city, or taxing district in the state that is used exclusively for public, county or municipal purposes shall be exempt from taxation…”

“All property of any educational institution owned, operated, or otherwise controlled by the State of Tennessee as trustee or otherwise, shall be exempt from taxation.”

Proper assessment is the key to a fair property tax. The assessor’s job is to establish a fair market
value for each parcel. It is a very complex task. It may not yield to rule-of-thumb or arbitrary judgment; both fairness and law require that each valuation be defensible. The assessor is frequently called on to defend the accuracy of any valuation as well as the uniformity of the method of appraising the value of properties.

A distinction should be made between “appraised values” and “assessed values.” Before county assessors can prepare an assessment roll, they must determine the fair market value (the appraised value) of each piece of property within the county. In the 1970s, under a statewide reappraisal program, experienced appraisal companies were hired to reappraise all property in each county and prepare tax maps showing the real estate parcels. It is the task of each county assessor to keep these appraisal figures and the maps up to date, and periodic countywide reappraisals for all counties are required. Chapter 495 of the Public Acts of 1989, codified in T.C.A. §§ 67-5-1601 et seq. requires periodic reappraisal and updating of real-property values. This Act provides, in pertinent part, as follows:

“(a) (1) Reappraisal shall be accomplished in each county by a continuous six-year cycle comprised of an on-site review of each parcel of real property over a five-year period, or, upon approval of the state board of equalization, by a continuous four-year cycle comprised of an on-site review of each parcel of real property over a three-year period, followed by revaluation of all such property in the year following completion of the review period. Alternatively, if approved by the assessor and adopted by a majority vote of the county legislative body, the reappraisal program may be completed by a continuous five-year cycle comprised of an on-site review of each parcel of real property over a four-year period followed by revaluation of all such property in the year following completion of the review period. The board may consider a plan submitted by an assessor which would have the effect of maintaining real property values at full value as defined by law on a schedule at least as frequent as outlined in this section. In counties which have adopted a four-year or five-year reappraisal cycle, there shall be no updating or indexing of values as there is in counties with a six-year cycle.”

It is the assessed value, not the appraised value, against which property taxes are levied. The constitution of the state of Tennessee prescribes that all taxable real and personal property shall be assessed at the following varying percentages of the appraised value.

<table>
<thead>
<tr>
<th>Real Property</th>
<th>Tangible Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Utility Property</td>
<td>55%</td>
</tr>
<tr>
<td>Industrial and Commercial Property</td>
<td>40%</td>
</tr>
<tr>
<td>Residential Property</td>
<td>25%</td>
</tr>
<tr>
<td>All Other Tangible Personal Property</td>
<td>5%</td>
</tr>
<tr>
<td>Farm Property</td>
<td>25%</td>
</tr>
</tbody>
</table>

The assessment rolls that county assessors are required to prepare are usually produced by the state comptroller’s office. An assessment roll gives the location of each piece of property, the name and address of the owner, and both the appraised
value and assessed value of the property. Personal property assessments are usually listed on a separate assessment roll. Assessment rolls are generally arranged by map and parcel number, and is usually listed alphabetically. The personal property assessment roll is arranged alphabetically.

The state comptroller’s office prepares an assessment roll containing just the property within the limits of your city. Copies can be obtained from the county assessor.

The tax roll is the document that you must have to facilitate your tax collection process. It is similar to the assessment roll, except that it is arranged alphabetically by owners’ names, and it shows the city tax rate and the amount of the city tax on each piece of property. Commercial and industrial personal property taxes are in the tax roll alphabetically by name of the company.

During early fall each year, the state comptroller’s office sends the following materials to the city recorder of cities subscribing to the service:
1. Tax roll, in binder.
2. Tax notice card, in duplicate for each parcel.
3. Property tax receipts, in a carbon set, consisting of four copies in different colors.

A tax roll for public utilities is furnished to each city by the comptroller. Although it rarely arrives before January of the succeeding year, this is still within the city’s fiscal year. Tennessee municipalities begin their fiscal (financial) year on July 1. The city should pass its budget for the new fiscal year and adopt its property tax rate for the year by July 1 of each year. Property taxes for the majority of Tennessee cities become due on October 1 and delinquent taxes on the following March 1. The city charter or code of ordinances in some cities may provide for different dates and those documents should be consulted to make sure of the correct dates.

Taxes are known by the year in which the assessment applies; thus, the 2002 taxes are those where the tax rate was applied to the assessment of January 1, 2002.

It should be pointed out that a municipality in Tennessee is not required to levy a property tax; that is a decision for the mayor and council. Many of our smallest cities have no property tax, but as population grows and demands for services increase, it usually becomes a necessity.

**Detailed Procedures**
The following detailed procedures are not mandatory, but have been used successfully by some Tennessee cities, and thus are presented here for your consideration.

**Setting Up the Current Tax Files**
Upon receipt of the tax materials from the comptroller’s office, the city recorder:
1. Mails (on or before October 1) the tax notice card to the owners of the respective properties; detaches and files alphabetically, by name of property owner, the duplicate tax notice card.
2. Gives pertinent duplicate tax notice cards to mortgage companies if they can readily identify the properties.
3. Files all property tax receipt sets (in quadruplicate) by tax receipt number in an unpaid current taxes drawer. Filing these sets by tax receipt number parallels the alphabetical arrangement of the tax rolls.
4. Where a preceding year’s tax on a parcel of land is delinquent, inserts in red pencil in the last column of the new tax roll the number for the year delinquent, surrounded by a circle. The recorder determines which parcels are delinquent by referring to the prior year’s tax roll.
5. Using the computer print-out entitled “(Year) Tax Relief Program” as a guide, inserts in green pencil in the last column of the new tax roll the letter “R8” to indicate that a tax rebate is authorized for that particular property owner.

6. Attach the copy of the credit voucher card, “State of Tennessee-Tax Relief Application of (Name)” to the unpaid property tax receipt set mentioned in subparagraph (3) above. Or, these credit voucher cards may be placed in a separate file since they all expire on the tax delinquent date. The city finance department should notify the eligible taxpayer before the delinquent tax date.

7. Establish a paid tax file that will hold the second trustee copy of the receipt form when taxes are paid.

Receiving Payment of Current Taxes

1. Current taxes of most Tennessee municipalities are payable between October 1 and March 1. They become delinquent on March 1. When a taxpayer comes in to pay taxes, the name and property are obtained from the taxpayer or from the tax notice if the taxpayer has brought it. The city recorder or clerk will first locate the property in the tax roll to determine
   a. if any delinquent taxes are owed, and
   b. to ascertain if the taxpayer is entitled to a tax rebate.

   If no delinquency or rebate is involved, the city recorder or clerk will receive the tax payment and enter the amount and date paid in the tax roll. Most cities do not accept partial tax payments.

   (For procedures on handling these cases, see the following sections on partial payment of taxes, processing tax rebates, and collecting delinquent taxes.)

2. Then the tax receipt set (in quadruplicate) is pulled from the file, and the person receiving the tax payment dates and signs the quadruplicate set. The taxpayer’s copy of the receipt is given to the taxpayer, the second trustee copy goes into the paid tax file in the vault, the return to data center copy is discarded, and the first trustee copy is placed in a temporary file overnight. Each morning the amounts of all first trustee copies are reconciled with cash collection, recorded on the daily cash report (of all revenues received), and attached to the daily cash report (DCR) or filed in separate packets for future reference. The DCR is then given to the bookkeeper for posting or is sent to the city’s in-house computer center or to an outside data processing agency. Payments in cash and by check remain in the vault until time for deposit in the city’s bank account.
Partial Payment of Taxes
Partial tax payments are authorized under the following conditions:

<table>
<thead>
<tr>
<th>T.C.A. SECTION</th>
<th>AUTHORIZATION TO</th>
<th>CONDITIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-3-203</td>
<td>Counties with consolidated forms of government</td>
<td>Taxpayer can pay taxes due in installment payments (one-half by October 31, one-half by February 28) without interest or penalty.</td>
</tr>
<tr>
<td>67-5-1801</td>
<td>Trustee of any county may accept partial payments</td>
<td>Trustee must file a plan with the comptroller.</td>
</tr>
<tr>
<td>67-5-1805</td>
<td>Part owners claiming undivided interest in property.</td>
<td>Part owner can pay such portion of the taxes as he/she claims of the property; or such proportion of the taxes as his/her quantity bears to the whole quantity taxed.</td>
</tr>
<tr>
<td>67-5-1807</td>
<td>Retired persons over 65 years of age and living on a fixed income in certain counties</td>
<td>Defined persons can pay quarterly installments on real estate situated within the county that is used as a primary residence.</td>
</tr>
</tbody>
</table>

Processing Tax Rebates
1. T.C.A. § 67-5-701-705 constitute the authority for tax relief for three categories of citizens: elderly low-income homeowners, disabled homeowners, and disabled veteran homeowners. The process starts with the filling out by the taxpayer of a form entitled “(year) State of Tennessee Property Tax Relief Application,” a supply of which has been furnished to the city recorder by the state comptroller’s Division of Property Assessments. The taxpayer, in turn, submits this form to both the city recorder and county trustee. This must be done annually, since a taxpayer’s financial condition may change. Social Security and Medicaid cards are usually used to substantiate the claim. Assessment and tax information is added to the form by each of the above officials, and whoever received the form last submits it to the Division of Property Assessments, where it must arrive on or before 45 days preceding the tax delinquent date.
2. The Division of Property Assessments issues a credit voucher card entitled “State of Tennessee-Tax Relief Application of (Name),” with one copy going to the taxpayer and another copy to the city recorder. (A similar process is used for relief from county taxes.)
The division also sends the recorder a printout entitled “(year) Tax Relief Program,” which includes the names of persons who qualified for tax relief in the preceding year.

3. The taxpayer takes or mails the credit voucher card to the city recorder when paying current taxes. The recorder will give the taxpayer credit for the amount indicated on the form; the taxpayer must pay any balance of tax. The recorder enters in the appropriate blank of the taxpayer’s and the city’s copies of the tax relief form the current year’s receipt number and date credit is given. The recorder then signs and enters his/her title on the copies. Since the tax has now been fully credited and/or paid, the recorder gives the property tax receipt to the taxpayer.

4. The recorder reports the collection of the vouchers by including the total collected as a debit item “Tax Vouchers Receivable” on the daily cash report.

5. Periodically, the city recorder will send a group of the original credit voucher cards (or a copy of the office copy if the original had not been provided) together with a list of the same, to the supervisor, Property Tax Relief Program. A file on lists is maintained for each year by the city recorder and is used to check against printouts the state sends with the reimbursements to make certain that all rebates have been received.

6. The state will send a check to reimburse the city for the vouchers. The recorder will record this as a credit item, “Tax Vouchers Receivable” on the daily cash report.

7. In those few cases where a loan company has paid the full tax, the city recorder marks “prepaid” in the appropriate space on the credit voucher card and the state will send a rebate check directly to the taxpayer.

The comptroller’s Web site has the latest information available on this program at http://www.comptroller.state.tn.us/pa/patxr.htm

The comptroller’s office may be contacted at the following address:
Comptroller of the Treasury
First Floor, State Capitol
Nashville, Tennessee 37243
Telephone (615) 741-2501
Fax (615) 741-7328
E-mail Comptroller.Web@state.tn.us

Effect on Taxes of the Agricultural, Forest, and Open Space Land Act of 1976
This legislation was adopted in 1976 upon recognition by the General Assembly that it is beneficial environmentally, economically, and socially to preserve open space in or near urban areas. Specifically, it was noted that some landowners were being forced by economic pressures to sell such agricultural, forest, or open space land for development because of the imposition of taxes based not on the value of the land in its current use, but on its potential for conversion to another use, such as apartment houses, industry, or shopping centers.

The solution to this problem was to allow a lower assessment of certain agricultural, forest, and open space lands during their use as such, with a three- or five-year roll-back period to pick up the higher taxes that would otherwise have applied when the land is sold for development purposes.

The specific standards for qualifying for this lower assessment of certain agricultural, forest, and open space lands during their use as such, with a three- or five-year roll-back period to pick up the higher taxes that would otherwise have applied when the land is sold for development purposes are contained in the law itself, codified as T.C.A. §§ 67-5-1001—1009, 11-14-201—203, and 11-15-107—108.
Any owner of land may apply for its classification as agricultural land or forest land on any assessment roll by filing a written application with the county assessor. If the assessor determines the land is so used, he/she will classify it, and it will be carried as such on the tax roll. An owner of land officially designated as “open space” by a local planning commission or by the state planning office may similarly apply for such classification by the county assessor. In any case, the city recorder is not involved in these processes; the classification of land as agricultural, forest, or open space will show up on the computerized city tax roll.

**Payments in Lieu of Taxes**

Tax equivalents, or payments in lieu of taxes, are allowed to be paid into the city treasury, under state and federal law, by governmental public utilities and housing authorities. As these operations are owned by governments, they are not subject to local property taxation but make payments in place of taxes. Such public utilities include housing authorities, water, sewer, natural gas, and electricity. Tax equivalent receipts are placed in a municipality’s general fund. See T.C.A. § 9-21-308.

**Local Utility in Lieu Tax**

**ELECTRIC**—State law defines the maximum amount and distribution of in lieu tax a municipal electric department may pay. See T.C.A. § 7-52-302 – 310.

**GAS**—State law defines the maximum amount and distribution of in lieu tax a municipal gas system may pay. See T.C.A. §7-39-401—406.

**WATER AND SEWER**—State law defines the maximum amount and distribution of in lieu tax a municipal water and sewer department may pay. See T.C.A. § 7-34-115.

**The Importance of Collecting Delinquent Taxes**

The collection of delinquent taxes is an essential part of municipal finance administration. A fair, orderly, predictable method of collection should be in effect in order to maintain the level of city revenues, give moral support to those who have paid on time, and discourage delayed payment by persons financially able but inclined to challenge the city’s determination.

Cities have several alternative methods of collecting delinquent property taxes. They may

2. Utilize provisions of their city charters.
3. Use provisions of T.C.A. §§ 6-22-110 – 115, if the city operates under the Uniform City Manager-Commission Charter. (This method and general law methods may also be used by cities with the Modified Council-Manager Charter, by authority of § 6-35-301).
4. Arrange for the county trustee to collect city taxes, as authorized by T.C.A. §§ 67-1-701 – 801 et seq.
5. Institute an ordinary suit in law, since delinquent taxes are considered a personal debt of the property owner. This personal judgment route is sometimes as effective as the more complicated sale of property route, especially if the amounts due are relatively small.

There is a time limitation on the collection of property taxes. T.C.A. § 67-5-1806 states:

“All taxes assessed against real and personal property in this state shall be barred, discharged and uncollectible after the lapse of ten (10) years from April 1 of the year following the year in which such taxes become delinquent, whether suit be brought within that time or not to collect the same, and whether this statute be
pleaded in bar of such collection or not, unless the property in question be struck off and sold within such period of ten (10) years as aforementioned.”

Receiving Payment of Delinquent Taxes

1. Following the procedures recommended in SETTING UP THE CURRENT TAX FILES of this manual, if the recorder or clerk notices a red, encircled delinquent date on the tax roll, this fact is called to the attention of the taxpayer who is urged to pay the delinquent taxes as well as the current ones. Tax payments should be directed to the oldest taxes first, and applicable interest and penalties applied. Many cities will not accept current taxes unless delinquent taxes have been paid. T.C.A. § 67-5-1801 permits the county trustee to adopt a policy of not accepting current taxes until all delinquent taxes are paid except in certain cases involving bankruptcy or a dispute as to the responsibility for such taxes.

2. The city recorder or bookkeeper computes the applicable interest and penalty for each month from the beginning of the delinquency up to any maximum set in the city charter, municipal code of ordinances, or state law. The interest and penalty are entered in the tax roll for the year delinquent, and on the quadruplicate tax receipt set for that year. Penalties and interest are an important part of an effective collection program. They need to be high enough to prevent the taxpayer from using the city for a low-cost loan.

Providing for Tax Sales

The most frequent method for attempting to collect delinquent taxes is by mail. Telephone or personal contacts are other methods of collection. Collection by distraint and sale of personalty is a method authorized by statute (T.C.A. § 67-5-2003) for collection of personal property taxes. When attempts to collect delinquent taxes by other means have failed, then the city can pursue collection of delinquent property taxes on its own through the filing of a tax suit in Chancery Court. See T.C.A. §§ 6-55-201 et seq.

If a municipality wishes to have its delinquent property taxes collected through the county, they can furnish the trustee or the delinquent tax attorney with a certified list of delinquent property taxes. (See T.C.A. §§ 67-5-2403 – 2405.) For more information, consult the publication, County Property Tax Manual, which may be found at the County Technical Assistance Service Web site at http://www.ctas.tennessee.edu/

Correcting the Tax Roll

The city recorder does not have authority to correct tax roll entries. These are initiated by the taxpayer or county assessor, and take the form of a “Change of Assessment Certification” (as in the case of Rutherford County) or a “Certificate of Error” (as used in Sumner County), prepared in the office of the county assessor and sent to the city recorder. This form is used to advise of changes in owner, owner’s address, description of property, and assessed valuation. The recorder enters the changes in the tax roll and on the tax receipt forms, and files the certification. The recorder does not have to acknowledge receipt to the assessor.

Reappraisal of Property—Certified Tax Rate

The Municipal Handbook, the University of Tennessee Municipal Technical Advisory Service, 2000, states “After completing a general property reassessment, a city must determine the tax rate on the new total assessment that would produce no more than the amount of property
tax revenue generated the preceding year. This rate is called the certified tax rate.

To reflect extraordinary assessment changes, the municipality’s governing body may adjust the calculated certified tax rate according to a method approved by the state Board of Equalization. The city must submit a new, tentative tax rate and supporting calculations to the executive secretary of the state Board of Equalization for review. The municipality must then consider the board official’s report before fixing a certified tax rate. When there’s an excessive adjustment, the board shall order recapture in the following year if the certified tax rate has been overstated because the appeals adjustment was overestimated. A public hearing is necessary if the city exceeds the recapture rate.

A city may not take an automatic windfall of increased revenue from a reappraisal. However, if a city wants to increase its revenue after a reappraisal, it has to formally advertise its intention before the council votes to adopt a tax rate that’s higher than the certified tax rate (T.C.A. §§ 67-5-170 – 1703).”

(See form, “Notice of Calculation for Certified Tax Rate,” Appendix 1.)

Useful References on the Property Tax
Your city charter: See the articles on corporate powers, and taxation and revenue.

Your municipal code: See the section on finance and taxation.


Real Property Ad Valorem Taxes in Tennessee.


The county assessor’s office.

State Board of Equalization and the Division of Property Assessment, Nashville, for information on computerized services, tax rebates, and property tax maps.

Forms Related to the Property Tax —Appendix 1
Tax Notice Card

Property Tax Receipt

State of Tennessee Property Tax Relief Application

State of Tennessee—Change of Assessment Certification

Notice of Calculation for Certified Tax Rate

Business Tax
T.C.A. § 67-4-701 allows cities to charge a gross receipts tax on businesses. It is applied to a wide class of businesses and replaces a lengthy list of privilege licenses that cities were formerly authorized to issue. The municipality must pay 15 percent of its business tax collections to the state. Beginning in September 2002 the city must also collect additional business taxes for the state of Tennessee.
The Business Tax Office of the Miscellaneous Tax Division has field auditors throughout the state who can provide assistance to cities levying, or considering levying, this tax. The city and the county tax collector should make every attempt to classify and assess similar businesses consistently.

A municipality may levy the same or lesser tax rates than those imposed by the Business Tax Act for any or all classifications in the Act (Section 1320-4-5-27 (3) of the Rules and Regulations), but it may not reduce the tax rate to zero. The rate must be applied consistently within the classification. The $15 minimum tax may be neither reduced nor eliminated. The adoption of the business tax by a municipality is done by ordinance, which can usually be found in the Finance section of your municipal code.

T.C.A. § 67-4-717 allows the clerk of a municipality to charge a fee of $5 for each return for collecting and recording the business tax.

T.C.A. § 67-4-723 requires the collector of the business tax to issue a license upon payment of the fees. The city may not withhold the issuance of a business license because of non-compliance with other city laws or requirements.

**Detailed Procedures for New Business**

1. Have the applicant fill out an “Application for Business Tax License.” A sample application form can be found in Appendix 2.
2. Collect the $15 minimum tax along with the Clerk’s fee of $5 and issue the applicant the original copy of a pre-numbered business license and business tax receipt form. Use the duplicate to reconcile with cash collections and enter the total on the daily cash report. Keep the triplicate copy on file, by license number.

An example of this form is found in Appendix 2. This form can be used for the initial licensing and for annual renewals. The upper portion is the “Business License.” The lower part is the “Receipt for Business Tax and Fees.” After the business person has paid the gross receipts tax at the end of the license period, the new license that is issued can be folded prior to posting so as to show only the “Business License” (upper portion), thus avoiding revealing the amount of gross receipts tax paid which would allow competitors to calculate the business person’s volume of business.

3. Make a 3” X 5” index card, and file this alphabetically by name of business in one of four file sections, according to the classification of the business and the next payment date (as contained in the business tax act).
4. Prepare a file folder with name of the business and file it alphabetically in a vertical file. Place in this folder the “Application for Business Tax License” and each year’s duplicate “Business Tax License” and “Receipt for Business Tax and Fees.”

**Renewal of Business Licenses and Payment of Gross Receipts Tax**

1. At the end of each taxable period, mail to each business in that respective classification the “Business Tax Act-Licenses and Tax Report” form. Payment is due before the specified delinquent date. A penalty of 5 percent per month thereafter is assessed on the amount due, up to a maximum of 25 percent. Interest at the rate of _____ per annum until paid is also charged.
2. When the taxpayer mails, or brings in this “Business Tax Act-License and Tax Report” form, check it for accuracy, receive the payment, and issue a new license-receipt form, as in FOR NEW BUSINESS Section (2) above. Process and file the copies of the license-receipt form and file the
report form as indicated in FOR NEW BUSINESS Sections (2) and (4), above.

**Reports to Commissioner of Revenue**

1. On each May 31, the city recorder shall report to the commissioner of revenue the business tax collections for the preceding period June 1–May 31, using the form entitled “Business Tax Report for Cities.” (T.C.A. § 67-4-724)

2. The recorder shall also submit to the Department of Revenue with the “Business Tax Report for Cities” a payment of 15 percent of the business tax collected during the preceding 12 months (except business taxes collected pursuant to a local government’s “Field Audit and Related Collection Efforts.”) (T.C.A. § 67-4-724)

3. Failure to make the report and/or payment required by June 20 will result in a penalty on the city recorder of 5 percent for every 30 days the report is delinquent plus interest at the formula rate of interest last published in the Tennessee Administrative Register (currently 8.75 percent per annum in April 2003). The minimum penalty is $15, and the maximum penalty is 25 percent of what should have been submitted. (T.C.A. § 67-1-804)

4. Once the tax has become more than six months delinquent, T.C.A. § 67-4-719 allows the commissioner of revenue to collect the tax, penalty, and interest, and retain the tax, penalty, and interest for the state.

**Useful References on the Business Tax**

Your city charter: See the article on corporate powers, and taxation and revenue.

Your municipal code: See the section on finance and taxation, the chapter on the business tax or privilege taxes.

T.C.A. §§ 67-4-701 – 730

*Tennessee Municipal Handbook*, 2000, the University of Tennessee Municipal Technical Advisory Service.

Tennessee Department of Revenue:
Please see the department’s Web site for the latest list of phone numbers and addresses for the department:
http://www.state.tn.us/revenue/

Tennessee Department of Revenue
(615) 741-2461

**Forms Related to the Business Tax—Appendix 2**

- Quick Reference to Classifications and Tax Rates
- Application for Business Tax License
- Business License and Gross Receipts Tax Report
- Business Tax Report for Cities

**Wholesale Beer Tax and Permits**

*Background Information.* The wholesale beer tax is imposed upon beer wholesalers in any county at the rate of 17 percent of the wholesale price, and is authorized by the Wholesale Beer Tax Act (T.C.A. §§ 57-6-101 – 118). Section 57-6-103 says, in part:

“Every wholesaler, on or before the twentieth day of each month, based on wholesale sales in the preceding calendar month, shall remit to each county the amount of the net tax on his wholesale sales to retailers and other persons in said county, and to each municipality the amount of the net tax on
his wholesale sales to retailers and other persons within the corporate limits of said municipality.”

Obviously, if there are no beer retailers within a municipality, that city would receive nothing from this tax. To sell beer within a city, a person must first make application and obtain a permit from the city in accordance with T.C.A. Chapter 5 of Title 57, entitled “Beer and Alcoholic Beverages Containing Less than Five Percent Alcohol.” Beer wholesalers do not have to obtain a permit unless they operate a warehouse in the city.

By 1993 state legislation (T.C.A. § 57-5-104(a)), municipalities are required to collect a fee of $250 from each applicant for a beer permit. Section 57-5-104(b) also imposes an annual privilege tax of $100 that must be paid by each licensee on January 1 of each year. The $100 privilege tax must be prorated and collected on each new license that is issued during the year.

It should be noted that the last sentence of the above subsection prohibits the levying of annual beer permit fees. In fact, the last paragraph of T.C.A. § 67-4-728 (a part of the business tax) emphasizes that no county, municipal, or metropolitan government shall have authority to levy any regulatory fee, inspection fee, or special tax or fee of any kind on beer except the 17 percent wholesale beer tax, the business tax, the local option sales tax, the $250 application fee, and the $100 privilege tax.

The 17 percent wholesale beer tax authorized by the Wholesale Beer Tax Act is different from the municipal share of the state’s tax on barrels of beer (T.C.A. §§ 57-5-201 – 208) that all municipalities receive, whether or not they have beer retailers.

Detailed Procedures for Issuance of a Beer License

1. Persons wishing to sell beer at retail within the city must be approved by the city beer board, which, in some municipalities, is the city council. The process starts with obtaining the Application of Beer Permit from the city recorder. (A sample is in Appendix 3)

2. This form is filled out, must be notarized, and then returned to the city recorder, with the payment of the $250 application fee. The recorder refers the form to the police department for checking the applicant’s background for violations, arrests, proposed location of operation, etc.

3. The application form, plus a report from the police chief, are sent to the city recorder, who passes them on to the city beer board.

4. The beer board considers the application and either grants or refuses a permit according to its best judgment of the facts and circumstances, endorsing its action on each application. In making this decision, the board must make sure that the proposed location of the beer sales meets requirements as to distance from schools and churches contained in the municipal ordinances.

5. Upon approval by the beer board, the city recorder issues the permit, assigning a permit number to each such document. Instead of issuing a special permit solely for beer retailers, some cities issue the “Business License” form since beer sales are subject to the business tax (classifications 1-a and 2-g).

6. A list of approved beer retailers is maintained in the recorder’s office to which “beer license” numbers may be assigned. This number may also be entered on the recorder’s copy of the “Business Tax Act-License and Tax Report” for each approved applicant. The city recorder should telephone the successful applicant of the beer board’s approval.
Detailed Procedures for Collection of the Wholesale Beer Tax

1. When a permit has been issued, the city recorder should obtain from the permit holder the names of beer wholesalers who will be supplying the permit holder. Then the city recorder notifies these wholesalers so that they will begin paying the city on a monthly basis the 17 percent wholesale beer tax, authorized by T.C.A. § 57-6-103. The same procedure should be followed after annexation of territory that includes one or more beer retailers. Periodically, the recorder should contact each license holder to obtain names of any changes in wholesalers.

2. The city recorder, upon receipt of the tax checks, enters the amount in a receipt book. The receipts are reconciled with cash collection and the amount is entered on the daily cash report.

3. Care should be taken to see that each wholesaler remits payment on a monthly basis. On occasion, the city may request the wholesaler to provide the city with a list of businesses that are being credited to the city’s account. This list would be cross-checked with license holders to determine whether the business distributes that wholesaler’s product.

Municipal codes of ordinances do not allow the transfer of beer permits. The only way for a retailer to obtain a beer permit from a city is by making application to the city beer board with payment of the non-refundable application fee of $250.

Useful References on the Wholesale Beer Tax and Permits

- Your city charter: See the articles on corporate powers, and taxation and revenues.
- Your municipal code: See the title on alcoholic beverages, the chapter on beer.
- Your local municipal beer board.

T.C.A. Title 57, Chapter 5, Beer and Alcoholic Beverages Containing Less Than Five Percent Alcohol.

*Tennessee Municipal Handbook*, 2000, the University of Tennessee Municipal Technical Advisory Service.

**Tennessee Department of Revenue**
Please see the department’s Web site for the latest list of phone numbers and addresses for the department:
http://www.state.tn.us/revenue/

**Forms Related to the Wholesale Beer Tax and Permits—Appendix 3**
Application for Beer Permit

Alcoholic Beverage Taxes and Licenses

**Background Information.** Title 57, Chapters 2, 3, and 4 of the *Tennessee Code Annotated* deal with wines and “intoxicating liquors,” defining them as having an alcoholic content of more than 5 percent.

Title 57, Chapter 2, entitled “Local Option—Manufacture Only,” permits a county legislative body, after a petition and favorable referendum, to license liquor manufacturers within the county. A fee of $1,000 is paid by the company to the state and to the county. If the plant is located within a city, a similar fee is paid to the city, and the city issues a license for such manufacture. This chapter deals with manufacturing only; it does not authorize the sale of the products by the distillery.

Title 57, Chapter 3, “Local Option—Traffic in Intoxicating Liquors” makes it lawful “to manufacture, store, transport, sell, distribute, possess and receive alcoholic beverages, subject to the license, payment of taxes, limitations, regulations and
This chapter contains two provisions for holding elections that would have the effect of permitting liquor to be sold at retail within the cities of the county:

1. T.C.A. § 57-3-106(a)(1) provides that if the voters of the county in an election, by majority vote, approve the manufacture, receipt, sale, storage, transportation, distribution, and possession of alcoholic beverages, then sales at retail shall be made only in municipalities, or within civil districts in the county with a population of more than 30,000.

2. T.C.A. § 57-3-106(b)(1) allows the voters of any municipality incorporated for five years or longer under a general or special law and having a population of 925 or more persons, as counted by a federal census, to permit the manufacture, receipt, sale, etc. of liquor within the municipality, whether or not the county has approved the sale of intoxicating liquors. (A few counties and municipalities are deleted from this general authority on a population basis.)

Thus, the sale of packaged liquor in a municipality depends upon (1) a favorable referendum under either of the subsections of Section 57-3-106, discussed above, for cities meeting the minimum population requirements, (2) the issuance by the city of a certificate that applicant has not been convicted of a felony within the past 10 years and has met conditions of local liquor laws regarding maximum number of retail liquor stores allowed, proximity to schools, and churches, etc. (required by Section 57-3-208), and (3) the issuance of a liquor license by the Tennessee Alcoholic Beverage Commission (by Section 57-3-104(c)(l)). The decision to issue a license rests with the Tennessee Alcoholic Beverage Commission, not with the city. However, a municipality can limit the number of stores through setting ratios of stores to population but may not unreasonably restrict the availability of alcoholic beverages for residents. Liquor stores are subject to Classification 3 of the Business Tax. Also, if the city has a population of 1,000 or more, and is in a county with less than 60,000 population, or is a premiere tourist resort city, it may levy a municipal inspection fee not to exceed 8 percent (not to exceed 5 percent generally in counties with over 60,000 population) authorized by T.C.A. § 57-3-501. The inspection fee is levied against the wholesale price of liquor and is collected by the wholesaler from the retailer and remitted to the city with a monthly report.

Title 57, Chapter 4, is entitled “Consumption of Alcoholic Beverages on Premises.” This authority, often referred to as “Liquor by the Drink,” is available after a favorable referendum in the county or city. (T.C.A. § 57-4-103).

In addition, special authority is granted to sell liquor by the drink, often under very detailed specifications listed in T.C.A. §§ 57-4-101 – 102, to hotels, restaurants, non-profit clubs, passenger trains, commercial passenger boat companies, commercial airlines, premiere-type tourist resorts, convention centers, historic performing arts centers, urban park centers, historic interpretive centers, and historic mansion house sites, as well as to a charitable, non-profit, or political organization possessing a special occasion license.

Section 57-4-301(b)(2) authorizes municipalities to levy and collect privilege taxes in amounts varying from $300 a year to $1,500 a year, depending upon the particular type of establishment selling liquor for consumption on the premises. In addition, subsection (c) of this same section of law levies a 15 percent tax on the gross sales of such liquor by the drink, with the proceeds of the tax...
payable to the Tennessee commissioner of revenue. Section 57-4-306 of the *Tennessee Code Annotated* requires that the state distribute the 15 percent gross receipts tax as follows:
1. 50 percent to the state general fund to be used for educational purposes.
2. 50 percent to the local government, which is to be further distributed as follows:
   a. One-half in the same manner as the county property tax for schools is expended and distributed.
   b. One-half
      1) To the county general fund *if the tax is collected in unincorporated areas*.
      2) To the city or town where the tax is collected *if the tax is collected in an incorporated area*. Cities, except those cities designated as premiere tourist resort cities, shall remit one-half of their proceeds to the county school fund.

Municipalities that are premiere tourist resorts and do not operate their own school systems are exempted from the requirement of remitting one-half of its proceeds to the county school fund. Those municipalities are entitled to expend the 50 percent allocated to them for schools inside the municipality.

In lieu of the privilege tax and the 15 percent tax, commercial airlines, paddlewheel steamboat companies, and passenger trains pay an annual fee of $750 to the state (T.C.A. 57-4-301(d)). Charitable, nonprofit, or political organizations operating under special occasion licenses do not pay any of the taxes (57-4-301(e)).

Chapter 9 deals with the seizure and distribution of contraband goods. Municipalities share in the proceeds of sales by the state of contraband liquor (Section 57-9-115), and of vehicles used in connection with such illegal liquor (Section 57-9-201(e)).

**Detailed Procedures**

1. An applicant for a state license to sell packaged liquor should obtain an application and questionnaire from the Tennessee Alcoholic Beverage Commission.
2. A copy of the completed application and questionnaire should be submitted to the recorder who refers the information to the police department for a background check.
3. Upon completion of the background investigation, the report is submitted to the mayor and council for approval of the certificate that should state the findings required in T.C.A. § 57-3-208(b).
4. It should be pointed out that subsection (c) of the above section allows a municipality to limit the location and number of retail liquor licenses, as long as such limitation does not “unreasonably restrict the availability of alcoholic beverages for the residents” of the municipality.
5. Upon receipt of the certificate from the city, the applicant submits it with the application to the Alcoholic Beverage Commission, for issuance of a License.

**Consumption of Alcoholic Beverages on Premises**

Except in the case of a “club,” a municipality is not involved in the issuance of a license for on premises consumption. The licensing procedure is handled by the Alcoholic Beverage Commission. In the case of a “club,” a certificate of good moral character must be obtained from the city. (T.C.A. 57-4-201(c)(2)).

**Receiving Payments of Liquor Taxes and Inspection Fees**

When the monthly payments of the municipal inspection fee and monthly statements from wholesalers come in, the city recorder issues a receipt. The receipts are reconciled with cash
collections and the total entered on the daily cash report.

Similarly, receipts are issued for the city’s privilege tax to establishments authorized to sell liquor by the drink, and for the city’s share of the 15 percent tax levied on such drinks.

**Useful References**

**Alcoholic Beverage Commission**

- Memphis (901) 543-7284
- Chattanooga (423) 634-6434
- Nashville (615) 741-1602
- Knoxville (865) 594-6342

http://www.state.tn.us/abc/index.html

**Forms Related to Liquor Sales—**

**Appendix 4**

**Hotel/Motel Occupancy Tax**

Home rule municipalities, metropolitan governments, and certain cities by private act may levy a hotel/motel tax. For home rule municipalities, the hotel/motel tax levies taxes on motel occupancies of fewer than 30 days (T.C.A. § 67-4-1401). The tax may not exceed 5 percent of the consideration charged for occupancy. It is collected when the customer is invoiced, and the tax is remitted to the city by the hotel operator no later than the 20th of each month for the preceding month. Penalties and interest for delinquencies are authorized under T.C.A. § 67-4-1408. Many municipalities that did not impose a hotel/motel tax by May 12, 1988, are prohibited from adopting such a tax if the county where the city is located already levies the tax. (This prohibition was removed for the cities in Williamson and Shelby counties.) You should check with your city attorney to determine if your city is an exception to the prohibition of imposing a hotel/motel tax. If a city has already enacted the hotel/motel tax, the county may only impose a hotel/motel tax outside that city (T.C.A. § 67-4-1425).

**Franchise Taxes**

Municipal governments may grant franchises to privately owned utilities that use public rights of way. The majority of city charters contain procedures for granting franchises. Most franchises require the utility to pay a fee to reimburse the community for using its streets and rights of way.

The most common franchise tax paid to Tennessee municipalities is the tax on cable television receipts permitted by Federal Communication Commission regulations and enacted by a municipal cable television franchise ordinance. Federal law permits municipalities to negotiate a franchise fee not to exceed 5 percent of the gross annual receipts of the cable system within the city.

Private utilities, such as gas, water, electricity, telephone, and cable may hold franchises with a city, but if a franchise tax is paid, it is usually passed on to the consumer and shows up on the consumer’s utility bill.

Acknowledgment of receipt of a franchise tax payment would be made by issuance of a general city receipt form.

**Useful References**

Building and Related Codes and Permits

The general law of Tennessee (T.C.A. §§ 6-54-501 – 6-54-507) allows municipalities to adopt, by reference, standard building, plumbing, electrical, traffic and other codes adopted by technical trade associations.

When a code is adopted “by reference”, the whole, voluminous code does not have to be re-enacted by the city in a long ordinance, sentence by sentence.

Instead, a brief ordinance is used, but the city recorder is required to keep on file, one copy of each such adopted code for public use, inspection, and examination.

A series of fairly standard application forms and placards are used in the administration of codes, and often the codes administrator or other official issuing the permit will calculate and collect the application fee. A certificate of occupancy is used with some codes to give evidence that the applicant has conformed to all code requirements.

Useful References on Codes

Tennessee Code Annotated, Sections 6-54-501 through 6-54-507, and 68-102-143 (electrical inspection fees).

Your city charter: See the article or sections on corporate powers.

Your municipal code: See the title on building, utility, and housing codes.

Documents and Forms Related to Codes—Appendix 5

Building, Plumbing, Electrical, Gas or Mechanical Equipment, etc. Application Forms

Building Permit

Appropriate cardboard placards for posting on site.

Certificate of Occupancy

Miscellaneous Licenses and Permits

Auto Regulatory Fees. Although T.C.A. § 6-55-501 prohibits a city from levying a tax on the privilege of driving a motor vehicle on municipal streets, cities may, by T.C.A. § 6-55-502, collect a regulatory fee to help finance the operation of safety lanes and inspection bureaus, and shall have the right to require city automobile tags. A city may not require a person who does not reside within the municipality's corporate boundaries to purchase a city automobile tag.

If such a fee is levied by a city, it would become the responsibility of the city recorder to receive and account for the money. A municipality may contract with the county clerk of the county in which it is wholly or partially located for the collection of its motor vehicle regulatory fee (T.C.A. § 7-51-703).

Parking meters are a common device to regulate parking of motor vehicles and to provide revenues.
to help pay for this regulatory service. Collection of coins from the meters may be done by members of the police department or by the city recorder’s office, but the ultimate accounting responsibility for the money collected is that of the recorder. An ordinance may or should prescribe the method of operating these devices.

**Taxicab Licenses.** By ordinance or resolution, municipalities are empowered to license, control, and regulate taxicabs. The statute outlines the scope of this authority and extends to a municipality the full extent of antitrust immunity accorded to the state as sovereign under state and federal laws. Governmental entities in a county of 287,700 to 287,800 (Hamilton County) are exempted from this law. Governmental entities in counties with more than 500,000 population (Shelby and Davidson) may also regulate limousine, sedan, shuttle, and taxicab services (T.C.A. §§ 7-51-1001 – 1007). T.C.A. § 6-54-128 requires a criminal records check on cabdrivers in Davidson and Shelby counties.

**Peddlers, Charitable Solicitations, Flea Markets, and Advertising Signs.** These are activities that usually are regulated by city ordinances, with permits obtainable from and fees paid to the city recorder or the police department. T.C.A. § 67-4-709(5) prescribes the method of taxing flea markets under the Business Tax.

**Animal Registration.** The control of animals is often authorized by the city charter in a brief entry among the corporate powers of the municipality, in words similar to these:

> “Animals. To regulate, tax, license, require vaccination, or suppress the keeping or running at-large of animals within the city; to impound the same, and in default of redemption to sell or kill the same.”

More detailed instructions are contained in ordinances in a municipal code (as Title 10 of an MTAS-prepared code), and may deal with swine, fowl, bees, as well as dogs. A city generally will require immunization and licensing of dogs, which will be a small revenue for the city recorder to collect. If there is a municipal animal pound, then the city will have to appropriate funds for its operation, and account for fees paid for the release of animals to their owners.

**Special Assessments—What They Are and How They Are Used**

Special assessments are a way of paying for public improvements that fit only certain areas or properties within a municipality. It is not a popular way of financing improvements in Tennessee, but where used, the city is involved in maintaining records of the assessments and receiving payments. Under the special assessment technique new street lighting improvements could be provided for a business district, or residential areas could finance sanitary sewers and sidewalks.

The statutory authority for special assessments is discussed in the following extracts from the *Tennessee Municipal Handbook*, the University of Tennessee Municipal Technical Advisory Service, 2000.

**Special Assessments**

Cities frequently get requests from neighborhoods for drainage projects, street improvements, or other public works construction that only benefit the requesting neighborhood. Instead of spending citywide funds for the project, the city may use a special assessment process in which the benefiting property owners pay part or all of the improvement cost. The state code provides two separate, yet similar, procedures for establishing special assessments, and some city charters include a local procedure.
Procedure Number 1
Any city, unless its private act charter provides otherwise, may use special assessments to pay for constructing or improving streets, alleys, or other public places. Assessments are calculated according to the frontage of the abutting lot or parcel to the street, alley, or other public place (front-foot basis). The improvement district is created by ordinance after a public hearing. Two-thirds of the project cost is paid by the neighborhood and one-third by the city. No property owner has to pay an assessment of more than 50 percent of the market value of his or her lot and the improvements.

If the owners of at least 75 percent of the front-footage in the benefiting neighborhood wish to relieve the city from bearing its burden to contribute toward the cost of the improvement, they may state in the petition their desire to pay 100 percent of the cost. However, in this event, the maximum assessment is still one-half of the assessed value of each lot.

The assessment becomes a lien against the property. Property owners may pay the assessment over five years at 6 percent interest (T.C.A. §§ 7-32-101 et seq.).

Cities may borrow money under the Local Government Public Obligations Act of 1986 to pay for the improvements (T.C.A. §§ 7-33-101 et seq., T.C.A. § 7-33-201).

Procedure Number 2
Under this alternative procedure, cities may authorize special assessments for streets, sidewalks, other public ways, and sanitary sewers.

Charges for the improvements are allocated to property owners based on assessed values of their benefited properties instead of a front-foot basis. The full cost of the project may be charged to the property owners if the city pledges the full faith and credit of the municipality to satisfy any deficiency in collections. Otherwise, 75 percent of the cost may be charged (T.C.A. §§ 7-33-301 et seq.).

Churches and other tax-exempt property are charged an assessment, but undeveloped areas may not be charged (T.C.A. § 7-33-310). The law, somewhat ambiguously, seems to require the governing body to act if the owners of 51 percent of the total assessed value of the property to be benefited petition for an improvement (T.C.A. § 7-33-303).

Issuance of Capital Outlay, Grant Anticipation, Bond Anticipation, and Tax Anticipation Notes
The following is taken from the Tennessee Municipal Handbook, the University of Tennessee Municipal Technical Advisory Service, 2000, Chapter 8.

Capital Funds
The Local Government Public Obligations Act of 1986 provides a “uniform and comprehensive statutory framework authorizing any local government to issue general obligation bonds and revenue bonds for public works projects, general obligation refunding bonds, revenue refunding bonds, bond anticipation notes, capital outlay notes, grant anticipation notes, and tax anticipation notes, and to authorize the destruction of bonds, notes, and coupons” (T.C.A. § 9-21-102). A subsequent statute repealed most of the old authorizations for local government debt scattered through the code (Acts of 1988, Chapter 750).

The Local Government Public Obligations Act of 1986
The Local Government Public Obligations Act of 1986 is a comprehensive and flexible piece of legislation. It provides relatively straightforward procedures for local governments to borrow money for almost any reasonable public purpose. The act is codified in...
T.C.A. Title 9, Chapter 21. In addition to the general provisions in Part 1 and Part 4, the legislation contains the following parts relevant to cities:

Part 1: General provisions applicable to all bonds and notes issued by local governments.

Part 2: General Obligation Bonds.
When issuing general obligation bonds, a governing body pledges the “full faith and credit” of the city. Bond buyers are promised that the taxes necessary to pay off the bonds will be raised.

Part 3: Revenue Bonds.
Revenue bonds do not pledge full faith and credit of the city. They promise the bond buyers payment from the income of a revenue-generating facility like a water system or from an earmarked revenue source, such as a city’s local option sales tax.

Part 4: General provisions governing the issuance of all notes by local governments.

Part 5: Bond Anticipation Notes.
Notes are used for shorter-term debt. Anticipation notes are issued when a city wants to delay issuing bonds until the costs of several projects may be added together into one bond issue or until the bond market changes and long-term interest rates decline.

Part 6: Capital Outlay Notes.
These notes are used to borrow money for intermediate periods of one to 12 years.

Part 7: Grant Anticipation Notes.
Some federal grants require a city to spend its own money to carry out a project and then apply for reimbursement. These notes allow the city to borrow funds for the front-end costs.

Part 8: Tax Anticipation Notes.
Some jurisdictions that do not maintain adequate reserves have to borrow operating funds each year to get through the lean months before annual property tax payments are received.

Part 9: Refunding Bonds.
Sometimes cities have to sell bonds when interest rates are high. If rates drop significantly a few years after the bonds are sold, refunding procedures allow the community to issue new bonds at the lower interest rates and use money borrowed with the new bonds to pay off the old, high-interest debt.

Debt Limit
There is no debt limit under the act. “Bonds or notes may be issued under this chapter notwithstanding and without regard to any limit on indebtedness provided by law” (T.C.A. § 9-21-103).

Allowable Projects
The definition section of the act has a long list of allowable public works projects, including everything from abattoirs to zoos. The list and the accompanying catchall provisions should cover most projects a community may want to fund (T.C.A. § 9-21-105(21)).

If a city has used available funds to start a public works project, a bond issue may include moneys to replace those funds (T.C.A. § 9-21-109).

Powers of Local Governments
The act includes a comprehensive list of local government powers to issue debt, use the borrowed money, and pay the obligation. Cities are authorized to undertake bond-funded projects with other local governments and the state or federal governments. They may build projects up to 20 miles outside the city limits. They may levy taxes on only a portion of the city to finance a project that only benefits part of the community. They may establish fees, tolls, or other charges and promise their bondholders that
the revenue from them will be earmarked to pay off the debt. The act also includes authority to lease public works projects. Cities may use this authority to structure public/private partnership agreements (T.C.A. §§ 9-21-107, 214).

Limitations on Local Governments
The act provides “no local government shall engage in the construction of a public works project wholly or partly within the legal boundaries of another local government except with the consent of the governing body of the other local government” (T.C.A. § 9-21-107(1)).

Process for Issuing Debt
A. General obligation bonds
The city council adopts an initial bond resolution stating
- the maximum amount of bonds to be issued,
- the project for which the bonds are to be issued,
- the maximum interest rate the bonds will be allowed to bear, and
- a statement of revenues to be used to pay the bonds (T.C.A. § 9-21-205).

The resolution may be adopted at a regular or special meeting with only a majority vote. It takes effect immediately upon adoption and is not subject to veto (T.C.A. § 9-21-108).

The city publishes the resolution with a notice advising the community that if 10 percent of the registered voters present a petition within 20 days calling for a referendum, then an election will be held to authorize the bonds (T.C.A. § 9-21-206).

If a petition is presented to force a referendum, the bonds may not be issued unless a majority of the voters approve the issue. However, there is one exception: If three-fourths of the governing body votes that an emergency requires issuing general obligation bonds for water or sewer purposes, then a petition may not force a referendum (T.C.A. § 9-21-207).

The city council may act on its own to hold an election to see if the voters want to issue general obligation bonds for a project (T.C.A. § 9-21-208). The code establishes procedures for holding bond elections. If an issue is not approved by the voters, then the city must wait at least three months before raising the proposition again (T.C.A. §§ 9-21-209 – 212).

In the process for the bond sale, the city prepares an official statement, which serves as a sales brochure for the debt issue and is normally prepared with a financial adviser’s help. The city decides whether it wants to pay one of the national rating agencies like Moody’s or Standard & Poor’s to issue a rating for the bonds and whether it wants to purchase bond insurance to further assure the lenders they will get their money back.

The city adopts a final bond resolution authorizing the sale and a tax resolution affirming that annual taxes will be levied to pay bond principal and interest (T.C.A. § 9-21-215). To assure potential lenders that all legal requirements have been met, cities employ lawyers specializing in bond issues (bond counsel) to prepare the resolutions and other legal documents associated with the issue.

The city advertises the bond issue five days before the sale date. If the bond issue is for more than $5 million, the sale must be advertised in the local newspaper and a New York City financial paper with national circulation (T.C.A. § 9-21-203).

General obligation bonds are sold by competitive bid (T.C.A. § 9-21-203). Bonds may be issued up to 40 years, but the length of the issue may not “exceed the reasonably expected economic life of the project being financed” (T.C.A. § 9-21-213(a)).
General obligation bonds must be sold for at least 98 percent of the face value of the indebtedness, known as “par” (T.C.A. § 9-21-202).

Within the 45 days following a general obligation bond sale or issuing any other debt for more than a year, the city must submit a report to the state director of local finance in the comptroller’s office. This report must include

- the issue and maturity date of the bonds;
- the amount borrowed and the interest rates;
- the debt issue’s purpose and the security for the obligation;
- an itemization of the issuance costs, including financial adviser fees, legal fees, paying agent and registrar fees, trustee fees, bond insurance fees, liquidity fees, remarketing agent fees, rating agency fees, underwriters’ discount, printing and advertising fees, and other similar expenses; and
- a copy of the official statement (T.C.A. § 9-21-151).

**C. Notes**

Bond anticipation notes may be issued for no more than two years from the date of issue. The state director of local finance must approve the issue and may approve two extensions of two years each for a six-year total. During such an extension period, the city has to start retiring the debt (T.C.A. §§ 9-21-501 *et seq.*).

Capital outlay notes must also be approved by the director of local finance. Several time-frame options are available, including three-year notes with two three-year renewal periods, seven-year notes for purchasing land, and 12-year notes. Twelve-year capital outlay notes totaling less than $2 million must be sold at a competitive public sale or informal bid process. Twelve-year capital outlay notes totaling more than $2 million must be sold at a competitive sale (T.C.A. §§ 9-21-601 *et seq.*).

Grant anticipation notes may be issued for various public works projects. They are secured only by the pledge of grant funds under contract between the federal or state government and the city. However, the interest on such grant anticipation notes may be a general obligation of the city. Grant anticipation notes may be issued for three years, or seven years with the approval of the state director of local finance. Under certain conditions, they may be extended to 10 years (T.C.A. §§ 9-21-701 *et seq.*).

Tax anticipation notes up to 60 percent of a city’s total appropriations for a current fiscal year are authorized subject to prior approval by the state director of local finance. These must be paid by the end of the fiscal year. If this is not possible, application for permission to issue funding bonds must be made to the state director “within 10 days prior to the close of the fiscal year” (T.C.A. §§ 9-21-801 – 803).

**B. Revenue bonds**

Issuing revenue bonds is similar to issuing general obligation bonds. There are no general law provisions for petitioners to force a referendum on revenue bonds. They may be sold by bid or negotiation for at least 97 percent of par value (T.C.A. §§ 9-21-302 – 303).

Lenders providing money through revenue bonds must look to the revenue produced by the public works financed for repayment. Therefore, revenue bond covenants frequently include detailed promises about how the city will operate its revenue-generating investment and handle its finances. Cities have the authority to make covenants about insuring and maintaining a public works project, keeping city books, doing audits, and many other operational details (T.C.A. § 9-21-306).
Grant anticipation notes may be issued for various public works projects. They are secured only by the pledge of grant funds under contract between the federal or state governments and the city. However, the interest on such grant anticipation notes may be a general obligation of the city. Grant anticipation notes may be issued for three years or seven years with the approval of the state director of local finance. Under certain conditions, they may be extended to 10 years (T.C.A. §§ 9-21-701 et seq.).

“Any note or promise to repay money issued... contrary to the requirements of Chapter 21... shall not constitute a legal obligation of the local government and shall be subject to the restrictions and penalties of T.C.A. § 9-21-406.” A lender holding such an invalid note may not collect interest on it until the act’s requirements have been met and the obligation approved by the state director of Local Finance (T.C.A. § 9-21-406).

To assure that no Tennessee local government slips into the habit of borrowing funds to pay annual operating expenses, any city issuing notes is required to send a balanced annual budget to the state director of local finance. If the director finds that the city is using unrealistic projections in its budget, he or she may require the governing body to adjust its estimates or increase its tax levy (T.C.A. § 9-21-403).

Before notes may be issued to finance industrial parks, a city must obtain a certificate of public purpose and necessity from the Building Finance Committee in the Industrial Development Division of the Department of Economic and Community Development (T.C.A. § 9-21-402, T.C.A. § 13-16-207).

**D. Refunding bonds**

Before issuing refunding bonds for either outstanding general obligation bonds or outstanding revenue bonds, the city’s refunding plan must be submitted to the state director of local finance (T.C.A. §§ 9-21-901 et seq., T.C.A. §§ 9-21-1001 et seq.).

**Utility Bond Law**

The Revenue Bond Law of 1935 was not repealed. It allows issuing bonds secured by revenues to acquire, construct, reconstruct, improve, or extend parking facilities, water, sewer, gas, or electric systems within or without a city’s corporate limits. No referendum is required—only approval by “a majority of all members [of the governing body] then in office.” The maximum term is 40 years, and there is no interest rate ceiling. Revenue anticipation notes with terms up to five years and refunding bonds are also authorized (T.C.A. §§ 7-34-101 – 118).

**Cash Basis Law of 1937**

The Cash Basis Law of 1937 is another old bond law that has not been repealed. The law was enacted to help cities and counties cope with serious financial problems brought on by the Great Depression of the 1930s. It may be used to:

- fund notes, warrants, or other debts not secured by bonds;
- refund any existing bonds and accrued interest thereon; and
- pay bond redemption premiums and other expenses deemed necessary by the governing body.

The governing body is specifically empowered to take final action at one meeting (one reading only) “notwithstanding the provisions of any public or private statute.”

The bond order must include a pledge to levy property taxes sufficient to retire the bonds. It becomes effective on passage by the governing body. Publication of the bond order in a newspaper published in the city or county “once in each of
two consecutive weeks” is required. Maximum terms are 20 years for funding bonds and 30 years for refunding bonds, but the state director of local finance may extend these terms by 10 years. Registered bonds, as to principal only or as to principal and interest, are authorized. No maximum interest rate is specified.

The prior approval of the state director of Local Finance is required for issuing bonds under this law. For this purpose, a detailed financial report must be prepared (T.C.A. § 9-11-108). As long as any bonds issued under this law are outstanding, complete annual budgets for all city or county operations must be submitted to the state director of Local Finance at least three weeks before adoption. Each annual budget must have the director’s approval before adoption. Bonds or notes issued under this statute are exempted from any other public or private law provisions (T.C.A. §§ 9-11-101 et seq.).

Some cities used this law as they wrestled with serious debt problems, and a general belief prevailed that it would bring lower interest rates because of the state director’s oversight and prior approval requirements. In the mid-1950s, at least 16 cities were subject to the law. As time passed, such bonds were retired. Cities discontinued using the law because of less financial pressure and the subordination of budget power to the state director of local finance. By 1987, no cities were under this law.

Registering Bonds

Procedures and requirements for registering bonds and other public obligations following the federal requirement that all municipal securities must be registered after July 1, 1983, are contained in T.C.A. §§ 9-19-101 et seq. and T.C.A. § 9-21-111.

Accounting for Drug Fund Expenditures

The Drug Fund may be the most misunderstood fund the recorder will administer. As provided by T.C.A. § 53-11-415, the city recorder shall set up a special account for those funds received under the provisions of T.C.A. Title 39, Chapter 17. The comptroller of the treasury has issued guidelines for handling drug funds. Detailed procedures and forms for the Drug Fund may be found in the publication titled, Drug Fund Manual, by J. Ralph Cross and Rex Barton, published in 2003.

IV. CASHIERING AND ACCOUNTING FOR REVENUE

The preceding chapter dealt with a variety of taxes and the issuance of several kinds of licenses. Special procedures and forms are needed for most of those taxes and licenses.

This chapter will deal primarily with state-shared taxes and miscellaneous revenues that can generally be acknowledged by a simple all-purpose city receipt form. The chapter will also explain the use of the daily cash report, which encompasses all receipts/collections coming in to the city recorder’s office.

Cash Handling Procedures

A receipt must be prepared for every payment received by the city, whether paid by cash or check, through the mail or personal appearance. There are specific, separate kinds of receipts used for property taxes and for business taxes, which have already been described in the preceding chapter. However, a general prenumbered receipt form can be used, in duplicate or triplicate, for all other types of payments.

On this general receipt, the city recorder enters the payor’s name, the amount, the date, the purpose of payment, and checks a box indicating whether payment is by cash or check. The recorder also puts
in the proper fund number and revenue, expense or liability account number, and signs the receipt. The white (original) receipt is given to the payor, the pink (duplicate) copy goes with the daily cash report to the bookkeeper, and the yellow (triplicate) copy remains bound in the recorder’s general receipt book. If duplicate receipts are used, the white copy is given to the payor and the copy remains in the bound book.

There are several instances when it is not practical to issue the white original receipt to the payor, such as when checks are received from the state and federal governments for shared taxes and grants, and when persons mail in a payment for a traffic ticket. In the first of these cases, the white original can be attached to the pink copy that accompanies the daily cash report to the bookkeeper.

The cash and checks received are placed in a cash drawer that contains the appropriate cash for making change. The city recorder should decide the appropriate amount of cash to be kept at city hall. Receipts are reconciled with cash collections, amounts are entered on the daily cash report, and all cash and checks are placed in the vault until they can be deposited in the bank. Deposits should be made intact, with the appropriate amount of cash remaining in the cash drawer. T.C.A. § 6-56-111 requires that all funds received by the city be deposited in the bank as soon as practical but no later than three days after receipt of the funds.

The city recorder has the responsibility for the control of all cash. This is to control against losses through fraud, negligence, incompetence, or inept systems. As with any internal control system, cash control requires a separation of responsibilities in the actual handling of cash from the cash record keeping. When a separation of duties exists, fraud will require collusion, which, by definition, restricts the number of opportunities for such fraud. Several types of cash misappropriations are listed below.

1. Outright theft.
2. Lapping—misappropriating checks from another account or cash drawer and removing the cash from your box.
3. Overstating discounts; understating penalties or interest.
4. Not reporting cash for deposits.
5. Failure to write receipts for funds received.
6. Misposting records to agree with the amount collected, including falsifying records.

The following is a checklist for the internal control of cash:

1. Authorization for check writing should be separate from check signing authority, that is, the person making out the check should not be authorized to sign the check.
2. Two signatures should be required on all checks. Ideally, the two signatories should be independent of each other and one should be the mayor or other elected official.
3. Separate the responsibility for receiving cash and for depositing it, fixing the definite responsibilities.
4. Separate cash handling from the record keeping.
5. Divide responsibilities for receiving cash and disbursing cash and making deposits.
6. Bank reconciliations should be performed by personnel who have no other cash record keeping responsibility.
7. Summary totals of monthly cash receipts and disbursements should be prepared by others than the daily posting clerks. Where there is a separate data processing function, batch totals of daily items should be prepared by the accounts receivable section.
8. Use protective equipment, such as cash registers. Read the registers frequently.
9. Mail receipts should be tape controlled by accounting people.
10. Make photocopies or type lists of checks for deposit.
11. Deposit all cash and checks intact daily.
12. Require personnel to take vacations and shift jobs frequently to prevent collusion.
13. Personnel handling cash, cash records, and checks should be bonded for fidelity.
14. In small cities, where the division of internal control above may not be possible due to few employees, the recorder must maintain closer supervision over the cash responsibilities.
15. Annual audits.

For additional information on cash handling procedures, see the Internal Control and Compliance Manual for Tennessee Municipalities, published by the Comptroller of the Treasurer of the State of Tennessee.

Sources of Cash Receipts
The city receives a wide variety of revenues in addition to those already discussed. Many of these come from the state of Tennessee or the federal government, in the form of shared taxes or grants.
## County and State-Shared Taxes
There are at least nine different county or state taxes that are shared with municipalities, some of which are restricted to specific uses.

<table>
<thead>
<tr>
<th>JURISDICTION LEVYING</th>
<th>DESIGNATION</th>
<th>RESTRICTIONS (ON CITY SHARE)</th>
<th>T.C.A. AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) State</td>
<td>Sales Tax</td>
<td>No restrictions</td>
<td>67-6-101</td>
</tr>
<tr>
<td>(b) County</td>
<td>Local Option Sales Tax</td>
<td>No restrictions</td>
<td>67-6-701 et seq.</td>
</tr>
<tr>
<td>(c) State</td>
<td>Beer Tax</td>
<td>No restrictions</td>
<td>57-5-201</td>
</tr>
<tr>
<td>(d) State</td>
<td>Alcoholic Beverage Tax (shared only with counties and four largest cities)</td>
<td>No restrictions</td>
<td>57-3-302</td>
</tr>
<tr>
<td>(e) State</td>
<td>Mixed Drink Tax</td>
<td>Schools and No restrictions</td>
<td>57-4-301 to 306</td>
</tr>
<tr>
<td>(f) State</td>
<td>Gasoline and Motor Fuel Taxes</td>
<td>City Streets</td>
<td>See Municipal Handbook, Chapter 7</td>
</tr>
<tr>
<td>(g) State</td>
<td>Special Tax on Petroleum Products (replaced Gasoline Inspection Fee)</td>
<td>City Streets</td>
<td>See Municipal Handbook, Chapter 7</td>
</tr>
<tr>
<td>(h) State</td>
<td>Gross Receipts Tax (TVA in Lieu)</td>
<td>No restrictions</td>
<td>67-9-101</td>
</tr>
<tr>
<td>(i) State</td>
<td>Tax on Income from Stocks and Bonds</td>
<td>No restrictions</td>
<td>67-2-119</td>
</tr>
<tr>
<td>(j) State</td>
<td>Excise Tax</td>
<td>No restrictions</td>
<td>67-4-201</td>
</tr>
</tbody>
</table>
Despite the variety of these revenues and the restrictions as to use in some cases, the city recorder’s function is merely to acknowledge receipt of each check, and include it with the day’s receipts. The recorder’s general receipt book is used for this purpose, and all such receipts are classified and included in the daily cash report, to be discussed in detail below.

Many, but not all, of these taxes are distributed to municipalities on a per capita basis, recomputed annually as of July 1 by considering the amount of tax distributable to cities and the actual total population within the incorporated municipalities of Tennessee. The former is developed by the Department of Revenue after reviewing actual collections and new legislation, including the state’s annual general appropriation act. The municipal population figure is computed by the Tennessee State Planning Office after including new incorporations, annexations, and official city-wide censuses, and deleting population in those rare cases of disincorporation of a municipality. MTAS calculates an estimated per capita amount for all state-shared taxes and distributes this information to all cities in late April or May of each year.

In order to facilitate an understanding of these revenue sources, each is discussed at some length below.

**State Sales Tax**

The 7 percent state sales tax is levied on the retail sale or use of tangible personal property, rental, or lease of tangible personal property, and specific services. T.C.A. § 67-6-103 makes the following provisions concerning the deposit and allocation of receipts:

(a) The commissioner shall deposit promptly to the credit of the state treasurer in state depositories all moneys received by the commissioner under the provisions of this chapter, and all such moneys shall be earmarked and allocated as follows:

1. Twenty-nine and two hundred forty-six ten-thousandths (29.0246) percent of such moneys shall be earmarked and allocated specifically and exclusively to the general fund;

2. Sixty-five and ninety-seven thousandths (65.0970) percent of such moneys shall be earmarked and allocated specifically and exclusively to

3. (A) Four and fifty-nine hundred twenty-five ten-thousandths (4.2462) percent shall be appropriated to the several incorporated municipalities within the state of Tennessee to be allocated and distributed to them monthly by the commissioner of finance and administration in the proportion as the population of each municipality bears to the aggregate population of all municipalities within the state according to the latest federal census and other censuses authorized by law. Municipalities incorporated subsequent to the last decennial federal census shall, until the next decennial federal census, be eligible for an allotment, commencing on July 1, following incorporation, election and installation of officials, on the population basis determined under regulations of the state planning office and certified by that officer to the commissioner; provided, that an accurate census of population has been certified to the state planning office by the municipality. Municipalities now participating in allocation shall continue to do so on the basis of their population determined according to law.
Local Option Sales Tax

This tax is authorized by T.C.A. §§ 67-6-701 – 712. Any county by resolution of its county legislative body or any city by ordinance of its governing body can levy the local option sales tax at a rate up to 2.75 percent. The base of the local option sales tax is the same as the state sales tax base with few exceptions: localities may tax only the first $1,600 of any one transaction; and lower limits apply to industrial and farm machinery and some electric, water and gas bills.

If the county has levied the tax at the maximum rate, no city in the county can levy a local sales tax. If a county has a sales tax of less than the maximum, a city can levy a tax equal to the difference between the county rate and the maximum.

No local sales tax or any increase in the local sales tax rate can become effective until approved in an election in the city or county levying it. The state Department of Revenue will collect the local tax at the same time it collects the state sales tax.

If the tax is effective only inside a city, the proceeds go to the city general fund. If the tax is levied by the county, the money is divided as follows:
1. One-half is expended and distributed in the same manner as the county property tax for schools, including division with any city or district schools on an average daily attendance basis.
2. a) The other half is distributed on the basis of where the sale occurred. Collections in incorporated cities or towns go to their general funds. Collections in unincorporated areas go to the county general fund, OR
   b) A county and city may, by contract, provide for some other division of the half not allocated to schools. Since the city receives a portion of the county sales tax collected within incorporated areas, it is important that the city recorder inform the state of new business establishments and annexations.

Since the second half of the local sales tax is distributed to the local government in which the business is located, it is very important that local governments do site verifications on a periodic basis.

Sales tax receipts obviously will vary with fluctuations in business activity and income of the local economy. Statewide, approximately 20 percent of the local sales tax collections are from the sale of food. Monitoring local retailers and keeping abreast of local employment trends are crucial to predicting sales tax estimates.

Because Tennessee is a border state, many residents make purchases in areas outside the state where there are no sales taxes or where there are taxes with lower rates.

State Beer Tax

T.C.A. § 57-5-201 levies a special state privilege tax of $4.90 per 31-gallon barrel to be paid by persons manufacturing or distributing beer in the state. From the proceeds of this tax, 10.05 percent is divided among the incorporated municipalities according to population (T.C.A. § 57-5-205). Forty-one hundredths percent (.41 percent) of the proceeds “shall be reserved and transferred to the Department of Mental Health and Retardation to assist municipalities and counties in carrying out the provisions of the Comprehensive Alcohol and Drug Treatment Act of 1973…” The 10.05 percent portion is paid to cities semi-annually, in October and April, and may be used for general purposes.
Alcoholic Beverage Tax
(Distributed to the four largest cities in Tennessee)

T.C.A. § 57-3-302(b) levies a $4.40 per gallon tax on the sale or distribution of alcoholic beverages (hard liquor). Section 57-3-306(a) and (b) provide for a distribution of a share of this tax to counties. Subsection (c) of Section 57-3-306 specifically states that:

Thirty percent (30%) of the amount distributed to counties having a population of more than two hundred and fifty thousand (250,000) according to the 1970 federal census or any subsequent federal census, shall be paid by such counties to any municipalities within such counties that have a population of one hundred and fifty thousand (150,000) according to the 1970 federal census or any subsequent federal census.

State Gasoline and Motor Fuel Taxes

The current state tax rate on various petroleum products sold in Tennessee, the share of those taxes counties and municipalities receive, and the formulas for distribution of the share of counties and municipalities, are reflected below.

Gasoline tax: 20 cents per gallon
(T.C.A. § 67-3-1301)

Counties and municipalities receive the following portions of 11 cents:

- Counties: 28.6 percent*
- Municipalities: 14.3 percent*

* Less 1 percent deducted for administrative costs. (T.C.A. §§ 67-3-2001(b) and (c), 54-4-103, 54-4-204)

Diesel fuel tax: 17 cents per gallon
(T.C.A. § 67-3-1302)

Counties and municipalities receive the following portions of 12 cents:

- Counties: 24.75 percent
- Municipalities: 12.38 percent


Prepaid diesel fuel tax:
(T.C.A. § 67-3-2409)

A prepaid user diesel tax is levied on the passenger cars and trucks (based on their weight) of certain users of diesel fuel for agricultural purposes, according to the schedule laid out in T.C.A. § 67-3-2409. Counties’ share of that tax is 24.75 percent; municipalities’ share is 12.38 percent (T.C.A. § 67-3-2005).

Compressed natural gas tax: 13 cents per gallon
(T.C.A. § 67-3-2213)

Counties and municipalities receive the following portions of 9 cents:

- Counties: 24.75 percent
- Municipalities: 12.38 percent

(T.C.A. § 67-3-2005)
Liquified Gas Tax. Liquified petroleum tax: 14 cents per gallon. (T.C.A. § 67-3-2202)

Counties and municipalities receive the following portions of 9 cents:

- Counties 28.28 percent
- Municipalities 14.14 percent

(T.C.A. § 67-3-2008(a))

Counties and municipalities receive the following portions of one (1) cent:

- Counties 66 2/3 percent*
- Municipalities 33 1/3 percent *

* Less 1 percent deducted for administrative costs (T.C.A. § 67-3-2008(b))

Except where specifically indicated otherwise:

(a) Fifty (50) percent of the counties’ share is divided equally among the 95 counties, 25 percent on the basis of area, and 25 percent on the basis of population.

(b) The municipalities’ share is divided among municipalities on the basis of the population each municipality bears to the aggregate population of all municipalities, according to the federal census, or a special census as prescribed by T.C.A. § 54-4-203. (T.C.A. §§ 67-3-2001(b), (c), (f)(2) and (i), T.C.A. § 67-3-2005, T.C.A. § 67-3-2008, T.C.A. § 54-4-103, and T.C.A. § 54-4-204, Tennessee Attorney General’s Opinion 86-136).

(c) The money each individual municipality receives under the Petroleum and Alternative Fuels Tax Law is paid into the municipality’s state street aid fund, and is required to be administered and spent under the law that governs that fund (T.C.A. §§ 54-4-103, T.C.A. § 54-4-204). (For an outline of what expenditures are authorized under the law governing the state street aid fund, see State Street Aid Fund Expenditures: On the Road to Understanding, Ron Darden, MTAS, Jan. 2003).

TVA in Lieu of Tax

The Tennessee Valley Authority, as a governmental entity, does not pay taxes to state and local governments. However, it is required by federal law to make payments in lieu of taxes based upon its gross receipts.

The in lieu of tax is based on the gross receipts of TVA in the state. Of that total amount paid to Tennessee, the state retains a base amount equal to the 1977-78 payment plus 48.5 percent of any increase. Local governments receive 48.5 percent of the increase above the 1977-78 base, and areas impacted by TVA construction receive the remaining 3 percent. (TCA § 67-9-101)

From the 48.5 percent earmarked for local government, the distribution is as follows (TCA § 67-9-102):

1. 30 percent to counties on the basis of population.
2. 30 percent to counties on the basis of acreage of the county as a percentage of all acreage in the state.
3. 10 percent to counties on the basis of TVA owned land in the county as a percentage of TVA owned land in Tennessee.
4. 30 percent to cities on the basis of population.

Income Tax

For many years the state of Tennessee has levied a tax on the income from stocks and bonds (also referred to as the Hall Income Tax).

The rate of tax is 6 percent. Five-eighths are paid to the state’s general fund, and the remaining three-eighths are distributed among the cities and counties within which the taxpayer lives. If the taxpayer lives inside an incorporated municipality, the three-eighths share goes to that city; if they reside outside an incorporated municipality, the share goes to the county (T.C.A. § 67-2-119). Beginning with
fiscal year 2004, the share going to the cities and counties will be reduced at least 33 percent.

Thus, the distribution of the income tax is a departure from the usual per capita basis. Cities usually receive their once-a-year checks from this source in July or August. The revenue is for general fund purposes.

**Charges for Services**

A city can help keep its tax rate down, and broaden its revenue base, by levying fees or charges for various services that it provides. One of the most common of these is a monthly charge for garbage and refuse collection from residential and commercial establishments. In some cases, this charge appears as a separate item on monthly utility billings.

Recreation facilities are frequently supported by fees, at least in part. Examples are swimming pool and golf course fees, and library charges. Other fees for services include administrative, accounting, and management services provided to the utilities, lot clearing activities, cemetery services, and special police and fire services.

Often, for the convenience of the customer, fees are collected by representatives of recreation or other departments at the point of delivery of the service. In such cases, these representatives pay over the receipts periodically to the city recorder. Whether the recorder receives service charges directly or through department collections, all monies must be appropriately receipted for and included in the early cash report.

**Rents and Concessions**

Revenues are also received by cities in the form of rents and concession payments. Examples of the former are rents on a city warehouse, temporarily excess space in a new city hall, and on farmland at the landfill site. Concession payments include those at swimming pools and ballparks.

**Public Enterprise Revenues**

The major public enterprises operated by municipalities are water, sewer, gas, and electric utilities.

The utilities may be served financially by the city recorder’s office or may have their own billing and collecting staffs. Utilities were among the first municipal services to be computerized for billing, collecting, and accounting, and often will be shown as separate charges on a combined utility bill.

When utility bills are paid by mail, the customer usually retains the stub for their files. When paid in person, the receiving official stamps “Paid” and the date on the stub which is then detached and handed to the customer. The recorder will also receive and account for tap fees and customer deposits.

Daily, the city recorder will summarize the bill stub amounts, reconcile with cash collections and enter totals for each utility on the appropriate line of the daily cash report. Another option is to have a consolidated accounts receivable account through which all utility accounts receivable are handled.

**Other Municipal Revenues**

Court fines and forfeitures can be an important segment of a city’s revenue structure. They may be paid to the city recorder directly or to a court clerk for periodic forwarding to the recorder. Receipts are issued by the recorder individually or for a group of fines, as the situation merits. These revenues are also shown on the daily cash report.

Other miscellaneous revenues include interest on investments and on temporarily idle funds. An effort should be made to keep all money (except for normal working cash) invested in some interest-bearing
account. Infrequent, but sometimes large, revenues come from the sale of surplus materials, equipment, land and buildings, and all these sales would be entered into the revenue accounts by the recorder.

For additional information on municipal revenues, see Chapter 7, “Municipal Revenues,” of the *Tennessee Municipal Handbook*, 2000. This handbook is published by the University of Tennessee Municipal Technical Advisory Service.

**Preparation of Daily Cash Report**

An accurate accounting for all monies taken in by the city is essential for the proper financial operation of the city. The basic task lies with the city recorder to properly code the receipt as a revenue or liability.

**Coding of Revenues on Receipt and Daily Cash Report Forms**

The city recorder should quickly become familiar with the accounting codes assigned to each municipal revenue source. The most common of these are printed on the daily cash report. (See sample illustrated in Appendix 6.)

The correct revenue account code number should be entered in the “Account” column of the General Receipt Form with the amount received placed in the “Amount” column. In a few cases, two account codes will be shown, as with moving traffic violations fines. For example:

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>CODE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Court Fines and Costs</td>
<td>35110</td>
<td>$</td>
</tr>
<tr>
<td>Fee Due State</td>
<td>21523</td>
<td>$</td>
</tr>
</tbody>
</table>

**Coding of Collections as Agent for the State for Trust Funds, Utilities, Etc.**

Besides receiving payments designated for expenditure from the general fund, the city recorder receives checks or cash as agent for the state or for other city funds. The following are examples:

<table>
<thead>
<tr>
<th>PURPOSE</th>
<th>CODE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due State—Moving Traffic Violations and DWI</td>
<td>21523</td>
</tr>
<tr>
<td>Returned Checks Collection</td>
<td>13290</td>
</tr>
<tr>
<td>(a good check replacing a bad check)</td>
<td></td>
</tr>
<tr>
<td>Tax Relief Reimbursement</td>
<td>11920</td>
</tr>
</tbody>
</table>

In case of doubt as to how to code these types of collections or a bad check, the *Governmental Accounting, Auditing, and Financial Reporting* (Government Finance Officers Association, 2001), your auditor, or an MTAS finance consultant should be consulted. Receipts are issued for all of these purposes, but receipts are not sent to the state. The original stays in the book or is filed with the voucher portion of the check.

**Totaling the Daily Cash Report and Balancing with the Cash Drawer**

Each afternoon before closing, the receipt forms for the day should be totaled and compared with the money and checks in the cash drawer so that the following morning operations can begin with the usual cash on hand in the cash drawer. As has been mentioned before, all cash and checks are removed to the vault for safe-keeping overnight.

Each morning, before depositing the previous day’s collections (cash and checks), the city recorder reviews the pink copies of the general receipt forms, the property tax receipts, the business tax receipts, and other special receipts for that previous day in order to obtain totals for each revenue code. These amounts are then entered in the daily cash report form. It is important that deposits be made intact in order to leave a clear audit trail and to facilitate location of errors.
Totals are run and entered for each fund: general fund, state street aid fund, water and sewer, etc. The recorder also completes and signs the following line on the daily cash report:

Collections composed of
Cash $______ Checks $______ Total $______
by City Recorder

The bookkeeper will post summaries in the journal, and transfer the information to the ledgers monthly. The daily cash report should be used whether or not the accounts are on a computer. If the accounts are computerized, then the original of the daily cash reports should be forwarded to the data processing servicing agency for maintaining the accounts and preparing financial reports for the city, or given to the bookkeeper for entry into the city’s computer system.

**Direct Deposit of State-Shared and State-Collected Taxes**

The state of Tennessee offers cities the option of direct deposit of state-shared and state-collected taxes.

“There will be three methods of distributing funds to cities. All of these will become effective after December 1, 1983. The State Comptroller’s Office has approved these alternatives:

1. To Local Government bank account;
2. To Local Government Investment Pool account (existing or new);
3. To continue to receive state warrants.”

The major benefit of direct deposit is that they can expect to have these monies available three to five days earlier for use or investment, and less work is required by city personnel.

An explanation of the operation of the state’s Local Government Investment Pool has been issued by the Tennessee Treasury Department. (http://www.treasury.state.tn.us/index.htm)

**Form Related to Cashiering and Accounting for Revenue—Appendix 6**

Daily Cash Report Form

**V. CONDUCTING CITY COURT**

As pointed out in the first chapter of this manual, a city’s private act charter may specify that the city recorder shall also serve as city judge. In Mayor-Aldermanic charter cities, T.C.A. § 6-4-30(c) states that “Whenever the office of city judge is not filled by the appointment of some other person, the city recorder shall be the city judge.” In Uniform City Manager-Commission cities, with a few exceptions, whenever the office of the city judge is not filled by the appointment of some other person, the city recorder shall be the city judge (T.C.A. § 6-21-501). In many cities the recorder is the court clerk.

**Ordinance Provisions**

A city’s code of ordinances will often outline the powers and responsibilities of the city judge. In a municipal code prepared by MTAS, a chapter on the city court is usually found in Title 3, “Municipal Court.” Subjects commonly covered in such ordinances include

- Issuance of warrants
- Appearance bonds
- Issuance of subpoenas for witnesses
- Recorder to make court rules
- Docket to be kept
- Trials without delay
- Court fines, penalties, and costs
- Sufficiency of security in judgment
- Appeals

**Traffic Tickets and General Warrants**

A violator of city or state law can find themselves in court as the result of having received a traffic ticket or having been served a warrant.
City Court Docket, Reports

Copies of traffic tickets or warrants are used to enter names and charges in a City Court Docket. The docket may be in the form of a printed and bound book with pages entitled “Magistrate’s Docket” and “Civil Cases” (see samples in Appendix 7). In some cities, the prospective cases are entered into a word processor and an alphabetical list of violators and their offenses produced in a printed docket for the convenience of the judge.

Regardless of form, the completed docket must indicate the disposition of each case. Each month, at the prescribed time, the city must report to the state, using the following forms:
Tennessee Department of Revenue, Form RV-1438, “Motor Vehicle Enforcement” (for violations of registration, overweight, spillage, etc.)

Tennessee Department of Revenue Form RV-0440, “Litigation Tax Report.”


References
City charter.
Municipal code.
Tennessee Code Annotated.
Municipal Court Manual, the University of Tennessee Municipal Technical Advisory Service, Rex Barton and Melissa Ashburn, April 2003.

Forms Related to Conducting City Court—Appendix 7
Contacts for submitting reports and fines and for requesting new forms

State Litigation Tax Report

VI. OTHER DUTIES THAT MAY BE ASSIGNED TO THE CITY RECORDER

Budget Preparation and Administration

An annual municipal budget is not only an essential document for financial planning and administration, it is required by general law (T.C.A. §§ 6-2-103, 6-22-122, and 6-35-304). For private act cities, the Municipal Budget Law of 1982 (T.C.A. §§ 6-56-201 – 6-56-212) may apply. Section 6-56-202 states: “The provisions of this part apply to any municipality that does not have budget provisions, at least as detailed as provided by section 6-56-203(1) and (3), contained in its charter.”

Some municipal charters may designate the budget officer, as the city manager is so designated in the Uniform City Manager-Commission charter and the Modified City Manager-Council Charter. Where the charter assigns budget duties to the mayor, or where no specific assignment is made, the city recorder can be expected to do the bulk of the budget preparation work. Occasionally, a city will adopt an ordinance to formalize the duties of budget-making, but more frequently these tasks are not spelled out in a legal document.

Each city should follow a budget calendar, which identifies the times at which major steps in the budget process should be taken. The budget should be prepared by line item, but appropriations should be made by department or major function.

A comprehensive guide, Budget Manual, An MTAS Guide for Municipal Budget Management and Execution, (Margaret Norris, the University of Tennessee Municipal Technical Advisory Service, March 2003), has been prepared. It covers budget-making from start to finish.
MTAS offers courses statewide concurrently with the budget preparation season.

Budget administration during the fiscal year is as important as the budget process itself to make sure that expenditures are properly made and controlled, all revenues are accounted for, and no appropriations are overspent without proper legal adjustments.

**Purchasing**

The major requirements for municipal purchasing are often contained in the city charter, with designation of a purchasing agent, and the establishment of dollar maximums above which the agent may not purchase without council approval, or above which sealed competitive bids are required. For example, the Uniform City Manager-Commission Charter designates the city manager as purchasing agent.

Where there is no city manager, the city recorder will often serve as purchasing agent, with the city council awarding bids or otherwise approving large purchases. While some cities may write their purchasing procedures into an ordinance, others adopt a purchasing policy by city council vote. A list of elements of a complete purchasing procedure, many of which will personally involve the city recorder, include:

- Purchase documents (requisitions, invitations to bid, purchase orders, receiving reports, etc.)
- Specification writing.
- Quotations and bids.
- Small purchases (through petty cash departmental purchase orders, or allowing authorized employees to pick up parts and materials at designated businesses).
- Emergency purchases.
- Contractual purchases (over a six- or 12-month period).
- Inspection and testing.
- Warehousing (including inventory records).
- Sale of surplus property.

Municipalities can make purchases without competitive bidding from those contractors who have indicated a willingness to sell to cities at the prices established in their state contracts (T.C.A. § 12-3-1001). Information is available from the Department of General Services at www.state.tn.us/generalserv/purchasing/kont.htm

In addition, cities must purchase furniture, equipment, and other supplies from the Tennessee State Prison Industries and from state and federal surplus property depots when the products are available, of satisfactory condition, and reasonably priced (T.C.A. §§ 41-22-119 et seq.). The law also exempts certain supplies and services from the bid requirements, as well as naming certain businesses that a city may purchase from without going through the bid process.

The “Municipal Purchasing Law of 1983,” codified as T.C.A. §§ 6-56-301 – 306, requires competitive bids on all purchases of $2,500 or more but allows cities to raise that limit up to $10,000 by ordinance. However, the act does not apply to cities with charter provisions or private act requirements governing competitive bidding and purchasing. It also does not apply to purchases made through the state. The state purchasing law, T.C.A. §§ 6-56-301 et seq., does not require that cities accept the lowest bid, but if the lowest bid is not accepted, the city should be prepared to defend its action. Reasons for not accepting the lowest bid may include poor quality, lack of service availability, past performance of like product, etc.

Cities are required to incorporate in their procurement policies the energy efficient standards and life cycle costing used by the state in its
procurement policies, unless a city desires to use higher standards (T.C.A. §§ 12-3-601 through 12-3-612).

MTAS consultants are available to assist cities in developing or amending purchasing policies.

References on Purchasing


Your city charter.
Your municipal code.

*Tennessee Municipal Handbook,* the University of Tennessee Municipal Technical Advisory Service.

Insurance Administration

Insurance administration is a function that may be assigned to the city recorder.

The basic prerequisite is that all current policies be kept on file where they can be referred to readily, and that all amendments and riders to the policies be attached thereto. As motor vehicles, large pieces of equipment, land, and structures are acquired, the city’s insurance agents should be advised so that they can be added to the respective policies by endorsement. Similarly, when they are sold, or otherwise disposed of, they should be deleted from coverage.

To complete an insurance file, the agent or insurance company should send to the city periodic reports of claims paid and other settlements on insured properties. When insurance coverages are let to bids, the city recorder will be expected to keep track of the procedures used, including notices to insurers and the receipt of the sealed bids.

MTAS consultants have been available to make insurance reviews for cities, to suggest changes in coverages, and to provide sample bid specifications. The Tennessee Municipal League’s Insurance Pool has a full-time loss control staff who can help cities reduce their risk exposures.

Inventory of Capital Assets

In order for an auditor to prepare a complete and unqualified city audit, it is necessary that they have a listing of the capital assets of the municipality. Sometimes the auditor will prepare a list, but it is the city’s (city recorder) responsibility to prepare and maintain records of capital assets.

The MTAS publication “Capital Asset Accounting System,” March 2003, page 6, states:

“To be classified as a capital asset, a specific item must have a life longer than the current year and have significant value.

What constitutes significant value varies depending on the size of the city and the class of fixed asset. The threshold for capitalization can vary among types of capital asset. A city may classify equipment costing more than $1,000 as capital while using a $5,000 minimum limit for buildings. Your threshold could be set at the limit at which bids are required before purchase. Cities may exercise the option to include as a capital asset any borderline items over which it wishes to maintain accounting control. Groups of items that may not qualify individually can be capitalized when the total purchase exceeds your threshold.

The municipal governing body should set the capitalization threshold for all classes of capital assets via resolution or ordinance.
A cost test may be applied to aggregates of units of similar type or purpose rather than to the unit itself. Whether an expenditure is classified as an operating expense or capitalized often is determined by its relationship to some existing asset. The amounts specified above are rather arbitrary. Your city could establish threshold values for capital asset accounting different than those suggested into its intended state of use. It includes storage tanks, parking areas, landscaping, connector driveways, traffic lights, parking meters, and other improvements.”

**Capital Assets Accounting References**

*Capital Asset Accounting Systems*, the University of Tennessee Municipal Technical Advisory Service, March 2003.

**Personnel Administration**

Personnel administration is a comprehensive management function that in medium-sized and larger cities requires a full-time personnel director plus some supporting staff. A complete program includes recruitment, training, employee relations, position classification and compensation administration, performance evaluations, disciplinary actions, fringe benefits, and pension and retirement planning.

The city recorder in the small city can be expected at the least to (1) maintain personnel records, (2) prepare the payroll, (3) make FICA (Social Security), withholding tax, and unemployment compensation insurance payments, (4) administer employee life and hospitalization insurance programs, (5) deferred compensation plans, (6) compile OSHA and worker’s compensation reports, (7) maintain employee leave records, and (8) in many cities, ensure compliance with the Fair Labor Standards Act, the Family Medical Leave Act, and various other federal employment laws.

While none of these tasks are extremely time-consuming, they are all of great importance to the city and the employee, and accuracy and timeliness must be stressed. Each of these subjects has its own legal requirements, forms, and timetables, and the requirements in these areas are becoming more complex each year. The MTAS personnel consultant or management consultant can provide assistance in many of these areas.

**References on Personnel Administration**

Your city charter.

Your municipal code of ordinances.

Your municipal personnel rules and regulations.

NOTE: The above two references are helpful in identifying the powers and duties of municipal officials.


Your city’s insurance agents and the Tennessee Municipal League Insurance Pool, especially on hospitalization and worker’s compensation coverages.
Clerk Certification from the MTAS Municipal Handbook: City Recorder or Clerk Certification

With the exception of certain classes of clerks and recorders, cities with populations of 1,500 or more that employ a municipal clerk or recorder are required to have one person meeting the certification qualifications established by the secretary of state. Such certification requires at least 100 hours of education courses. Credit hours are given to those with associate's or bachelor's degrees. Also, certification from the International Institute of Municipal Clerks meets the state qualifications (T.C.A. § 6-54-120). Municipal clerks or recorders hired after July 1, 1994, are allowed four years to meet the certification qualifications.

Reference
City Recorder Certification Update, September 2002, the University of Tennessee Municipal Technical Advisory Service, Margaret Norris, Municipal Management Consultant.

Infectious Disease Control Policy

In 1993, the Occupational Safety and Health Administration (OSHA) standards relative to infectious disease required Tennessee cities to set up actions for compliance. Cities must adopt an Infectious Disease Control Policy and offer Hepatitis B vaccination to all at-risk employees. Since in many Tennessee cities the city recorder also serves as the safety director, the city recorder should see that an Infectious Disease Control Policy is in place. In addition, the city recorder should see that all at-risk employees are offered the Hepatitis B Vaccination. The city recorder should see that proper records are kept and that training and information to all at-risk employees be given at least annually.

Useful References on Infectious Disease

Your municipal code: See section on health and sanitation.


Documents and Forms Related to Infectious Disease—Appendix 8

Sample infectious disease control ordinance

Sample Hepatitis B vaccination contest form

Americans with Disabilities Act (ADA)

From the Municipal Handbook, the University of Tennessee Municipal Technical Advisory Service, 2000.

“The Americans With Disabilities Act (ADA) (42 U.S.C. §§ 12101 et seq.) contains five titles, each of which generally prohibits a broad range of discriminatory activities by either public or private entities against persons with handicaps. Title I applies to private employers with 15 or more employees. Title II applies to state and local government programs, services, facilities, and activities, including employment. Title III applies to public accommodations. Title IV applies to services provided by telecommunications companies. Title V provides for the adoption of accessibility standards and awarding of attorney fees; expressly applies the ADA to the states; provides that federal, state, and local laws stricter than the ADA are preserved; and provides that illegal drug use is not a disability under the ADA. Generally, all the ADA provisions that apply to an activity or function that has a counterpart in state and local governments apply to those governments through Title II.
The ADA imposes stringent requirements on state and local governments in two main areas:

**Employment.** State and local governments must make “reasonable accommodation” for handicapped persons who are otherwise qualified for the job and who must be able to perform the essential functions of the job either before or after the accommodation.

**Program accessibility.** State and local governments must make their programs accessible to handicapped persons. The meaning of accessibility in a particular case will usually depend on a number of factors, including the type of program, whether the program is offered in existing or new facilities, the ability of the program to be moved or modified to make it more accessible, etc.

The ADA is extremely complicated and vague in many places. In addition, Tennessee’s handicapped discrimination statute interplays with the ADA (T.C.A. § 8-50-103; Cecil v. Gibson, 820 S.W.2d 361 (Tenn.Ct.App. 1991); Thorpe v. Alber’s Inc., 992 F.Supp. 84 (E.D. Tenn. 1996)). As does the Family Medical Leave Act and the Workers’ Compensation Law. The body of litigation interpreting and applying the ADA is still in its infancy, and has not yet addressed even fundamental questions, such as “What is a handicapped person within the meaning of the ADA?” For those reasons, questions involving a city’s responsibilities under the ADA, particularly in individual cases, should be approached only with the aid of sound legal and practical advice. Many publications on the ADA are available, but due to the rapid development of the law on that subject, only current ones should be consulted."

**Family and Medical Leave Act**
From the Municipal Handbook, the University of Tennessee Municipal Technical Advisory Service, 2000.

“The Federal Family and Medical Leave Act (FMLA) (29 U.S.C. §§ 2601 et seq.) generally covers private employers who employ 50 or more employees and public agencies, regardless of the number of their employees. The definition of “public agency” for the purposes of the FMLA includes the political subdivisions of states. However, there is also a separate test for determining whether individual employees within a public agency are eligible for FMLA leave: the public agency must employ 50 employees within a 75-mile area around the work site. The political subdivisions of states are single employers for the determining eligibility under the FMLA. From a practical standpoint, that means that only cities that employ more than 50 employees are subject to the FMLA. (29 C.F.R. § 825.108 and 825.110). Such cities must provide eligible employees 12 workweeks of unpaid leave for childbirth or placing a child for adoption or foster care, a serious health condition of the employee that makes the employee unable to perform job duties, and a serious health condition of a spouse, son, daughter, or parent. To be eligible for FMLA leave, an employee must have worked for the city for at least 12 months and for at least 1,250 hours.
The rules governing the conditions under which the leave must be granted, the length of the leave under certain conditions, and the rights of the city and the employee when the latter returns to work are complicated and frequently involve questions that have implications for both parties under Tennessee’s Maternity Leave Act (T.C.A. § 4-21-408), the Americans with Disabilities Act, and the Workers’ Compensation Law. A number of publications analyze the law under the FMLA, but only the most current ones should be consulted.”

Municipal Travel Policy
Effective July 1, 1993, T.C.A. §§ 6-54-901 et seq. requires that all Tennessee cities with populations less than 100,000 must adopt a written travel policy if the city wishes to reimburse elected officials for their travel expenses. You may adopt the MTAS model policy or adopt your own written policy. Any city that adopts a travel policy other than the MTAS model must file the policy with the office of the comptroller of the treasury. See Appendix 9.

If officials or employees are overcompensated for an expenditure, the overage is considered salary. Such a payment could exceed salary limitations set in the charter, and this could violate T.C.A. § 39-16-402(a)(5). Receiving any benefit not otherwise authorized by law is a Class E felony.

Drug Testing
From the Municipal Handbook, the University of Tennessee Municipal Technical Advisory Service, 2000.

“Many cities have adopted regulations that provide for drug and/or alcohol testing of their employees. The testing of some municipal employees is required under the Omnibus Transportation Employee Testing Act of 1991. Cities must conduct pre-employment, reasonable suspicion, random, return-to-duty, and follow-up drug and alcohol testing on city employees who are required to obtain a commercial driver’s license and who drive

• vehicles with a gross weight of more than 26,000 pounds;
• trailers with a gross weight exceeding 10,000 pounds;
• vehicles designed to transport more than 15 passengers, including the driver; or
• any vehicle with placards that hauls hazardous materials.

The definition of “driver” includes regular and part-time employees, occasional drivers, leased drivers, and independent contractors. Emergency vehicle drivers are exempted.

Similar testing requirements apply to certain gas utility employees (49 U.S.C.A. § 31306; 49 C.F.R. Part 40, 199, 382; T.C.A. §§ 55-50-401 et seq.).

In 1996, Tennessee adopted the Drug-Free Workplace Programs Act (DFWPA). This authorizes, but does not require, employers in Tennessee to adopt drug and alcohol testing programs that conform to the DFWPA and to the rules adopted by the Tennessee Department of Labor in accordance with that act (T.C.A. §§ 50-9-101 et seq.; Rules of the Department of Labor, Division of Workers’ Compensation, Chapter 0800-2-12, Drug-Free Workplace Programs). Employers that adopt such programs are eligible for reduced workers’ compensation premiums.
In addition, where an employee is injured in the course of his or her employment and tests positive for certain drugs at a prescribed level, a rebuttable presumption is created that the injury was occasioned primarily by the presence of the drug or drugs. Such a worker may be disciplined up to and including termination and forfeits his or her eligibility for workers’ compensation medical and indemnity benefits.

In addition to requiring, and in some instances permitting, certain drug tests of employees under prescribed circumstances, the DFWPA requires employees to perform pre-employment drug testing of all job applicants. But it expressly provides that “for public employees, such testing shall be limited to the extent permitted by the Tennessee and federal constitutions” (T.C.A. § 50-9-104(a)).

Both the DFWPA and the Department of Labor Rules provide in detail:

- the purpose, scope, and policies reflected in the DFWPA and the tests implemented under the Drug-Free Workplace Program;
- definitions that apply to the interpretation and application of the DFWPA;
- the contents of the notice and policy statement required to be provided by the employer to the employee and job applicants prior to drug and alcohol testing;
- the types of testing allowed and required (job applicant testing, routine fitness-for-duty testing, follow-up testing, and post-accident testing);
- the consequences to the employee or applicant for refusing to test;
- the test itself;
- drug and alcohol sample collection procedures;
- reporting and reviewing the results of tests;
- employee protections;
- substance abuse education and awareness requirements;
- confidentiality of information and documents gathered in the drug and alcohol testing programs, including the tests; and
- the employer’s application form to the Workers’ Compensation Division of the Department of Labor to adopt the Drug-Free Workplace Program.

The drug and alcohol testing covered by the DFWPA appears to include the testing of city employees according to procedures required under federal laws and regulations.”
Appendices

APPENDIX 1 . . . . . . Forms related to the property tax
APPENDIX 2 . . . . . . Forms related to the business tax
APPENDIX 3 . . . . . . Forms related to the wholesale beer tax and permits
APPENDIX 4 . . . . . . Forms related to liquor sales
APPENDIX 5 . . . . . . Forms related to codes
APPENDIX 6 . . . . . . Forms related to cashiering and accounting for revenue
APPENDIX 7 . . . . . . Forms related to conducting city court
APPENDIX 8 . . . . . . Documents and forms related to infectious disease
APPENDIX 9 . . . . . . Municipal Travel Policy
QUICK REFERENCE TO CLASSIFICATIONS AND TAX RATES OF THE BUSINESS TAX ACT

CLASSIFICATION 1  Tax Due: December 1
                      Tax Delinquent: March 1

Summary of Items
  (a) retail food; package beer to go; gasoline and diesel fuel at wholesale
  (b) lumber, hardware, plumbing/heating/air conditioning equipment, electrical supplies, farm equipment
  (c) feed, farm and garden supplies and tools
  (d) Gasoline, diesel fuel, and motor oils sold at retail

Percent of Tax
  1/15 of 1 percent of all retail sales, except (d)
  1/60 of 1 percent of wholesale sales of Item (a)
  1/40 of 1 percent of wholesale sales of Items (b) and (c)
  1/30 of 1 percent of sales of Item (d)

CLASSIFICATION 2  Tax Due: March 31
                      Tax Delinquent: June 1

Summary of Items
  (a) new and used cars, boats, parts and accessories, mobile homes, campers, motorcycles
  (b) ready-made clothing
  (c) home furnishings and equipment, radios, TV, record players
  (d) drugs
  (e) coal, fuel oil, LP gas
  (f) tangible personal property not described elsewhere
  (g) prepared food and drinks including alcoholic beverages, for consumption on or off premises
  (h) cut flowers and growing plants
  (i) advertising specialties

Percent of Tax
  1/10 of 1 percent of all retail sales
  1/40 of 1 percent of all wholesale sales

CLASSIFICATION 3  Tax Due: June 30
                      Tax Delinquent: September 1

Summary of Items
  (a) delicatessens, candy
  (b) clothing made to order
  (c) antiques, art
  (d) books, magazines, office supplies
  (e) sports goods, bicycles
  (f) mounted jewelry
  (g) tobacco products
  (h) toys and hobbies
  (i) cameras, film, photo equipment
  (j) gifts, souvenirs, greeting cards, novelties
  (k) artificial flowers, gemstones, leather goods, luggage, typewriters, pets, wigs, hearing aids, etc.

Each person making sales of services, including hotels, except architectural, engineering, medical, dental, veterinary, legal, accounting, banking, insuring, educational, and domestic services; leasing of agricultural, airport, mining, oil and public utility property.

Percent of Tax
  1/8 of 1 percent of all retail sales
  1/40 of 1 percent of all wholesale sales

CLASSIFICATION 4  Tax Due: September 30
                      Tax Delinquent: December 1

Summary of Items
  (a) contractors, exterminators
  (b) sale of livestock, poultry, and other farm products, by a person other than the producer
Percent of Tax

1/15 of 1 percent of (b) compensation under the contract, whether in form of contract price, commission, fee, or wage, of Item (a) 1/15 of 1 percent of gross commissions, margins, fees, etc., of Item (b)

CLASSIFICATION 5

(Taxed only by the state)

NOTE: Minimum tax for each class: $15
City recorder’s fee (optional): $3.50

Fee to state: 15 percent of total gross receipts tax collected, including penalties and interest, but excluding city recorder’s fee.

Antique malls, flea markets, craft shows, auto shows, etc. shall pay ($1 per booth per day tax to be collected by operator of the show in lieu of any business tax otherwise provided by law.)
### Tax Year 2003 State of Tennessee Property Tax Relief Application

#### Shaded Areas Tax Relief Office Use Only –

**A. Status**
- Insufficient ___ CO ___ CI ___ APP
- Held
- Unapproved By __________
- Released By __________
- To ACCT __________

**B. Applicant**
- Own MH ___ Widow ___ RR ___ Over Deadline
- Age ___ Income ___ Tax __________
- Disabl. ___ Co. Inf. ___ Other ___ TPOY

**C. Own Code**

**D. LE**

**E. Type of Dwll**

**F. Payment or**

**G. Assess Code**

**H. Address**

**I. RSN**

**J. Date Received**

**K. Batch #**

**L. County Name**

**C. Code**

**D. Date**

---

**1. Ownership - Choose 1**

**2. Life Estate - Choose 1**

**3. Mobile Home - Choose 1**

**4. County #**

**5. City #**

**6. DI**

**7. Map**

**8. Group**

**9. Contl Map**

**10. Parcel**

**11. PI**

**12. SI**

**13. Ssd1**

**14. Ssd2**

**15. Ssd3**

**16. County Tax A/K Issue Payment To:**

**17. Date Taxes Paid**

**18. 25% Assessment Residential Only**

**19. Tax Rate**

**20. Receipt #**

**21. Tax Bill Amount**

**22. City Tax B/L Issue Payment To:**

**23. Date Taxes Paid**

**24. 25% Assessment Residential Only**

**25. Tax Rate**

**26. Receipt #**

**27. Tax Bill Amount**

---

**28. Accommodations**
- Elderly
- Disabled Homemaker
- Disabled Veteran
- Widowed Veteran

**29. Last Name**

**30. First Name**

**31. MI**

**32. Additional Owner(s)**

---

**33. Social Security Number**

**34. Medicare Claim Number**

**35. Birth Date**

**36. Gender**

**37. Telephone Number**

**38. Property Address (Street, Or A Route With Box No.**

**39. City**

**40. Zip Code**

**41. Mailing Address (C/O Person's Name, P.O. Box, Or Route No. Only**

**42. Mailing City**

**43. State**

**44. Country**

**45. Zip Code**

**46. Mailing Address Status**
- Permanent
- Temporary

**47. Applicant Location - Choose 1**
- Living on Property
- Not Living on Property
- In Nursing Home
- At Relative's Home
- Other
- Date Relocated
- Is House Rented?
- No
- Yes, Lease Term (in Months)

**48. Is House Rented?**

**49. Give Reason For Use In Remarks**

**50. The Income Limit Is $12,530**

**51. Annual 2002 Income**
- Applicant
- Spouse
- Co-Owner

**52. Total Annual Income**

---

**APPENDIX 1—Forms Related To Property Tax**

---
### APPENDIX 1—FORMS RELATED TO PROPERTY TAX

<table>
<thead>
<tr>
<th>Form Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>PARCEL #:ARCEL #:ARCEL #:ARCEL #:ARCEL #:</td>
<td>Parcel information for property tax purposes.</td>
</tr>
<tr>
<td>TAXES PAIDAIDAIDAIDAID</td>
<td>Calculation of tax amount.</td>
</tr>
<tr>
<td>RECEIPT #:</td>
<td>Receipt number for payment.</td>
</tr>
<tr>
<td>TAX BILL AMOUNT</td>
<td>Total amount due for tax.</td>
</tr>
<tr>
<td>DECEASED OWNERS: LAST NAME</td>
<td>Information for deceased owners.</td>
</tr>
<tr>
<td>RELATION</td>
<td>Relationship to the deceased owner.</td>
</tr>
<tr>
<td>YEAR OF DEATH</td>
<td>Year of death for deceased owner.</td>
</tr>
<tr>
<td>HAVE YOU RECEIVED TAX RELIEF IN TENNESSEE BEFORE?</td>
<td>Yes/No to tax relief received.</td>
</tr>
<tr>
<td>CO-OWNER’S LAST NAME</td>
<td>Information for co-owners.</td>
</tr>
<tr>
<td>REMAINDER'S LAST NAME</td>
<td>Information for remainder.</td>
</tr>
<tr>
<td>SOCIAL SECURITY NUMBER</td>
<td>Social security number for identification.</td>
</tr>
<tr>
<td>MEDICARE CLAIM NUMBER</td>
<td>Medicare claim number for medical expenses.</td>
</tr>
<tr>
<td>BIRTH DATE</td>
<td>Date of birth.</td>
</tr>
<tr>
<td>GENDER</td>
<td>Male/Female.</td>
</tr>
<tr>
<td>City</td>
<td>City of residence.</td>
</tr>
</tbody>
</table>

**Deadline for Taking Application and Paying Taxes**:
- Property tax delinquency date.
- Total tax must be paid by delinquency date.

**Remarks**: (Please Print)

**Certification by Collecting Official**:
- I certify this information to be correct and understand that I am subject to penalty and interest for intentionally providing false information. For a period of 18 months, I voluntarily authorize the Social Security Administration, or anyone, to release my social security number, name, date of birth, disability status, and income to the Property Tax Relief Program.
### APPENDIX 1—FORMS RELATED TO PROPERTY TAX

<table>
<thead>
<tr>
<th>DIST</th>
<th>MAP</th>
<th>GP</th>
<th>CTL MAP</th>
<th>PARCEL</th>
<th>S INT</th>
<th>CITY</th>
<th>CO</th>
</tr>
</thead>
<tbody>
<tr>
<td>F</td>
<td>R</td>
<td>O</td>
<td>M</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### PROPERTY ADDRESS

- **Subdivision Name**
- **Block**
- **Lot**
- **Acres**
- **Classification**
- **Equalization Factor**
- **TAX YEAR**
- **RECEIPT NO.**

#### PROPERTY TAX INFORMATION

- **100% Land Value** $\$
- **100% Impmt Value** $\$
- **Per Prop Value** $\$
- **Total Prop Value** $\$
- **Assessment**
- **Net Prop Taxes**
- **Rollback Taxes** $\$
- **MISC Fee** $\$
- **Total Due** $\$

#### TAX NOTICE

- **Taxes are due and payable without penalty from**
- **To**
- **For**
- **Rollback Taxes**
- **Thru**
Appendix 1—Forms Related to Property Tax

### TAXPAYER’S COPY

<table>
<thead>
<tr>
<th>MAP AND PARCEL</th>
<th>STATE OF TENNESSEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIST</td>
<td>MAP NO</td>
</tr>
<tr>
<td>----------------</td>
<td>----------------</td>
</tr>
</tbody>
</table>

**PROPERTY VALUE INFORMATION**

- **SUBDIVISION NAME**
- **DIMENSIONS**
- **ADDITIONAL DESCRIPTION**

**PROPERTY ADDRESS**

- 100% LAND VALUE $ 
- 100% IMPMT VALUE $ 
- PER. PROP. VALUE $ 
- TOTAL PROP. VALUE $ 
- ASSESSMENT AT % $ 
- NET PROPERTY TAXES $ 

**TAXES**

- SSD $ 
- SSD $ 
- TOTAL SSD TAXES $ 
- ROLLBACK TAXES $ 
- MISC FEE $ 
- TOTAL DUE $ 

**DISCOUNT** % $ 
**ADJUSTMENT** $ 
**PENALTY & INTEREST** $ 
**TOTAL COLLECTED** $ 

**IF PAYMENT IS MADE BY CHECK, THIS RECEIPT IS NOT VALID UNTIL CHECK HAS BEEN HONORED BY THE BANK ON WHICH IT WAS DRAWN.**

**PROPERTY VALUE INFORMATION**

- **TAX RATE** $ 

**STATE PROPERTY TAX RELIEF PROGRAM**

If you are 65 years of age or a permanently disabled homeowner, you may be eligible for the State Property Tax Relief Program. You must own and reside on the property. The annual income from all sources for each owner shown on the deed must not exceed the yearly income limitation. If you believe that yourself or someone you know may qualify for this refund, please contact the office of your County Trustee or City Tax Collector. Applications for property tax relief must be filed prior to the property tax delinquency date of your city and/or county.

**IMPORTANT**

IF YOU MAIL YOUR TAX PAYMENT, PLEASE WRITE THE RECEIPT NUMBER (REC. NO.) ON YOUR CHECK, OR RETURN THIS TAX BILL WITH YOUR PAYMENT.
APPENDIX 1—FORMS RELATED TO PROPERTY TAX

STATE OF TENNESSEE
CHANGE OF ASSESSMENT
CERTIFICATION

As Assessor of Property, I hereby certify the change shown below to be correct for the __________ tax year and authorize you to make this change in the tax book.

COUNTY NAME: ___________________________________ DATE: _________________
FROM COUNTY ASSESSOR: _______________________________________________________
TO:     CITY RECORDER     COUNTY TRUSTEE     DELINQUENT TAX ATTORNEY     (Circle one)
DIST _______ MAP _______ GP _______ C-MAP _______ PARCEL _______ S/I _______
CHECK ONE:  □ ADD-PICK UP  □ CHANGE  □ DELETE  RECEIPT NO. _________________
PROPERTY OWNER’S NAME: ______________________________________________________

THE ASSESSMENT HAS BEEN CHANGED ON THE ABOVE PROPERTY.

LOT OR ACREAGE CHANGE (IF APPLICABLE): ________________________________________
PREVIOUS: _____________________________________________________________________
REVISED: _____________________________________________________________________
PREVIOUS ASSESSMENT: $ __________
REVISED ASSESSMENT: $ __________
REASON FOR CHANGE: ___________________________________________________________
_______________________________________________________________________________________________

___________________________________________
AUTHORIZED OFFICIAL
Appendix 1—Forms Related to Property Tax

State of Tennessee

Questions & Answers

Does the state have a lien on my property if I accept tax relief?

No. The state has no lien due to property tax relief you may receive.

Are the tax relief recipients exempt from paying property taxes?

No. Tax Relief is payment by the State of Tennessee to reimburse certain homeowners who meet the legal requirements, for a part or all of property taxes paid, and is not an exemption. You will still receive your tax bill(s) and be responsible for paying your property taxes each year.

How much tax relief will I get?

The amount will vary depending on your property assessment and your county or city tax rate.

What if my taxes are paid by my mortgage company?

Your application will be held by the collecting official until payment is received from your mortgage company. The application is then mailed to the state tax relief office for examination. If approved, you will receive a state check for the relief amount.

Can I receive relief on more than one property?

No. You can only receive tax relief on your primary residence in any given year.

If you have any questions, contact your County Trustee or City Collecting Official.

Also see the brochure for eligible Disabled Veterans.

The Tennessee Comptroller of the Treasury is committed to principles of equal opportunity, equal access, and affirmative action.

Note: This sample brochure contains the information that is in the printed brochure. Please contact your county trustee, city collecting official, or the office of the comptroller for current information.
Did you know that as an elderly or disabled homeowner, you may qualify for property tax relief?

You may qualify for property tax relief for 2003 if you meet the following requirements on or before December 31, 2003:

* You owned and lived in your home in Tennessee (mobile homes are included) that was your main residence in 2003.

* You may also qualify for a limited time if you have relocated to a nursing home or health care facility during the year.

AND

You are one of the following:

☑ Elderly: Age 65 or older on or before December 31, 2003.

☑ Disabled: You must be totally and permanently disabled as rated by the Social Security Administration or other qualified agency on or before December 31, 2003.

When do I apply?

You may apply when property taxes become due in your county or city. You must apply before your property taxes become delinquent.

Where do I apply?

Contact your County Trustee’s Office to complete an application.

If you live in a city that collects property taxes, you should also apply in the City Collecting Official’s Office.

What are the income guidelines?

Elderly and disabled applicants must report the 2002 combined annual income of all property owners. The total cannot exceed the limit of $12,530.

Annual income from all sources includes, but is not limited to:

♦ Social Security (after Medicare is deducted)
♦ Supplemental Security Income (SSI)
♦ Retirement or Pension benefits
♦ Veterans’ Administration benefits
♦ Workers’ Compensation
♦ Salaries or Wages
♦ Interest or Dividends

To qualify for the program as elderly or disabled, the combined 2002 income of all owners of the property cannot exceed $12,530.

What documents will I need?

Proof of Ownership

* Tax Receipt

Provide a copy of your property tax receipt. If the tax receipt is not in your name, also provide a deed, probated will, or other court document. If you live in a mobile home, provide a title or bill of sale.

All of the owners of the property must provide copies of their:

Social Security Card and Medicare Card

If benefits are from any agency other than Social Security, you will need:

♦ Proof of Age for both elderly and disabled homeowners. This may be a birth certificate or a marriage license which states your age.

♦ Proof of Disability for disabled homeowners. This may be a current letter from a governmental or private entity that does not participate in the Social Security System. An example would be a letter from the Railroad Retirement Board or the Civil Service.

All property owners must sign the application. If the applicant or co-owner is unable to sign, two persons who are not relatives will need to witness the X mark on the application.
If you have any questions, contact your
County Trustee or City Collecting Official

Also see the brochure for eligible
ELDERLY OR DISABLED HOMEOWNERS

PROPERTY TAX RELIEF FOR ELIGIBLE

Note: This sample brochure contains the information that is in the printed brochure. Please contact your county trustee, city collecting official, or the office of the comptroller for current information.

The Comptroller of the Treasury is committed to principles of equal opportunity, equal access, and affirmative action.

Appendix 1—Forms Related to Property Tax
Did you know that as a disabled veteran or a surviving spouse of a disabled veteran, you may qualify for property tax relief?

Tennessee law provides relief for veterans having disabilities under certain conditions. (See the statute text below.)

**Tennessee Code Annotated 67-5-704.**

**Disabled veteran's residence.**

(Statute text)

(b) For the purposes of this section, a “disabled veteran” means a person who has served in the armed forces of the United States, and who has:

(1) Acquired in connection with such service a disability from paraplegia or permanent paralysis of both legs and lower part of the body resulting from traumatic injury or disease to the spinal cord or brain, or from legal blindness, or from loss or loss of use of two (2) or more limbs from any service-connected cause;

(2) Acquired one hundred percent (100%) permanent total disability, as determined by the United States veterans’ administration, and such disability resulting from having served as a prisoner of war for a period of at least one (1) month or more; or

(3) One hundred percent (100%) permanent total disability from any other service-connected, combat-related cause, as determined by the United States veterans’ administration.

(c) Under no conditions shall property tax relief extend to any person who was dishonorably discharged from any of the armed forces.

(d) The determination of the United States Veterans’ Administration concerning the disability status of a veteran shall be conclusive for purposes of this section.

(e) Property tax relief shall also be extended to the surviving spouse of a disabled veteran who at the time of the disabled veteran’s death was eligible for disabled veteran’s property tax relief, as long as the surviving spouse does not remarry and as long as the property for which tax relief is claimed is owned by and used exclusively by such surviving spouse as a home.

When do I apply?

You may apply when property taxes become due in your county or city. You must apply before your property taxes become delinquent.

Where do I apply?

Contact your County Trustee’s Office to complete an application.

If you live in a city that collects property taxes, you should also apply in the City Collecting Official’s Office.

What documents will I need?

**Proof of Ownership**

* Tax Receipt

Provide a copy of your property tax receipt. If the tax receipt is not in your name, also provide a deed, probated will, or other court document. If you live in a mobile home, provide a title or bill of sale.

* Proof of Disability

Complete a consent form (F-16) allowing the state to obtain information about your eligibility status from the Department of Veteran’s Affairs.

(Complete this form at the office of your County Trustee or your City Collecting Official.)

If you are a surviving spouse of a disabled veteran, you may complete a consent form. Also, provide documents at follows:

1. The deceased veteran’s death certificate.
2. A copy of some form of personal identification.

Please note:

A disability rated at 100% due to individual unemployability does not meet the statutory requirements to qualify for property tax relief.

The number for the VA is 1-(800) 827-1000.
### CALCULATION FORM FOR CERTIFIED TAX RATE

<table>
<thead>
<tr>
<th>County</th>
<th>Jurisdiction</th>
<th>Tax Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Total locally assessed real property $ 
2. Total assessed value of tangible personal property $ 
3. Total locally assessed property value $ 
4a. New construction and improvements taxable for the first time this year $ 
4b. New tangible personal property taxable for the first time this year $ 
5. Total locally assessed tax base before adjustments by boards of equalization for CTR computation $ 
6. Net assessment gain from adjustments by county board of equalization $ 
7. Net assessment loss from adjustments by county board of equalization $ 
8. Estimated public utility assessments $ 
9. Total tax base $ 
10. Prior year’s adjusted tax levy $ 
11. Certified tax rate (unless adjusted further by item 12) $ 
12. PILOT adjustment, if any $ 
13. Add items 11 and 12 for proposed certified tax rate $ 

_________________________  _______________________
Assessor                        Chief Executive
APPENDIX 2—FORMS RELATED TO THE BUSINESS TAX

QUICK REFERENCE TO
CLASSIFICATIONS AND TAX RATES OF THE BUSINESS TAX ACT

CLASSIFICATION 1
Tax Due: December 1
Tax Delinquent: March 1

Summary of Items:

(a) Retail food, package beer to go, gasoline and diesel fuel at wholesale
(b) Lumber, hardware, plumbing/heating/air conditioning equipment, electrical supplies, farm equipment
(c) Feed, farm and garden supplies and tools
(d) Gasoline, diesel fuel, and motor oils sold at retail

Percent of Tax:

1/15 of 1% of all retail sales, except (d)
1/60 of 1% of wholesale sales of item (a)
1/40 of 1% of wholesale sales of items (b) and (c)
1/30 of 1% of sales of item (d)

CLASSIFICATION 2
Tax Due: March 31
Tax Delinquent: June 1

Summary of Items:

(a) New and used cars, boats, parts and accessories; mobile homes; campers; motorcycles
(b) Ready-made clothing
(c) Home furnishings and equipment, radios, TV, record players
(d) Drugs
(e) Coal, fuel oil, LP gas
(f) Tangible personal property not described elsewhere
(g) Prepared food and drinks, including alcoholic beverages, for consumption on or off premises
(h) Cut flowers and growing plants
(i) Advertising specialties

Percent of Tax:

1/10 of 1% of all retail sales
1/40 of 1% of all wholesale sales
APPENDIX 2—FORMS RELATED TO THE BUSINESS TAX

CLASSIFICATION 3

Tax Due: June 30
Tax Delinquent: September 1

Summary of Items:
(a) Delicatessens, candy
(b) Clothing made to order
(c) Antiques, art
(d) Books, magazines, office supplies
(e) Sports goods, bicycles
(f) Mounted jewelry
(g) Tobacco products
(h) Toys and hobbies
(i) Cameras, film, photo equipment
(j) Gifts, souvenirs, greeting cards, novelties
(k) Artificial flowers, gemstones, leather goods, luggage, typewriters, pets, wigs, hearing aids, etc.

Each person making sales of services, incl. hotels, except architectural, engineering, medical, dental, veterinary, legal, accounting, banking, insuring, educational and domestic services; and leasing of agricultural, airport, mining, oil and public utility property.

Percent of Tax:
1/8 of 1% of all retail sales
1/40 of 1% of wholesale sales

CLASSIFICATION 4

Tax Due: September 30
Tax Delinquent: December 1

Summary of Items:
(a) Contractors, exterminators
(b) Sale of livestock, poultry and other farm products by a person other than the producer

Percent of Tax:
1/15 of 1% of (b) compensation under the contract, whether in form of contract price, commission, fee or wage of item (a)
1/15 of 1% of gross commissions, margins, fees, etc., of item (b)

CLASSIFICATION 5

(Taxed only by the state)

NOTE: Minimum tax for each class: $15.00
City recorder’s fee (optional): $3.50

Fee to state: 15% of total gross receipts tax collected, including penalties and interest, but excluding city recorder’s fee.

Antiques malls, flea markets, craft shows, auto shows, etc. shall pay $1.00 per booth per day tax to be collected by operator of the show in lieu of any business tax otherwise provided by law.
NOTICE

The Eighty-Seventh General Assembly of the State of Tennessee enacted effective June 1, 1971, Public Chapter 387 known as the “Business Tax Act” which, in effect, imposes a tax on the privilege of conducting various businesses within this state. Each person subject to this tax is required by law to pay an initial minimum tax of $15.00, which payment may be credited against subsequent payments of tax required to be paid annually upon a gross sales basis.

FIRM NAME

NAME OF OWNER

LOCATION OF BUSINESS

MAILING ADDRESS (IF DIFFERENT FROM BUSINESS LOCATION)

CITY

STATE

ZIP CODE

BUSINESS TELEPHONE

HOME TELEPHONE

DID YOU PURCHASE AN EXISTING BUSINESS?  YES  NO

IF YES GIVE OWNER’S NAME

BUSINESS NAME

TYPE OF BUSINESS

IS YOUR BUSINESS  SALES  SERVICE  CONSTRUCTION

IS YOUR BUSINESS  WHOLESALE  RETAIL  BOTH

IS YOUR BUSINESS  SOLE PROPRIETORSHIP  PARTNERSHIP  CORPORATION

STATE SALES TAX #

BUSINESS DESCRIPTION

I have discussed my business with the Planning Department.

Signature

Planning Department

Minimum Tax Payment

$ 15.00

Recording Fee

$ 5.00

TOTAL PAYMENT ENCLOSED

$ 20.00

A FINAL RETURN MUST BE FILED WITHIN 15 DAYS AFTER CLOSING OF THE BUSINESS

NAME OF PERSON FILING APPLICATION

DATE

TITLE OR POSITION

This application, along with proper remittance, must be received by this office within 20 days after commencement of business; otherwise, penalty and interest will apply. Acceptance of a business license does not relieve you of the responsibility of complying with all other ordinances and regulations of the City of __________ (zoning compliance, occupancy permit, fire code regulations, etc.)
### BUSINESS TAX ACT LICENSE AND TAX REPORT

#### COUNTY/CITY

AS REQUIRED BY SECTION 67-4-715, TENNESSEE CODE ANNOTATED

**Tax Period** to

#### BUSINESS CLOSING

A FINAL REPORT MUST BE FILED WITHIN 15 DAYS OF YOUR LAST DAY OF BUSINESS IN ORDER TO AVOID PENALTY & INTEREST.

#### A. Firm Name

Owner

Address

Account No.

City, State, Zip

Location

#### B. Type Business-Dominant Activity (primary product, vocation or occupation)

If this is a final report, state date business ceased to operate.

1. Total Gross Sales for Tax Period (Less Sales Tax) .......................................................... $
2. Less: Deduction for Business Tax Purposes from Line 12, Schedule A, .................................. $
3. Taxable Gross Sales for Tax Period (Line 1 Less Line 2) .......................................................... $
   a. Retail Sales % of Taxable Gross Sales $
   b. Wholesale Sales % of Taxable Gross Sales $
4. Retail Rate of Tax (if applicable) (Line 3a Multiplied by Rate) .................................................. $
5. Wholesale Rate of Tax (if applicable, must be 20% or more of Total Gross) (Line 3b Multiplied by Rate) .......................................................... $
   a. Preliminary Gross Business Tax Due (line 4 plus 5) .......................................................... $
   b. LESS: Minimum License Fee Previously Paid (Former License # ) Limited to amount on line 6a $ $
   c. Business Tax Base Prior to Local/State Calculations - Line 6a - Line 6b (do not enter less than zero) $ $

#### LOCAL

#### STATE

7. a. Local 66.67% of Line 6c $
   b. State Line 6c less 7a $
8. Allowable Credits Personal Property Tax (Limited to Local Tax Amount - Line 7a) $
   a. Personal Property Tax Date Paid Recpt #
9. a. Tax-Local - Lines 7a less Line 8 (do not enter less than zero); State - enter line 7b $
   b. Calculate 15% state share of local tax Line 9a (local) times 15%/9b $
   c. Local & State tax liability. Local - Line 9a (local) less 9c; State - Line 9a (state) plus line 9b $
   d. Calculate percentage used to allocate penalty and interest. Divide line 9c (Local) by the Sum of amounts (Local & State) Line 9c and enter as a percentage using the format of xx.xx%. Repeat calculation dividing line 9c (state) by the Sum of amounts (Local & State) line 9c. %

#### 10. Penalty (Rate = 5% for each 30 day period or portion thereof for which tax is delinquent) (Total penalty not to exceed 25%) Calculate total penalty - apply rate to sum of amounts (local & state) Line 9c and enter results here. (See instructions) Penalty = $
   a. Local - Multiply Penalty amount by percentage on line 9d (Local) $
   b. State - Multiply Penalty amount by percentage on line 9d (State) $

#### 11. Interest (Rate x # of days delinquent divided by 365.25 x Line 9c) $
   [Computed daily from date delinquent until paid]

#### 12. Total Add Lines 9c, 10a, 10b & 11 (if applicable) From BOTH Local & State Columns $

#### 13. Collecting and Recording Fees ($5 per location for consolidated return) $

#### 14. Minimum Tax For Next Period Note: Minimum tax is due regardless of amount of credits claimed Line 8 ($15 per location for consolidated return) $

#### 15. Penalty Add % of Line 14 for each 30 day period or portion thereof for which tax is delinquent - Not to exceed 25% $

#### 16. Interest (Rate x # of days delinquent divided by 365.25 x Line 14) $

#### 17. Total Minimum Tax and Business Tax Sum of Amounts in Line 12, 13, 14, 15, 16 from Local & State Columns $

Make Check for Amount in Line 17

---

**APPENDIX 2—FORMS RELATED TO THE BUSINESS TAX**

This application along with proper remittance must be received by this office on or before the dates applicable to the classification in which the business is classified or within 20 days after commencement of business for a new business, or penalty and interest provided by Section 67-4-720, Tennessee Code Annotated will apply.
## Schedule A. Deductions for Business Tax Purposes

1. Gross Taxable Sales for Tax Purposes to the State of Tennessee .................................................. $ 
   State Sales Tax Return ................................................................. $ 
3. Total Amount of Sales Tax Due State for Tax Period. Line 14, State Sales Tax Return ............... $ 

The amounts reflected above should equal the total of these items on all State Sales and Use Tax Returns for tax period, including any monthly returns which may be delinquent.

### Federal Excise Taxes and State Privilege and Excise Taxes

#### 8. Gasoline and Motor Fuel Tax:

<table>
<thead>
<tr>
<th>Description</th>
<th>Federal</th>
<th>State</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Gasoline tax paid</td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>b. Motor Fuel Use Tax Paid</td>
<td></td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

#### 9. Tobacco Tax:

<table>
<thead>
<tr>
<th>Description</th>
<th>Federal</th>
<th>State</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Cigarettes</td>
<td></td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>b. Other Tobacco Products:</td>
<td></td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

#### 10. Beer

<table>
<thead>
<tr>
<th>Description</th>
<th>Federal</th>
<th>State</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Wholesale Tax 17% of wholesaler’s cost per beer sold</td>
<td></td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

#### 11. Other (Specify)

<table>
<thead>
<tr>
<th>Description</th>
<th>Totals</th>
</tr>
</thead>
</table>

#### 12. Total Deductions

<table>
<thead>
<tr>
<th>Description</th>
<th>$</th>
</tr>
</thead>
</table>

(Note: All deductions must have adequate records maintained to substantiate deductions claimed, otherwise they will be disallowed.)

Persons with two or more business locations in a city and/or county may, upon request, obtain forms and file with the appropriate collection officer consolidated tax returns, provided only, however, that such businesses are taxable under the same classification and at the same rate. Consolidated tax returns must contain a schedule, by individual locations, giving information necessary to determine tax liability at each location.

I certify that this return, including any accompanying schedule or statements, has been examined by me and is, to the best of my knowledge and belief, a true and complete return, made in good faith, for the tax period stated pursuant in the provisions of Chapter 58 of Title 67, Tennessee Code Annotated, known as the “Business Tax Act”. If prepared by anyone other than the taxpayer, this return is based upon all information of which I have any knowledge, under penalties provided by the “Return Preparer Act of 1969.”

This return is for the tax period from __________________________ to __________________________

Sign __________________________ Date __________________________

By __________________________ Date __________________________

Signature of preparer, including title if employee of the taxpayer. If person preparing return is not an employee of the taxpayer, state name of attorney, CPA or PA and signature of employee preparing return.
APPENDIX 2—FORMS RELATED TO THE BUSINESS TAX

TENNESSEE DEPARTMENT OF REVENUE
BUSINESS TAX RETURN FOR COUNTIES AND CITIES

<table>
<thead>
<tr>
<th>BUS 402</th>
<th>Filing Period</th>
<th>Account No.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Due Date</th>
<th>Situs Code</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Returns must be postmarked by the due date to avoid the assessment of penalty and interest. Returns must be filed even if no tax was collected.

Make your check payable to Tennessee Department of Revenue for the amount shown on line 14 and mail to:

Tennessee Department of Revenue
Andrew Jackson State Office Bldg.
500 Deaderick Street
Nashville, TN 37242

REMEMBERS
1. Annual taxpayers report collections for June 1 through May 31.
2. Annual returns are delinquent after June 20th.
3. Monthly and quarterly returns are due the 15th of the month.
4. Do not include your $5.00 recording fees in the gross amount reported on line 1.

KEEP A COPY OF THIS RETURN FOR YOUR RECORDS

1. Total business tax, penalty, and interest collected excluding local audit collections .................................................................
2. Credits for payments made to county/city after enactment of Public Chapter 856, Acts 2002
   a. Total credits allowed for payments made to county/city under T.C.A. Sec. 67-4-713(a)(3)-(a)(7) .........................................................
3. Total business tax base (Line 1 plus line 2a) ...........................................................................................................................
4. a. Total business tax, penalty, and interest collected for periods prior to enactment of Public Chapter 856, Acts 2002
   b. Total penalty and interest collected on local portion of business tax due after enactment of Public Chapter 856, Acts 2002...
   c. Total penalty and interest collected on state portion of business tax due under T.C.A. Sec. 67-4-724(a)(1)-(a)(2) ......................
5. Total business tax base subject to allocation under T.C.A. Sec. 67-4-724(a)(1)-(a)(2) (Line 3 less lines 4a, 4b, and 4c) ..............
6. Total collections allocated to state under T.C.A. Sec. 67-4-724(a)(2) (33.33% of Line 5) .................................................................
7. Total business tax, penalty, and interest subject to allocation under T.C.A. Sec. 67-4-724(a)(1) (Line 1 less lines 4b, 4c and 6) ....
8. Total collections allocated to state under T.C.A. Sec. 67-4-724(a)(1) (15% of Line 7) .................................................................
9. Total state's share of business tax (Sum of lines 4c, 6 and 8) .................................................................
10. Less 5% County Clerk's commission on funds collected and paid over to state (5% of Line 9) (Cities enter 0) ......................
11. Total business tax due to the state (Line 9 less Line 10) ............................................................................................................
12. Penalty - 5% of Line 11 for each 30-day delinquent period, or portion thereof, not to exceed 25%; Minimum penalty is $15......
13. Interest - If filed late, 8.00% of Line 11 per annum computed from the date due to the date of payment .................................
14. Total remittance (Line 11 plus lines 12 and 13) (Enclose check in amount payable to Tennessee Department of Revenue)........

FOR OFFICE USE ONLY

I certify that this report has been examined by me and is to the best of my knowledge and belief a true and complete report, made in good faith for the taxable period stated, pursuant to the provisions of Chapter 58, Title 67, Tennessee Code Annotated, and Rules and Regulations issued under authority thereof.

RV-R0002401
For additional information, contact the Taxpayer Services Division in one of our Department of Revenue Offices:

<table>
<thead>
<tr>
<th>Location</th>
<th>Phone</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chattanooga</td>
<td>(423) 634-6266</td>
<td>540 McCollie Avenue, Suite 350, State Office Building, Lowell Thomas Building, 225 Martin Luther King Blvd.</td>
</tr>
<tr>
<td>Jackson</td>
<td>(731) 423-5747</td>
<td>204 High Point Drive, Room 406B, Room 405</td>
</tr>
<tr>
<td>Johnson City</td>
<td>(423) 654-5321</td>
<td>531 Henley Street, State Office Building, Room 606</td>
</tr>
<tr>
<td>Knoxville</td>
<td>(865) 594-6100</td>
<td>3rd Floor, State Office Building, 531 Henley Street</td>
</tr>
<tr>
<td>Memphis</td>
<td>(901) 213-1400</td>
<td>3150 Appling Road, Bartlett, TN</td>
</tr>
<tr>
<td>Nashville</td>
<td>(615) 253-0600</td>
<td>500 Deaderick Street, Andrew Jackson Building, 3rd Floor</td>
</tr>
</tbody>
</table>

Tennessee residents can also call our statewide toll free number at 1-800-342-1003.
Out-of-state callers must dial (615) 253-0600

www.tennessee.gov/revenue

**BUSINESS TAX RETURN INSTRUCTIONS**

**NOTE:** Enter the amounts collected during the reporting period on the appropriate line as indicated below. Commissions on sales of lottery tickets are subject to the business tax at the rate applicable to the Classification 1 rate applicable to fifty-one percent (51%) of the entity’s normal business activity. Lottery ticket sales are not subject to the business tax.

**Line 1:** Enter the total of all collections, whether city or county, except tax, penalty, and interest collected as a result of local government field business tax audits. This should equal the sum of both (Local and State) columns on Line 12 of all local business tax returns submitted for the tax period. Include receipts from transient vendors and flea markets and adjustments. Include self-assessed business tax being reported in this line also.

**Line 2:** Leave Blank

**Line 2a:** Enter the total amount of all credits allowed for payments to the county/city under Tenn. Code Ann. Section 67-4-713(a)(3) – (a)(7). This should equal the amounts reflected on Line 8 of all local business tax returns submitted for the tax period.

**Line 3:** Calculate the total business tax base by adding Lines 1 and 2a.

**Line 4a:** Enter the total business tax, penalty, and interest collected for periods prior to enactment of Public Chapter 856, Acts of 2002 plus business tax on transient vendors and flea markets.

**Line 4b:** Enter the total penalty, and interest collected on the local portion of the business tax due after enactment of Public Chapter 856, Acts of 2002. This should equal the sum of Line 10a (Local) and Line 11 (Local) of all local business tax returns submitted for the tax period.

**Line 4c:** Enter the total penalty, and interest collected on the state portion of the business tax due under Tenn. Code Ann. Section 67-4-724(a)(1) and (a)(2). This should equal the sum of Line 10b (State) and Line 11 (State) of all local business tax returns submitted for the tax period.

**Line 5:** Enter the total business tax base subject to allocation under Tenn. Code Ann. Section 67-4-724(a)(2). Subtract Lines 4a, 4b, and 4c from Line 3. This should equal the total amounts reported of Line 6c of all local business tax returns submitted for the tax period.

**Line 6:** Calculate the total business tax collections allocated to the state under Tenn. Code Ann. Section 67-4-724(a)(2) by multiplying the amount in Line 5 by 33.33% (Line 5 x .3333). This should equal the total amounts reported of Line 7b (State) of all local business tax returns submitted for the tax period.

**Line 7:** Calculate the total business tax, penalty, and interest subject to allocation under Tenn. Code Ann. Section 67-4-724(a)(1). Subtract Lines 4b, 4c, and 6 from Line 1. If the total business tax due is zero but there is a $15 penalty, the $15 penalty will be split 85% local and 15% state.

**Line 8:** Calculate the total business tax collections allocated to the state under Tenn. Code Ann. Section 67-4-724(a)(1) by multiplying the amount in Line 7 by 15% (Line 7 x .15).

**Line 9:** Calculate the total state’s share of business tax collections reported for the tax period by adding the amounts on Lines 4c, 6, and 8.

**Line 10:** County Clerks calculate their commission on business tax funds collected and paid over to the state by multiplying the amount in Line 9 by 5%. (Line 9 x .05) City business tax collectors will enter zero (0).

**Line 11:** Calculate the total business tax due to the state by subtracting Line 10 from Line 9.

**Line 12:** Calculate any penalty due for late filing by adding 5% of Line 11 for each 30-day period the return is delinquent. The penalty due may not exceed 25% of the amount reflected in Line 11. The minimum penalty due is $15.

**Line 13:** Calculate any interest due for late filing. Multiply the amount on Line 11 by the Department’s current interest rate per annum and compute the interest due from the return due date to the date of payment.

**Line 14:** Calculate the total remittance due by adding Lines 11, 12, and 13. Enclose a check in the amount shown with the return payable to the Tennessee Department of Revenue.
APPENDIX 3—FORMS RELATED TO WHOLESALE BEER TAX AND PERMITS

The undersigned hereby applies to the Beer Board for which type of Beer Permit. # __________

1. Selling, storing and distributing beer for consumption off the premises where sold.
2. Selling, storing and serving beer on the premises where sold.
3. Selling, serving and distributing beer for both on and off premises consumption.
4. To operate as an agent or distributor at wholesale for a brewery.

Name of applicant ____________________________
Name of Business ________________________________
Location of Business ______________________________
Business Telephone ____________________________ Residence Telephone: ____________________________

Applicant's Date of Birth ___________ Social Security __________________________ Drivers License # ___________
How long has applicant lived in Tennessee? __________________________
List residences for the past three years:

Name of owner of business if different from applicant:

Number of seats in business ___________ Number of off-street parking spaces ___________

Is business individually owned, a partnership or corporation?

List names, ages and addresses of owners or corporate officers:

Have you or any owner in said business been convicted of any violation of the liquor laws or of any crime involving moral turpitude within 10 years of this date? ___________ If so, explain ___________________________

Will any person be employed by you who, within the last 10 years has been convicted of any violation of the liquor laws or any crime involving moral turpitude? ___________ If so, explain ___________________________

Do you agree that no sales will be made by you or any person employed by you to minors? __________________________

Will you comply with all State and/or local laws regarding the sale of beer? __________________________

Do you agree to sell beer only at the location applied for? __________________________

Do you understand your permit may be suspended or revoked for violations of the local and/or State beer laws? __________________________

Do you have restroom facilities for both men & women? __________________________ If yes, describe __________________________

Do you agree to report to the Beer Board any change in ownership and agree to turn in your permit when you are no longer operating at this address? __________________________

References: Name __________________________ Address __________________________

Do you agree to turn in your permit if you cease operation at the location listed above? __________________________

I swear the above questions are answered truthfully to the best of my knowledge.

__________________________________________
Applicant

__________________________________________
Date

STATE OF TENNESSEE
COUNTY OF

The above signed makes oath that all the statements contained in the foregoing application are true.

__________________________________________
Notary Public

Sworn to and subscribed before me this __________ day of __________, 20___.
My commission expires: __________________________

THE TENNESSEE CITY RECORDER • MUNICIPAL TECHNICAL ADVISORY SERVICEE
APPENDIX 4—FORMS RELATED TO LIQUOR SALES

Tennessee Alcoholic Beverage Commission

Information for Liquor Stores

HOW TO OBTAIN A RETAIL PERMIT

1. APPLICATION FORM. Form #AB-0015. This application should be notarized and filled out completely. The cut off date for all information to be received in this office (in order to be placed on the agenda) is two (2) weeks prior to the Commission meeting. To obtain an application, contact the Alcoholic Beverage Commission, 226 Capitol Blvd., Suite 300, Nashville, TN 37243-0755; (615) 741-1602 or by email.

2. QUESTIONNAIRES. Form #AB-0021. Owners, partners, officers, managers and/or any person who owns five percent (5%) or more in the corporation or the business, should complete these forms. All questionnaires should be filled out completely.

3. CERTIFICATE OF COMPLIANCE. This can be obtained from the Mayor's office of your local government. To find out the requirements for a Certificate of Compliance for Davidson County, go to the website of www.Nashville.gov, then go to Title 7 - Alcoholic Beverages and then go to Chapter 7.16. The contact in Davidson County to obtain a Certificate of Compliance is Sally Palmer at 615-862-6341 with the Legal Department of the Mayor's Office.

4. CERTIFICATE OF OCCUPANCY. If establishment is located in Davidson county, you may obtain the Certificate of Occupancy approval letter from the Metropolitan Codes Department, Metro Howard Office Building, telephone number 615-862-6550. The contact person is Linda Bush. If the establishment is not located in Davidson County, you may contact the local Codes Department in that city or county in which the establishment is located.

5. PROOF OF POSSESSION. A Lease, Deed, Bill of Sale or other type of document which shows that the application is actually leasing or is in possession of the property, should be furnished to this office. Along with the lease, a copy of the Deed (registered with the Registrar of Deed's Office) is to be furnished also.

6. CHARTER FROM THE STATE OF TENNESSEE. (This document is required only if the applicant is a corporation, a limited liability company (LLC) or a formal partnership). A copy of your Tennessee charter must be furnished to this office and it can be obtained from the Tennessee Secretary of State's Office, 6th Floor, William Snodgrass Building, 7th Avenue North between charlotte Avenue and Union Avenue, Nashville, Tennessee, telephone 615-741-2286.

7. LIST OF OFFICERS AND OWNERS OF CORPORATION. A separate list of officers (with their titles) and owners with five percent (5%) or more ownership, and the amount of percentage, needs to be furnished with the application.

8. COPY OF NEWSPAPER NOTICE AND SWORN STATEMENT REGARDING THE PUBLICATION. Article needs to be run in your local newspaper for three (3) consecutive days.

9. WAIVER OF ANY RIGHT TO AN ADMINISTRATIVE HEARING BY APPLICANT.

10. SALES TAX NUMBERS. The Tennessee sales tax number can be obtained from the Tennessee Department of Revenue, 3rd Floor, Andrew Jackson Building, 500 Deadrick Street, Nashville, Tennessee 37242, telephone 615-253-0600.

11. TABC INSPECTION. An inspection will be made by one of our agents only after application has been reviewed at the Commission meeting.

12. COPY OF ALL LOAN CONTRACTS.
APPENDIX 4—FORMS RELATED TO LIQUOR SALES

13. **FINANCIAL BACKGROUND CHECK OF APPLICANT.**

14. **CREDIT CHECK FROM BANKING/LENDING INSTITUTION.**

15. **FEDERAL FORM TO SELL LIQUOR.** Federal Form ATF F 5630.5 (10-93). This form should be filled out and returned to the Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, PO Box 371962, Pittsburgh, Pennsylvania 15250-7962. The annual fee is two hundred fifty dollars ($250.00).

16. **EMPLOYEE PERMITS.** Form AB-0014. All employees have to obtain an employee permit card. The cost is $2.00 and it is good for one year. The date of the card is from January 1 thru December 31.
APPENDIX 4—FORMS RELATED TO LIQUOR SALES

Tennessee Alcoholic Beverage Commission

Restaurants: Obtain an LBD permit

1. Obtain a sales tax number and bond form from the Tennessee Department of Revenue, Room 300, Andrew Jackson Office Building, Nashville, telephone (615) 741-2594 or 1-800-342-1003.

2. The following forms may be requested from the Alcoholic Beverage Commission in person, by mail, by e-mail, or by phone (615) 741-1602 ext. 106.

- **Application Form: Form #AB-0017** This application should be notarized, filled out completely and returned in duplicate. The application should be turned into this office at least three (3) weeks in advance. Applications are reviewed every Tuesday. Once the application is approved and you have obtained your liquor-by-the-drink bond from the Tennessee Department of Revenue, then you can receive your license the following day.

- **Questionnaires: Form #AB-0009** Owners, partners, officers, managers and/or any persons who owns five percent (5%) or more in the corporation or the business, should complete these forms. All questionnaires should be filled out completely.

- **Employee on Premise Permit Forms: Form #AB-0001** This form is required for all employees who serve liquor to the public. Employees must be eighteen (18) years of age to serve liquor and must obtain an employee work permit card from this office. The cost of the permit is five dollars ($5.00) per employee permit card and form should be notarized. After receiving their temporary permit card, then they have thirty (30) days to take a server training class to receive their permanent card, which is good for three (3) years from the temporary date. This fee can only be paid by company check, cashier's check or money order. No personal checks are accepted.

- **Price Schedule of Drinks: Form #RV-0775** This form should be completed and returned, in duplicate, to this office. Information and questions pertaining to this form should be forwarded to the telephone number of (615) 360-0380.

- **Proof of Possession: A Lease, Deed, Bill of Sale or other documentation which shows that the applicant is actually leasing or in possession of the property, should be furnished to this office.

- **Charter from the State of Tennessee: (This document is required only if the applicant is a corporation, a limited liability company (LLC) or a formal partnership.)** A copy of your Tennessee charter must be furnished to this office. If you hold an out of state charter, approval to do business in the State of Tennessee must be obtained from the Tennessee Secretary of State's Office, 6th Floor, William Snodgrass Building, 7th Avenue North between Charlotte Avenue and Union Avenue, Nashville, Tennessee, telephone (615) 741-2286. If a corporation is registered out-of-state, then a copy of that charter is also to be furnished.

- **List of Officers and Owners of Corporation:** A separate list of officers (with their titles) and owners with five percent (5%) or more of ownership, and the amount of percentage, needs to be furnished with the application. (Form enclosed.)
APPENDIX 4—FORMS RELATED TO LIQUOR SALES

• **Use and Occupancy Approval:** If establishment is located in Davidson County, you may obtain the Use and Occupancy approval letter from The Metropolitan Codes Department, Metro Howard Office Building, telephone number (615) 862-6550. The contact person is Linda Bush. If the establishment is not located in Davidson County, you may contact the local Codes Department in that city or county in which the establishment is located.

• **Menu:** The menu must be properly printed -- not handwritten.

• **Sales Tax Number:** The Tennessee sales tax number can be obtained from the Tennessee Department of Revenue, 3rd Floor, Andrew Jackson Building, 500 Deaderick Street, Nashville, Tennessee 37242, telephone # (615) 253.0600; Liquor-by-the-drink tax telephone # (615) 532-6050; Franchise and Excise tax telephone # (615) 253-0700.

• **ABC Inspection:** An inspection will be made only when an application has been turned into this office and the establishment is completely ready to open for business.

• **Bond Forms:** The bond forms should be obtained from the Tennessee Department of Revenue, only after both copies of the application (**Form #AB-0017**) has been turned into this office. Once the application has been turned into this office, then a copy of the application should be given to Cassandra Parham, Tennessee Department of Revenue, 3rd Floor, Andrew Jackson State Office Building, Nashville, Tennessee 37242, telephone # (615) 741-3580, fax # (615) 532-6933. All bond forms must be returned to the Tennessee Department of Revenue.

• **City or County License:** It is also necessary to pay the same fee to the local County Clerk’s office, after you have obtained a license from this office. The Davidson Court Clerk’s Office is located in the Metro Howard School Office Building, 700 second Avenue South, Nashville, telephone # (615) 862-6050, extension 145 (Marla Lynch).

• **Federal Form to Sell Liquor:** **Federal Form ATF F 5630.5 (10-93)** This form should be filled out and returned to the Department of the Treasury, Bureau of Alcohol, Tobacco, and Firearms, PO Box 371962, Pittsburgh, Pennsylvania 15250-7962. The annual fee is two hundred fifty dollars ($250.00).

3. After application materials have been turned into this office and the establishment is completely open for business, an ABC agent will inspect the premises.

   Click here for requirements
APPENDIX 4—FORMS RELATED TO LIQUOR SALES

Tennessee Alcoholic Beverage Commission

Annual LBD License Fees

Restaurant Liquor-By-the-Drink License: *$650-$1,050
Restaurant Wine-Only License: *$170-$250
Hotels/Motels - 0-99 Rooms: *$1,000
Hotels/Motels - 100-399 Rooms: *$1,000
Hotels/Motels - 400 rooms and over: *$1,200
Aquarium: $150
Aquarium Exhibition Facility: $150
Arena: $2000
Bed and breakfast Liquor License/within a Hotel Facility: $1,000
Catering Liquor License: $550
Coffee/Teas/Pastries Liquor License: $650-$1,050
Commercial Air Carrier Airport: $1,500
Commercial Airlines/Passenger Boat/Passenger Train: $1250
Commercial Airline Travel Club: $1000
Community Theater: $150
Convention Center: $1000
Gourmet Liquor-By-Drink License: *$650-$1,050
Historic Interpretive Center: $150
Historic Mansion House Site: $150
Historic Performing Arts Center: $150
Motor Speedway: $2000
Museum: $150
Premier Type Tourist Resort: $2,000
Private Clubs: $500
Special Occasion License (12 days per calendar year): $100 per day
Sports Authority Facility: $2000
Urban Park Center: $150
Wine-Only Liquor License: $120-$200
Zoological Institution: $150

Wholesalers: $3,000
Retailer: $850
Winery: $150
Non-Resident Seller (less than 100 cases): $150
Non-Resident Seller (more than 100 cases): $250

*License fees will change again on July 1, 2005 and July 1, 2006
$300 non-refundable application fee
### BUILDING PERMIT

<table>
<thead>
<tr>
<th>Lot Owner</th>
<th>Phone #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present mailing address</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Size of Lot</th>
<th>Zoning</th>
<th>Map #</th>
<th>Parcel #</th>
<th>Civil District</th>
<th>Location of Lot (Road)</th>
<th>(911#)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Subdivision &amp; Lot #</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing Building(s)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>This Building</th>
<th>Phone</th>
<th>Purpose</th>
<th>Contractor</th>
<th>Phone</th>
<th>TN License #</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Type of Work:</th>
<th>New</th>
<th>Alter</th>
<th>Add</th>
<th>Repair</th>
<th>Move</th>
<th>Dwmh</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Occupancy:</th>
<th>Residential</th>
<th>Commercial</th>
<th>Industrial</th>
<th>Other</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Square Footage:</th>
<th>Heated</th>
<th>Unheated</th>
<th>Total</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Computed Value of Building or Contract Price</th>
<th>$</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>New Resident?</th>
<th>Size of Household</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Other Information &amp; Special Conditions</th>
<th></th>
</tr>
</thead>
</table>

**Note:** THIS PERMIT VOID IF WORK NOT STARTED WITHIN SIX (6) MONTHS FROM DATE OF ISSUE.

**NOTE:** Issuance of building permit shall not be held to permit or to be an approval of the violation of any provision of any **town ordinances**, **building codes**, **state laws**, or **subdivision covenants**.

**Note:** Each **reinspection** requires a $25.00 fee payable at this office.

<table>
<thead>
<tr>
<th>Permit Fee</th>
<th>Plumbing Fee</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(All Fees Nonrefundable)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>( ) Check (#)</th>
<th>( ) Money Order (#)</th>
<th>( ) Cash</th>
</tr>
</thead>
</table>

Received By

---

I hereby acknowledge: 1) that the minimum setbacks for this building, as illustrated above, have been explained to me by the Building Commissioner’s Office; and 2) that I understand that noncompliance with the minimum setbacks will result in a requirement that the building be relocated or removed; and 3) that I understand that I am to contact the Building Commissioner’s Office **before foundations are poured**; and 4) in the case of manufactured housing and other portable buildings that I understand that I am to contact the Building Commissioner’s Office for a site inspection of the setbacks **immediately after siting the building**; and 5) that I understand that this building permit is **not transferable** to another lot and entitles me to site **only the particular building and square footage stated above**.

Date: ___________________________ Signature: ___________________
APPENDIX 5—FORMS RELATED TO CODES

Residential Building Permit Application
City of ____________ Building Department

CONTRACTOR INFORMATION
ID number: ____________________________ If you do not have a contractor ID number assigned by the city, you must fill out a request for such a number.
Company name: _________________________ Ask for the Contractor ID Number Application.

PROPERTY INFORMATION
Project name: ____________________________
Work location: ____________________________
Project address: ____________________________
Subdivision: ____________________________ Lot number: ____________________________
Owner name (per deed): ____________________________
Address: ____________________________ City: ____________________________
State: _______ ZIP: ____________________________ Telephone: (______)

Square footage of project: ____________ Total square footage: ____________

Information in this box is provided by the Building Department.
Zone: ____________________________ Right of way: ____________________________ Report code: ____________
Setbacks (front/right/left/back): _______ / _______ / _______ / _______ Initials: ____________

CLASS OF WORK (check one)
☐ New ☐ Addition ☐ Alteration ☐ Repair ☐ Move ☐ Remove

DESCRIPTION OF WORK ____________________________

IF NEW Heated square footage: ____________ Unheated square footage: ____________ x 0.33 = ____________

VALUATION ________________ FEE BASE SQUARE FOOTAGE ________________
If modification to an existing dwelling and/or construction of accessory structures the fee is based on valuation.

COMMENTS ____________________________

NOTICE: Separate permits are required for electrical, plumbing, heating, ventilating and air conditioning. This permit becomes null and void if work or construction authorized is not commenced within 6 months or if construction or work is suspended or abandoned for a period of 6 months at any time after work has commenced.

I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether or not specified herein. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other state or local law regulating construction or the performance of construction.

Signature of contractor or authorized agent or owner if owner/builder ____________________________ Date ____________________________

Note: This is a sample permit application. Contact your local building department for a current application.
## Commercial Building Permit Application

City of ___________________ Building and Housing Codes Department

**CONTRACTOR INFORMATION**

If you are the owner and are contracting the work yourself check this box: [ ]

If you are a contractor with a Contractor account number already assigned, please fill out the following:

- ENTER YOUR JBHCD ACCOUNT NUMBER HERE

**BUSINESS LICENSE**

If you are unsure as to whether you need a business license, please call _________ for clarification.

**COMPANY NAME**

- CONTRACTOR COMPANY NAME
- ADDRESS
- CITY, STATE, ZIP
- PHONE NUMBER INCLUDING AREA CODE
- STATE LICENSE NUMBER

**PROJECT INFORMATION**

- Property Address
- Work Location (space, suite or apt. #, etc.)
- Proposed Use (Example: shoe store, cafe, daycare, etc.)
- Owner Name (owner per deed or person in charge of property)
- Address
- City __________________ State ____________ ZIP Code
- Telephone Number (including area code)

- Square Footage Involved in Project
- Total Sq. Feet in Building (note Dep. of Building in SBC)

- Description of Work

**CLASS OF WORK**

[ ] New [ ] Addition [ ] Alteration
[ ] Repair [ ] Move [ ] Remove

**METHOD OF PAYMENT**

[ ] Cash [ ] Check number _______ [ ] Bank draft

**COMMENTS**

This information to be completed by JBHCD personnel

**NOTICE**

Separate permits are required for electrical, plumbing, heating, ventilating and air conditioning, sprinkler and alarm systems and/or signs. This permit becomes null and void if work or construction authorized is not commenced within 6 months or if construction or work is suspended or abandoned for a period of 6 months at any time after work has commenced.

I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether or not specified herein. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other state or local law regulating construction or the performance of construction. If bank draft is indicated under Method of Payment, I do hereby authorize payment of this permit fee by a bank draft on my bank account.

**Signature**

*Note: This is a sample permit application. Contact your local building department for a current application.*
APPENDIX 5—FORMS RELATED TO CODES

Plumbing Permit Application
City of Building Department

CONTRACTOR INFORMATION
ID number: ____________________________  If you do not have a contractor ID number assigned by the city, you must fill out a request for such a number. Ask for the Contractor ID Number Application. Plumbers in the city must be licensed by the city.
Contractor name: _______________________
Licensed tradesman: ____________________

PROPERTY INFORMATION
Project Number: _______ – _____________
Work location (address & space):
Proposed use (tenant name):
Project name (complex name):
Project address:
Owner name (per deed):
Address: _____________________________  City: ______________
State: _______ ZIP: __________________ Telephone: (____)_______

CLASS OF WORK (check one)
☐ New  ☐ Addition  ☐ Alteration  ☐ Repair  ☐ Move  ☐ Remove

DESCRIPTION OF WORK
Back Flow: _______ Bath Tubs: _______ Grease Traps: _______ Drink Fountains: _______
Lavatories: _______ Showers: _______ Stop Sinks: _______ Toilets: _______ Sinks: _______
Washing Machines: _______ Water Heater: _______ Pipe Repair: _______ Floor Drain: _______
Water Meter: _______ Sewer: _______ Public Pools: _______ Residential Pools: _______ Lift Pump: _______
Valuation of work: ____________________
Comments: __________________________

NOTICE: Separate permits are required for electrical, plumbing, heating, ventilating and air conditioning. This permit becomes null and void if work or construction authorized is not commenced within 6 months or if construction or work is suspended or abandoned for a period of 6 months at any time after work has commenced.

I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether or not specified herein. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other state or local law regulating construction or the performance of construction.

Signature of contractor or authorized agent or owner if owner/builder __________________________  Date ________

Note: This is a sample permit application. Contact your local building department for a current application.
APPENDIX 5—FORMS RELATED TO CODES

Gas Permit Application  
City of [ ] Building Department  
Phone ( ) Fax ( )

CONTRACTOR INFORMATION  
ID number:  
Contractor name:  
Licensed tradesman:  
If you do not have a contractor ID number assigned by the city, you must fill out a request for such a number. Ask for the Contractor ID Number Application. Pipe fitters in the city must be licensed by the city.

PROPERTY INFORMATION  
Project Number:  
Commercial Review Number: _____ – _________ or Residential Building Permit Number: _____ – _________

Work location (address & space):  
Proposed use (tenant name):  
Location:  [ ] CITY  [ ] COUNTY

Project name (complex name):  
Project address:  
Address:  
City:  
State:  _____ ZIP:  Telephone:  ( )

CLASS OF WORK:  [ ] New  [ ] Addition  [ ] Alteration  [ ] Repair  [ ] Move  [ ] Remove

DESCRIPTION OF WORK  
Outlets:  
Conversion Burners:  
Floor Furnaces:  
Boilers:  
Central Heat:  
Wall Furnace:  
Water Heater:  
Other:  
Valuation of work:  
Comments:  

NOTICE: Separate permits are required for electrical, plumbing, heating, ventilating and air conditioning. This permit becomes null and void if work or construction authorized is not commenced within 6 months or if construction or work is suspended or abandoned for a period of 6 months at any time after work has commenced.

I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether or not specified herein. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other state or local law regulating construction or the performance of construction.

Signature of contractor or authorized agent or owner if owner/builder  
Date

Note: This is a sample permit application. Contact your local building department for a current application.
APPENDIX 5—FORMS RELATED TO CODES

Mechanical Permit Application
City of [________] Building Department

CONTRACTOR INFORMATION
ID number: ____________________________
Contractor name: ________________________
Licensed tradesman: ______________________

If you do not have a contractor ID number assigned by the city, you must fill out a request for such a number. Ask for the Contractor ID Number Application. Mechanics in the city must be licensed by the city.

PROPERTY INFORMATION
Project Number: ______ – ____________
Work location (address & space): ________________________________
Proposed use (tenant name): ________________________________
Location: [ ] CITY [ ] COUNTY
Project name (complex name): ________________________________
Project address: ________________________________
Owner name (per deed): ________________________________
Address: ________________________________
City: ________________________________
State: ______ ZIP: ________________________________ Telephone: ( )

CLASS OF WORK: ☐ New ☐ Addition ☐ Alteration ☐ Repair ☐ Move ☐ Remove

DESCRIPTION OF WORK
______________________________

Valuation of work: ________________________________
Comments: ________________________________

NOTICE: Separate permits are required for electrical, plumbing, heating, ventilating and air conditioning. This permit becomes null and void if work or construction authorized is not commenced within 6 months or if construction or work is suspended or abandoned for a period of 6 months at any time after work has commenced.

I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether or not specified herein. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other state or local law regulating construction or the performance of construction.

Signature of contractor or authorized agent or owner if owner/builder ________________________________ Date ________________________________

Note: This is a sample permit application. Contact your local building department for a current application.
APPENDIX 5—FORMS RELATED TO CODES

Electrical Permit Application
City of ___________ Building Department

CONTRACTOR INFORMATION
ID number: ____________________________
Contractor name: ______________________
Licensed tradesman: ____________________

PROPERTY INFORMATION
Project Number: _____ – _____________
Work location (address & space): ____________________________
Proposed use (tenant name): ____________________________
Location: [ ] CITY [ ] COUNTY
Project name (complex name): ____________________________
Project address: ____________________________
Owner name (per deed): ____________________________
Address: ____________________________ City: ____________________________
State: _______ ZIP: ____________ Telephone: (______)______

CLAS OF WORK: ☐ New ☐ Addition ☐ Alteration ☐ Repair ☐ Move ☐ Remove

DESCRIPTION OF WORK
[ ] New Service Size ______ amp[s] [ ] Temporary Service [ ] Re-inspection
[ ] Wire Sign [ ] Modifications to Existing Wiring [ ] Other ____________________________

Valuation of work: ____________________________
Comments: ____________________________

NOTICE: Separate permits are required for electrical, plumbing, heating, ventilating and air conditioning. This permit becomes null and void if work or construction authorized is not commenced within 6 months or if construction or work is suspended or abandoned for a period of 6 months at any time after work has commenced.

I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work will be complied with whether or not specified herein. The granting of a permit does not presume to give authority to violate or cancel the provisions of any other state or local law regulating construction or the performance of construction.

Signature of contractor or authorized agent or owner if owner/builder ____________________________ Date ____________________________

Note: This is a sample permit application. Contact your local building department for a current application.
Certificate of Occupancy

Department of Building Inspection

This certificate is issued pursuant to the requirements of Section 106 of the Standard Building Code certifying that at the time of issuance this structure was in compliance with the various ordinances regulating building construction or use. For the following:

Use Classification __________________ Building Permit No. ________________

Group ___________ Type Construction _______________ Fire District _______

Owner of Building ____________________ Address ______________________

Building Address _____________________________ Locality ________________

Occupancy Load __________________________________________________________________

By __________________________________________ Date ____________________
# CASH SHEET

<table>
<thead>
<tr>
<th>FUND</th>
<th>BEG. BAL.</th>
<th>DEPOSITS</th>
<th>CHECKS</th>
<th>END BAL.</th>
</tr>
</thead>
<tbody>
<tr>
<td>110-11211 General Operat</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 388</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>115-11228 Drug Checking</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 1392</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>121-11211 St Aid Operat</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 418</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>131-11211 Sol Wast Opert</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 1260</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>411-11211 Water Operat</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UP # 84484</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>411-11212 Wat/Sew Const</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCB # 17150632</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>412-11211 Sewer Operat</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 396</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>415-11211 Gas Operating</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 299</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>415-11300 Gas Sinking</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 1295</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>415-11255 Gas Reserve</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 1430</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Electric Bal from pg 2

Savings Bal from pg 3

DAILY TOTALS
## CASH SHEET

<table>
<thead>
<tr>
<th>FUND</th>
<th>BEG. BAL.</th>
<th>DEPOSITS</th>
<th>CHECKS</th>
<th>END BAL.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>131.1 Electric Collect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UP # 81930</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>131.2 Electric Collect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCB # 6020461709</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>131.3 Electric Collect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 1236</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>131.4 Electric Collect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oakld # 0122376401</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>131.5 Elect A/P</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 1252</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>131.6 Elect Payroll</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UP # 513040</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>131.7 Electric Operat</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BCB # 87242061</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>131.8 Electric Collect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moscow # 2000334</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ELECTRIC TOTALS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Cash Sheet

**DATE:**

<table>
<thead>
<tr>
<th>FUND</th>
<th>BEG. BAL.</th>
<th>DEPOSITS</th>
<th>CHECKS</th>
<th>END BAL.</th>
</tr>
</thead>
<tbody>
<tr>
<td>110-11217 Parks &amp; Recreat</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 1503</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>110-11218 Fire Hall Const</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UP # 3500996327</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>110-11221 Cemetery Sav</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UP # 510726</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>110-11223 General Savings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UP # 512966</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>110-11224 General MMD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 5757</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>110-11227 LLET Savings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 110704</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>110-11229 Fair Theater</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 110790</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>110-11244 General MMD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 110795</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>115-11222 Drug Savings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 4546</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>411-11222 Water MMD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 110201</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>411-11223 Water Savings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UP # 513547</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>415-11221 Gas Savings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBT # 5608</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Savings Totals**

---

**THE TENNESSEE CITY RECORDER • MUNICIPAL TECHNICAL ADVISORY SERVICE**

Appendix 6-C
CONTACTS FOR SUBMITTING REPORTS AND FINES AND FOR REQUESTING NEW FORMS

Court Action Reports (Abstracts):
Violations Evaluation Unit
Driver Control Section
Department of Safety
Nashville, TN 37249-5000

Report of Fines, Fees, and Cost for Violations of the Tennessee Motor Vehicle Laws:
(This is the report form for submitting fines to the state for violation of motor vehicle laws.)
Tennessee Department of Safety
(615) 741-3181

Motor Vehicle Enforcement Report:
(Form for submitting fines to the state for violation of registration law.)
Motor Vehicle Enforcement
Andrew Jackson Building
500 Deadrick Street
Nashville, TN 37242

Litigation Tax Report Information:
Tennessee Department of Revenue
(615) 251-5157
## Appendix 7—Forms Related to Conducting City Court

**TENNESSEE DEPARTMENT OF REVENUE**

**LITIGATION TAX RETURN**

<table>
<thead>
<tr>
<th>Filing Period</th>
<th>Account No.</th>
<th>Name of Court</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Column A Gross Tax</th>
<th>Column B Commission</th>
<th>Column C Net Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Tax</td>
<td>Commission</td>
<td>(Gross Tax less commission)</td>
</tr>
<tr>
<td>Rate</td>
<td>Amount</td>
<td>Retained</td>
</tr>
<tr>
<td>-------</td>
<td>--------</td>
<td>---------</td>
</tr>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### 1. Civil or city court cases

$13.75

### 2. Cases filed prior to April 1, 1992

$11.25

### 3. Civil chancery or circuit court cases

$10.00

### 4. Adjustments or partial pays

$26.50

### 5. Total - Add lines 1, 2, 3, and 4 in Column C

$11.25

### 5a. Vehicle operation or metered parking violations

$1.00

### 6. Criminal cases

$28.50

### 7. Fingerprinting

$1.00

### 8. Criminal cases filed prior to April 1, 1992

$26.00

### 9. Adjustments or partial pays

$1.00

### 10. Total - Add lines 6, 7, 8, and 9 in Column C

$50.00

### 11. CIC offenses

$26.50

### 12. CIC offenses

$50.00

### 13. Child sexual abuse

$500.00

### 14. Adjustments, partial pays, and old cases

$50.00

### 15. Total - Add lines 11, 12, 13, and 14 in Column C

$50.00

### 16. Forfeited appearance bonds in felony cases

$500.00 (includes juror reimbursements)

### 17. Sex offender surcharge

$50.00

### CASES IN GENERAL SESSIONS COURT OR HEARD BY GENERAL SESSIONS JUDGE

### 18. Civil cases

$1.00

### 19. Civil cases

$3.00

### 20. Adjustments or partial pays

$200.00

### 21. Total - Add lines 18, 19, and 20 in Column C

$200.00

### 22. Gross Tax

A. Domestic and aggravated assaults

B. Sexual assaults

Total of A & B

$200.00

### ALL CASES HEARD IN ALL COURTS

### 23. Taxpayer penalties

$50.00

### 24. Refunds of costs, fines, or forfeitures

$50.00

### 25. Total - Add lines 23 and 24 in Column C

$50.00

### 26. Order of protection penalties

$50.00

### 27. Attorney's administrative fee

$50.00

### 28. Drug violations as defined in PC 335 of 2003

$5.00

### 29. Alcohol and Drug Addiction Treatment Fee

$100.00

### 30. Adjustment and partial pays of driving while impaired under TCA 55-10-418

($500 old cases, repealed 6/30/2003)

### Total remittance amount (Add lines 5, 6, 10, 15, 16, 17, 21, 22, 25, 26, 27, 28, 29, and 30 in Column C)

$500.00

### Net Tax Due - Add lines 5, 6, 10, 15, 16, 17, 21, 22, 25, 26, 27, 28, 29, and 30 in Column C

$500.00

### Credit - Enter outstanding credit from previous Department of Revenue notices

$500.00

### Penalty - If filed late, add 5% of the gross tax reported in Column A for each 30-day period, not to exceed 25%; minimum penalty is $15.00

### Interest - If filed late, compute interest at 6% per annum on the gross tax reported in Column A from date due to date paid

### Total remittance amount (Add lines 31, 33, and 34; subtract Line 32 if applicable)

### FOR OFFICE USE ONLY

**Signed**

**Clerk's Signature**

**Date**

---

**INTERNET (9-03)**

---

**ANNEX 7—FORMS RELATED TO CONDUCTING CITY COURT**

---

**THE TENNESSEE CITY RECORDER • MUNICIPAL TECHNICAL ADVISORY SERVICE**
## APPENDIX 7—FORMS RELATED TO CONDUCTING CITY COURT

### REMINDERS

1. Read instructions before preparing this return.
2. Complete all information on reverse side.
3. The Litigation Tax must be remitted from the first moneys collected on each case TCA 67-4-603(c).

### INSTRUCTIONS

**General:** Please complete all sections. When calculating the amount of commission to be retained by the clerk use the rate allowed for your court unless a specific amount or rate is listed. Please retain accurate detailed records of all partial payments for audit purposes and list only a monthly total of collections on each appropriate line. A litigation tax return must be filed each month whether court was held or not.

**Amended Return:** If this is an amended return, please indicate "Filing Period" and check the appropriate box above.

---

Returns must be postmarked by the due date to avoid the assessment of penalty and interest. Returns must be filed even if no tax is due.

Make your check payable to the Tennessee Department of Revenue for the amount shown on line 32 and mail to:

Tennessee Department of Revenue
Andrew Jackson State Office Bldg.
500 Deaderick Street
Nashville, TN 37242

For more information, call our statewide toll free number at 1-800-342-1003 or dial (615) 532-0600.
CONSENT FORM

DATE __________

I, ____________________________, an employee of the City of ____________________________, understand that I have been offered an opportunity to have a Hepatitis B (HBV) vaccination, free of charge, in the amount and time prescribed by standard medical practices. I also understand that according to OSHA instructions, as a worker engaged in Police, Fire and/or Sanitation, I may be at high risk of being exposed to infectious diseases. I understand that OSHA and my employer strongly urge that I take the HBV vaccination.

Yes, I will accept the offer:

__________________________  __________________________  ____________
Signature                  Department                        Date

I decline this offer, and do not choose the vaccination:

__________________________  __________________________  ____________
Signature                  Department                        Date
INFECTION DISEASE CONTROL POLICY

SECTION

4-501. Purpose.
4-502. Coverage.
4-503. Administration.
4-504. Definitions.
4-505. Policy statement.
4-506. General guidelines.
4-507. Hepatitis B vaccinations.
4-508. Reporting potential exposure.
4-509. Hepatitis B virus post-exposure management.
4-510. Human immunodeficiency virus post-exposure management.
4-511. Disability benefits.
4-512. Training regular employees.
4-513. Training high risk employees.
4-514. Training new employees.
4-515. Records and reports.
4-516. Legal rights of victims of communicable diseases.

4-501. Purpose. It is the responsibility of the City of [city name] to provide employees a place of employment which is free from recognized hazards that may cause death or serious physical harm. In providing services to the citizens of the City of [city name], employees may come in contact with life-threatening infectious diseases which can be transmitted through job-related activities. It is important that both citizens and employees are protected from the transmission of diseases just as it is equally important that neither is discriminated against because of basic misconceptions about various diseases and illnesses. The purpose of this policy is to establish a comprehensive set of rules and regulations governing the prevention of discrimination and potential occupational exposure to Hepatitis B (HBV), the Human Immunodeficiency Virus (HIV), and Tuberculosis (TB).

4-502. Coverage. Occupational exposures may occur in many ways, including needle sticks, cut injuries or blood spills. Several classes of employees are assumed to be at high risk for blood borne infections due to their routinely increased exposure to body fluids from potentially infected individuals. Those high risk occupations include but are not limited to:

(1) Paramedics and emergency medical technicians;
(2) Occupational nurses;
(3) Housekeeping and laundry workers;
(4) Police and security personnel;
(5) Firefighters;
(6) Sanitation and landfill workers; and
(7) Any other employee deemed to be at high risk per this policy and an exposure determination.

4-503. Administration. This infection control policy shall be administered by the mayor or his/her designated representative who shall have the following duties and responsibilities:

(1) Exercise leadership in implementation and maintenance of an effective infection control policy subject to the provisions of this chapter, other ordinances, the city charter, and federal and state law relating to OSHA regulations;
(2) Make an exposure determination for all employee positions to determine a possible exposure to blood or other potentially infectious materials;
(3) Maintain records of all employees and incidents subject to the provisions of this chapter;
(4) Conduct periodic inspections to determine compliance with the infection control policy by municipal employees;
(5) Coordinate and document all relevant training activities in support of the infection control policy;
(6) Prepare and recommend to the board of mayor and aldermen any amendments or changes to the infection control policy;
(7) Identify any and all housekeeping operations involving substantial risk of direct exposure to potentially infectious materials and shall address the proper precautions to be taken while cleaning rooms and blood spills; and
(8) Perform such other duties and exercise such other authority as may be prescribed by the board of mayor and aldermen.

4-504. Definitions. (1) “Body fluids” - fluids that have been recognized by the Centers for Disease Control as directly linked to the transmission of HIV and/or HBV and/or to which universal precautions apply: blood, semen, blood products, vaginal secretions, cerebrospinal fluid, synovial fluid, pericardial fluid, amniotic fluid, and concentrated HIV or HBV viruses.
(2) “Exposure” - the contact with blood or other potentially infectious materials to which universal precautions apply through contact with open wounds, non-intact skin, or mucous membranes during the performance of an individual’s normal job duties.
(3) “Hepatitis B Virus (HBV)” - a serious blood-borne virus with potential for life-threatening complications. Possible complications include: massive hepatic necrosis, cirrhosis of the liver, chronic active hepatitis, and hepatocellular carcinoma.
(4) “Human Immunodeficiency Virus (HIV)” - the virus that causes acquired immunodeficiency syndrome (AIDS). HIV is transmitted through sexual contact and exposure to infected blood or blood components and perinatally from mother to neonate.
(5) “Tuberculosis (TB)” - an acute or chronic communicable disease that usually affects the respiratory system, but may involve any system in the body.
(6) “Universal precautions” - refers to a system of infectious disease control which assumes that every direct contact with body fluid is infectious and requires every employee exposed to direct contact with potentially infectious materials to be protected as though such body fluid were HBV or HIV infected.

4-505. Policy statement. All blood and other potentially infectious materials are infectious for several blood-borne pathogens. Some body fluids can also transmit infections. For this reason, the Centers for Disease Control developed the strategy that everyone should always take particular care when there is a potential exposure. These precautions have been termed “universal precautions.” Universal precautions stress that all persons should be assumed to be infectious for HIV and/or other blood-borne pathogens. Universal precautions apply to blood, tissues, and other potentially infectious materials. Universal precautions also apply to semen (although occupational risk or exposure is quite limited), vaginal secretions, and to cerebrospinal, synovial, pleural, peritoneal, pericardial and amniotic fluids. Universal precautions do not apply to feces, nasal secretions, human breast milk, sputum, saliva, sweat, tears, urine, and vomitus unless these substances contain visible blood.

4-506. General guidelines. General guidelines which shall be used by everyone include:
(1) Think when responding to emergency calls and exercise common sense when there is potential
Infectious Disease Control

exposure to blood or other potentially infectious materials which require universal precautions.
(2) Keep all open cuts and abrasions covered with adhesive bandages which repel liquids.
(3) Soap and water kill many bacteria and viruses on contact. If hands are contaminated with blood or other potentially infectious materials to which universal precautions apply, then wash immediately and thoroughly. Hands shall also be washed after gloves are removed even if the gloves appear to be intact. When soap and water or handwashing facilities are not available, then use a waterless antiseptic hand cleaner according to the manufacturer’s recommendation for the product.
(4) All workers shall take precautions to prevent injuries caused by needles, scalpel blades, and other sharp instruments. To prevent needle stick injuries, needles shall not be recapped, purposely bent or broken by hand, removed from disposable syringes, or otherwise manipulated by hand. After they are used, disposable syringes and needles, scalpel blades and other sharp items shall be placed in puncture resistant containers for disposal. The puncture resistant container shall be located as close as practical to the use area.
(5) The city will provide gloves of appropriate material, quality and size for each affected employee. The gloves are to be worn when there is contact (or when there is a potential contact) with blood or other potentially infectious materials to which universal precautions apply:
   (a) While handling an individual where exposure is possible;
   (b) While cleaning or handling contaminated items or equipment;
   (c) While cleaning up an area that has been contaminated with one of the above. Gloves shall not be used if they are peeling, cracked, or discolored, or if they have punctures, tears, or other evidence of deterioration. Employees shall not wash or disinfect surgical or examination gloves for reuse.
(6) Resuscitation equipment shall be used when necessary. (No transmission of HBV or HIV infection during mouth-to-mouth resuscitation has been documented.) However, because of the risk of salivary transmission of other infectious diseases and the theoretical risk of HIV or HBV transmission during artificial resuscitation, bags shall be used. Pocket mouth-to-mouth resuscitation masks designed to isolate emergency response personnel from contact with a victim’s blood and blood contaminated saliva, respiratory secretion, and vomitus, are available to all personnel to provide or potentially provide emergency treatment.
(7) Masks or protective eyewear or face shields shall be worn during procedures that are likely to generate droplets of blood or other potentially infectious materials to prevent exposure to mucous membranes of the mouth, nose, and eyes. They are not required for routine care.
(8) Gowns, aprons, or lab coats shall be worn during procedures that are likely to generate splashes of blood or other potentially infectious materials.
(9) Areas and equipment contaminated with blood shall be cleaned as soon as possible. A household (chlorine) bleach solution (1 part chlorine to 10 parts water) shall be applied to the contaminated surface as a disinfectant leaving it on for at least 30 seconds. A solution must be changed and re-mixed every 24 hours to be effective.
(10) Contaminated clothing (or other articles) shall be handled carefully and washed as soon as possible. Laundry and dish washing cycles at 120° are adequate for decontamination.
(11) Place all disposable equipment (gloves, masks, gowns, etc.) in a clearly marked plastic bag. Place the bag in a second clearly marked bag (double bag). Seal and dispose of by placing in a designated “hazardous” dumpster. NOTE: Sharp objects must be placed in an impervious container and shall be properly disposed of.
(12) Tags shall be used as a means of preventing accidental injury or illness to employees who are exposed to hazardous or potentially hazardous conditions, equipment or operations which are out of
the ordinary, unexpected or not readily apparent. Tags shall be used until such time as the identified hazard is eliminated or the hazardous operation is completed. All required tags shall meet the following criteria:

(a) Tags shall contain a signal word and a major message. The signal word shall be "BIOHAZARD," or the biological hazard symbol. The major message shall indicate the specific hazardous condition or the instruction to be communicated to employees.

(b) The signal word shall be readable at a minimum distance of five (5) feet or such greater distance as warranted by the hazard.

(c) All employees shall be informed of the meaning of the various tags used throughout the workplace and what special precautions are necessary.

(13) Linen soiled with blood or other potentially infectious materials shall be handled as little as possible and with minimum agitation to prevent contamination of the person handling the linen. All soiled linen shall be bagged at the location where it was used. It shall not be sorted or rinsed in the area. Soiled linen shall be placed and transported in bags that prevent leakage. The employee responsible for transported soiled linen should always wear protective gloves to prevent possible contamination. After removing the gloves, hands or other skin surfaces shall be washed thoroughly and immediately after contact with potentially infectious materials.

(14) Whenever possible, disposable equipment shall be used to minimize and contain clean-up.

4-507. Hepatitis B vaccinations. The City of         shall offer the appropriate Hepatitis B vaccination to employees at risk of exposure free of charge and in amounts and at times prescribed by standard medical practices. The vaccination shall be voluntarily administered. High risk employees who wish to take the HBV vaccination should notify their department head who shall make the appropriate arrangements through the Infectious Disease Control Coordinator.

4-508. Reporting potential exposure. City employees shall observe the following procedures for reporting a job exposure incident that may put them at risk for HIV or HBV infections (i.e., needle sticks, blood contact on broken skin, body fluid contact with eyes or mouth, etc.):

(1) Notify the Infectious Disease Control Coordinator of the contact incident and details thereof.

(2) Complete the appropriate accident reports and any other specific form required.

(3) Arrangements will be made for the person to be seen by a physician as with any job-related injury. Once an exposure has occurred, a blood sample should be drawn after consent is obtained from the individual from whom exposure occurred and tested for Hepatitis B surface antigen (HBsAg) and/or antibody to human immunodeficiency virus (HIV antibody). Testing of the source individual should be done at a location where appropriate pretest counseling is available. Post-test counseling and referral for treatment should also be provided.

4-509. Hepatitis B virus post-exposure management. For an exposure to a source individual found to be positive for HBsAg, the worker who has not previously been given the hepatitis B vaccine should receive the vaccine series. A single dose of hepatitis B immune globulin (HBIG) is also recommended, if it can be given within seven (7) days of exposure. For exposure from an HBsAg-positive source to workers who have previously received the vaccine, the exposed worker should be tested for antibodies to hepatitis B surface antigen (anti-HBs), and given one dose of vaccine and one dose of HBIG if the antibody level in the worker’s blood sample is inadequate (i.e., 10 SRU by RIA, negative by EIA). If the source individual is negative for HBsAg and the worker has not been vaccinated, this opportunity should be taken to provide the hepatitis B vaccine series. HBIG
administration should be considered on an individual basis when the source individual is known or suspected to be at high risk of HBV infection. Management and treatment, if any, of previously vaccinated workers who receive an exposure from a source who refuses testing or is not identifiable should be individualized.

4-510. Human immunodeficiency virus post-exposure management. For any exposure to a source individual who has AIDS, who is found to be positive for HIV infection, or who refuses testing, the worker should be counseled regarding the risk of infection and evaluated clinically and serologically for evidence of HIV infection as soon as possible after the exposure. The worker should be advised to report and seek medical evaluation for any acute febrile illness that occurs within 12 weeks after the exposure. Such an illness, particularly one characterized by fever, rash, or lymphadenopathy, may be indicative of recent HIV infection. Following the initial test at the time of exposure, seronegative workers should be retested 6 weeks, 12 weeks, and 6 months after exposure to determine whether transmission has occurred. During this follow-up period (especially the first 6-12 weeks after exposure) exposed workers should follow the U.S. Public Health Service recommendations for preventing transmission of HIV. These include refraining from blood donations and using appropriate protection during sexual intercourse. During all phases of follow-up, it is vital that worker confidentiality be protected. If the source individual was tested and found to be seronegative, baseline testing of the exposed worker with follow-up testing 12 weeks later may be performed if desired by the worker or recommended by the health care provider. If the source individual cannot be identified, decisions regarding appropriate follow-up should be individualized. Serologic testing should be made available by the town to all workers who may be concerned they have been infected with HIV through an occupational exposure.

4-511. Disability benefits. Entitlement to disability benefits and any other benefits available for employees who suffer from on-the-job injuries will be determined by the Tennessee Worker’s Compensation Bureau in accordance with the provisions of Tennessee Code Annotated, § 50-6-303.

4-512. Training regular employees. On an annual basis all employees shall receive training and education on precautionary measures, epidemiology, modes of transmission and prevention of HIV/HBV infection and procedures to be used if they are exposed to needle sticks or potentially infectious materials. They shall also be counseled regarding possible risks to the fetus from HIV/HBV and other associated infectious agents.

4-513. Training high risk employees. In addition to the above, high risk employees shall also receive training regarding the location and proper use of personal protective equipment. They shall be trained concerning proper work practices and understand the concept of “universal precautions” as it applies to their work situation. They shall also be trained about the meaning of color coding and other methods used to designate contaminated material. Where tags are used, training shall cover precautions to be used in handling contaminated material as per this policy.

4-514. Training new employees. During the new employee’s orientation to his/her job, all new employees will be trained on the effects of infectious disease prior to putting them to work.
4-515. Records and reports. (1) Reports. Occupational injury and illness records shall be maintained by the infectious disease control coordinator. Statistics shall be maintained on the OSHA-200 report. Only those work-related injuries that involve loss of consciousness, transfer to another job, restriction of work or motion, or medical treatment are required to be put on the OSHA-200. (2) Needle sticks. Needle sticks, like any other puncture wound, are considered injuries for recordkeeping purposes due to the instantaneous nature of the event. Therefore, any needle stick requiring medical treatment (i.e. gamma globulin, hepatitis B immune globulin, hepatitis B vaccine, etc.) shall be recorded. (3) Prescription medication. Likewise, the use of prescription medication (beyond a single dose for minor injury or discomfort) is considered medical treatment. Since these types of treatment are considered necessary, and must be administered by physician or licensed medical personnel, such injuries cannot be considered minor and must be reported. (4) Employee interviews. Should the town be inspected by the U.S. Department of Labor Office of Health Compliance, the compliance safety and health officer may wish to interview employees. Employees are expected to cooperate fully with the compliance officers.

4-516. Legal rights of victims of communicable diseases. Victims of communicable diseases have the legal right to expect, and municipal employees, including police and emergency service officers are duty bound to provide, the same level of service and enforcement as any other individual would receive. (1) Officers assume that a certain degree of risk exists in law enforcement and emergency service work and accept those risks with their individual appointments. This holds true with any potential risks of contacting a communicable disease as surely as it does with the risks of confronting an armed criminal. (2) Any officer who refuses to take proper action in regard to victims of a communicable disease, when appropriate protective equipment is available, shall be subject to disciplinary measures along with civil and/or criminal prosecution. (3) Whenever an officer mentions in a report that an individual has or may have a communicable disease, he shall write “contains confidential medical information” across the top margin of the first page of the report. (4) The officer’s supervisor shall ensure that the above statement is on all reports requiring that statement at the time the report is reviewed and initiated by the supervisor. (5) The supervisor disseminating newspaper releases shall make certain the confidential information is not given out to the news media. (6) All requests (including subpoenas) for copies of reports marked “contains confidential medical information” shall be referred to the city attorney when the incident involves an indictable or juvenile offense. (7) Prior approval shall be obtained from the city attorney before advising a victim of sexual assault that the suspect has, or is suspected of having a communicable disease. (8) All circumstance, not covered in this policy, that may arise concerning releasing confidential information regarding a victim, or suspected victim, of a communicable disease shall be referred directly to the appropriate department head or city attorney. (9) Victims of a communicable disease and their families have a right to conduct their lives without fear of discrimination. An employee shall not make public, directly or indirectly, the identity of a victim or suspected victim of a communicable disease. (10) Whenever an employee finds it necessary to notify another employee, police officer, firefighter,
emergency service officer, or health care provider that a victim has or is suspected of having a communicable disease, that information shall be conveyed in a dignified, discrete and confidential manner. The person to whom the information is being conveyed should be reminded that the information is confidential and that it should not be treated as public information.

(11) Any employee who disseminates confidential information in regard to a victim, or suspected victim of a communicable disease in violation of this policy shall be subject to serious disciplinary action and/or civil and/or criminal prosecution.
APPENDIX 9—MUNICIPAL TRAVEL POLICY

AUTHORIZATION FOR TRAVEL

CITY OF ________________________________

I hereby request authority for travel on official city business to the destination on the dates and for the purpose indicated below.

<table>
<thead>
<tr>
<th>DATE</th>
<th>CITY &amp; STATE</th>
<th>HOTEL ADDRESS</th>
<th>PURPOSE OF TRIP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Accompanied By ____________________________________________

APPLICANT ___________________________ Department Account ____________________________

Signature ______________________________________________________

Total Estimated Cost of Travel $____________

SPECIAL FUNDING REQUESTS (Select items requested.)

☐ Registration Prepayment
☐ Prepaid Airline Tickets
☐ Travel Advance of $____________

APPROVAL (Please note: Approval of travel requests by the signatory below indicates that adequate funding is provided in appropriations to cover the estimated costs of this travel.)

Signature ___________________________________  Signature ___________________________________

Department Head ___________________________  Chief Administrative Officer ___________________________
# APPENDIX 9—MUNICIPAL TRAVEL POLICY

## STATEMENT OF EXPENSE CLAIMS

*incurred while traveling on city business*

<table>
<thead>
<tr>
<th>NAME:</th>
<th>ADDRESS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOCIAL SECURITY NO.:</td>
<td></td>
</tr>
<tr>
<td>AMOUNT TO PAY:</td>
<td>City, State, Zip</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DATE</th>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
<th>ACCOUNT NAME</th>
<th>ACCOUNT NUMBER</th>
<th>OBJECT CODE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Object of Trip:  
Departure Date: ___________ Hour: ___________  
Return Date: ___________ Hour: ___________

<table>
<thead>
<tr>
<th>DATE</th>
<th>Where Incurred</th>
<th>Lodging</th>
<th>Breakfast</th>
<th>Lunch</th>
<th>Dinner</th>
<th>Transportation</th>
<th>Taxi, phone, entertainment, etc.</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month-Day</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL each column:** $0.00 $0.00 $0.00 $0.00 TOTAL each column: $0.00 $0.00 

If an adjustment is made, a supplemental expense account may be filed when proper documentation has been obtained. The original reimbursement check number should be referenced when filing a supplemental claim.

**Original check number:**

Approved:  
Department Head Date  
Approved:  
Mayor/Manager Date

I certify that the above-stated expenses were incurred by me while traveling on city business.

☐ If checked, please return for correction of any errors. Otherwise the necessary adjustment will be made.

Signature:  
Title:  

*PLEASE STAPLE RECEIPTS TO THIS FORM.*
APPENDIX 9—MUNICIPAL TRAVEL POLICY

ORDINANCE NO. ____________

AN ORDINANCE OF THE CITY (TOWN) OF __________________, TENNESSEE, TO ESTABLISH TRAVEL REIMBURSEMENT REGULATIONS FOR CITY OFFICIALS AND CITY EMPLOYEES CONDUCTING OFFICIAL BUSINESS.

PURPOSE

The purpose of this ordinance and referenced regulations is to bring the city into compliance with Tennessee Code Annotated § 6-54-901–907. This law requires Tennessee municipalities to adopt travel and expense regulations covering expenses incurred by “any mayor and any member of the local governing body and any board or committee member elected or appointed by the mayor or local governing body, and any official or employee of the municipality whose salary is set by charter or general law.”

To provide consistent travel regulations and reimbursement, this ordinance is expanded to cover regular city employees. It is the intent of this policy to assure fair and equitable treatment to all individuals traveling on city business at city expense.

ENFORCEMENT

The chief administrative officer (CAO) of the city or his or her designee shall be responsible for the enforcement of these travel regulations.

TRAVEL POLICY

A. In the interpretation and application of this ordinance, the term “traveler” or “authorized traveler” means any elected or appointed municipal officer or employee, including members of municipal boards and committees appointed by the mayor or the municipal governing body, and the employees of such boards and committees who are traveling on official municipal business and whose travel was authorized in accordance with this ordinance. “Authorized traveler” shall not include the spouse, children, other relatives, friends, or companions accompanying the authorized traveler on city business, unless the person(s) otherwise qualifies as an authorized traveler under this ordinance.

B. Authorized travelers are entitled to reimbursement of certain expenditures incurred while traveling on official business for the city. Reimbursable expenses shall include expenses for transportation; lodging; meals; registration fees for conferences, conventions, and seminars; and other actual and necessary expenses related to official business as determined by the CAO. Under certain conditions, entertainment expenses may be eligible for reimbursement.

C. Authorized travelers can request either a travel advance for the projected cost of authorized travel, or advance billing directly to the city for registration fees, air fares, meals, lodging, conferences, and similar expenses.

Travel advance requests are not considered documentation of travel expenses. If travel advances exceed documented expenses, the traveler must immediately reimburse the city. It will be the responsibility of the CAO to initiate action to recover any undocumented travel advances.

D. Travel advances are available only for special travel and only after completion and approval of the travel authorization form.

E. The travel expense reimbursement form will be used to document all expense claims.
APPENDIX 9—MUNICIPAL TRAVEL POLICY

F. To qualify for reimbursement, travel expenses must be
   • Directly related to the conduct of the city business for which travel was authorized, and
   • Actual, reasonable, and necessary under the circumstances. The CAO may make exceptions for
     unusual circumstances.
     Expenses considered excessive will not be allowed.

G. Claims of $5 or more for travel expense reimbursement must be supported by the original paid
   receipt for lodging, vehicle rental, phone call, public carrier travel, conference fee, and other
   reimbursable costs.

H. Any person attempting to defraud the city or misuse city travel funds is subject to legal action for
   recovery of fraudulent travel claims and/or advances.

I. Mileage and motel expenses incurred within the city are not ordinarily considered eligible
   expenses for reimbursement.

TRAVEL REIMBURSEMENT RATE SCHEDULES
Authorized travelers shall be reimbursed according to the ____________________________
[enter either federal or state of Tennessee] travel regulation rates. The city’s travel reimbursement
rates will automatically change when the ____________________________ [federal or state] rates
are adjusted.

The municipality may pay directly to the provider for expenses such as meals, lodging, and
registration fees for conferences, conventions, seminars, and other education programs.

ADMINISTRATIVE PROCEDURES
The city adopts and incorporates by reference—as if fully set out herein—the administrative
procedures submitted by MTAS to, and approved by letter by, the Comptroller of the Treasury, State of
Tennessee. A copy of the administrative procedures is on file in the office of the city recorder.

This ordinance shall take effect upon its final reading by the municipal governing body. It shall cover
all travel and expenses occurring on or after the date of adoption.

THIS ORDINANCE IS ADOPTED THIS ___________ DAY OF ____________________________, 2005.

Signed __________________________________________

Mayor

Attested __________________________________________

NOTE
   • If a city decides not to adopt this model travel policy and the administrative procedures that
     follow, then that city must prepare and file its own travel policy with the comptroller.
State law requires all municipalities with populations less than 100,000 to adopt and file with the state comptroller a travel policy that covers expense reimbursement for elected and appointed officials. One of the requirements of the law is that MTAS “shall disseminate, and amend from time to time as necessary, a model travel and expense policy to provide guidance for the various municipalities.” Following are that model policy and two needed forms, approved by the comptroller.

**Note:** Cities adopting the MTAS model travel policy are required to notify the Comptroller of the Treasury in writing that the policy has been adopted and the date of adoption (Tennessee Code Annotated § 6-54-904). A simple letter saying your municipality has adopted the model policy and selected a reimbursement rate (federal or state) will suffice.

Municipalities have the option of writing their own travel and expense policy. If your city does so, you must file the policy with the comptroller.

The law appears to give municipalities the authority to provide vehicles for some elected and appointed officials. If your city provides vehicles, your municipal legislative body must adopt a written policy for vehicle use that is separate from the travel and expense policy and contains no other subject matter. MTAS has examples of such policies if you need them.

This technical bulletin includes
- Highlights of the law on pages 1-2,
- The comptroller-approved model policy in ordinance form on pages 3-4,
- Administrative procedures to adopt along with the ordinance on pages 5-10,
- A model travel authorization form on page 11, and
- A model expense reimbursement form on page 12.

The two forms were developed on WordPerfect and Word and are available on the MTAS Web site. The expense form can be modified slightly so the calculations are automatic.

MTAS is available to help. Just call your local MTAS management or finance consultant.

**HIGHLIGHTS OF MUNICIPAL TRAVEL AND EXPENSES LAW**

1. This law does not apply to municipalities and metropolitan governments above 100,000 population.
2. It includes all cities with populations below 100,000.
3. It covers city boards, city utility boards, boards of education, and other boards or committees.
4. MTAS is required to write a model travel and expense policy to guide municipalities. This policy and any amendments are subject to comptroller approval.
5. Any city can write its own travel policy and file it with the comptroller. A travel policy
written and adopted by a city does not need comptroller approval, it just has to be filed.

6. If a city wants different travel policies or reimbursement rates for different boards, board members, or employees, it apparently can do that. But the city must write its own policy and file it with the comptroller.

7. If a city adopts the MTAS model, it must decide which travel reimbursement rate schedule (federal or state) to follow and complete the blank line, pass the ordinance, and notify the comptroller in writing.

8. Municipalities may provide vehicles for city officials. This sample travel policy does not cover the requirement that “a written policy shall be adopted by the municipal legislative body. The written policy for vehicle use shall be separate from the travel and expense policy provided for in the previous sections and shall contain no other subject matter.”

9. Travel allowances not supported by adequate documentation are considered compensation. If statute, charter, or private act limits an official’s pay, undocumented travel could cause the salary to exceed that limit.
ADMINISTRATIVE PROCEDURES

TRAVEL REQUESTS
To ensure reimbursement for official travel, an approved travel authorization form is required. Lack of pre-approval does not prohibit reimbursement, but it does assure reimbursement within the limits of the city travel policy. All costs associated with the travel should be reasonably estimated and shown on the travel authorization form. An approved authorization form is needed before advanced expenses are paid or travel advances are authorized. A copy of the conference program, if applicable, should be attached to the form. If the program is not available prior to the travel, submit it with the reimbursement form.

TRAVEL DOCUMENTATION
It is the responsibility of the authorized traveler to:
1. Prepare and accurately describe the travel,
2. Certify the accuracy of the reimbursement request,
3. Note on the reimbursement form all direct payments and travel advances made by the city, and
4. File the reimbursement form with the necessary supporting documents and original receipts.

The reimbursement form should be filed with the finance department within 10 days of return or at the end of the month, whichever is more practical.

Transportation
All potential costs should be considered when selecting the modes of transportation. For example, airline travel may be cheaper than automobile when time away from work and increased meal and lodging costs are considered. When time is important, or when the trip is so long that other modes of transportation are not cost-beneficial, air travel is encouraged.

If the traveler goes outside the state by means other than air, the reimbursement will be limited to air fare at tourist or economy class, ordinary expenses during the meeting dates, and one day’s meals and motel before and after the meeting. The traveler will be required to take annual leave for any additional time taken beyond the day before and the day after the meeting dates.

Exceptions: When the traveler extends the trip with personal time to take advantage of discount fares, the reimbursement will be limited to the lesser of the
1. Actual expenses incurred or
2. Amount that would have been incurred for the business portion only. The calculations for the business portion of the trip must be made using the least expensive rates available.

All expenses and savings associated with extending the trip must be submitted with the expense reimbursement form.

A. Air
When possible, the traveler should make full use of discounts for advance airline reservations and advance registration. The traveler should request conference, government, or weekend rates, whichever is cheaper, when making lodging or rental car reservations. The city will pay for tourist or economy class air travel. The
traveler should get the cheapest reasonable fare and take advantage of discount fares. Airline travel can be paid by direct billing to the city.

Mileage credits for frequent flyer programs accrue to the individual traveler. However, the city will not reimburse for additional expenses—such as circuitous routing, extended stays, layovers to schedule a particular carrier, upgrading from economy to first class—for travelers to accumulate additional mileage or for other personal reasons.

The city will not reimburse travel by private aircraft unless authorized in advance by the CAO.

B. Rail or Bus
The city will pay for actual cost of ticket.

C. Vehicles
Automobile transportation may be used when a common carrier cannot be scheduled, when it is more economical, when a common carrier is not practical, or when expenses can be reduced by two or more city employees traveling together.

• Personal Vehicle. Employees should use city vehicles when possible. Use of a private vehicle must be approved in advance by the CAO. The city will pay a mileage rate not to exceed the rate allowed by the federal or state schedule, whichever the city adopts. The miles for reimbursement shall be paid from origin to destination and back by the most direct route. Necessary vicinity travel related to official city business will be reimbursed. However, mileage in excess of the Rand-McNally mileage must be documented as necessary and business-related. If an indirect route is taken, the Rand-McNally mileage table will be used to determine the mileage to be reimbursed.

If a privately owned automobile is used by two or more travelers on the same trip, only the traveler who owns or has custody of the automobile will be reimbursed for mileage. It is the responsibility of the traveler to provide adequate insurance to hold harmless the city for any liability from the use of the private vehicle.

In no event will mileage reimbursement, plus vicinity travel and associated automobile costs, exceed the lowest reasonable available air fare and associated air fare travel costs.

Travelers will not be reimbursed for automotive repair or breakdowns when using their personal vehicle.

• City Vehicle. The city may require the employee to drive a city vehicle. If a city vehicle is provided, the traveler is responsible for seeing that the vehicle is used properly and only for acceptable business. The employee will be reimbursed for expenses directly related to the actual and normal use of the city vehicle when proper documentation is provided. Out-of-town repair cost to the city vehicle in excess of $100 must be cleared with the proper city official before the repair is authorized.
MTAS

02.11.05
MUNICIPAL TRAVEL POLICY
Updated by Melissa Ashburn, Legal Consultant

- **Rental Cars.** Use of a rental car is not permitted unless it is less expensive or otherwise more practical than public transportation. Approval of car rental is generally required in advance by the CAO. Always request the government or weekend rate, whichever is cheaper. Anyone who uses a rental car for out-of-state travel must obtain liability coverage from the vendor.

- Fines for traffic or parking violations will not be reimbursed by the city.

- Reasonable tolls will be allowed when the most direct travel route requires them.

D. **Taxi, Limousine, and Other Transportation Fares**
When an individual travels by common carrier, reasonable fares will be allowed for necessary ground transportation. Bus or limousine service to and from airports should be used when available and practical. The city will reimburse mileage for travel to and from the local airport and parking fees, provided such costs do not exceed normal taxi/limousine fares to and from the airport. Receipts are required.

For travel between lodging quarters and meetings, conferences, or meals, reasonable taxi fares will be allowed. Remember, **original** receipts are required for claims of $5 or more. Transportation to and from shopping, entertainment, or other personal trips is the choice of the traveler and not reimbursable.

Reimbursement claims for taxis, limousines, or other ground transportation must be listed separately on the expense form, claiming the destination and amount of each fare.

**Lodging**
The amount allocated for lodging shall not ordinarily exceed the maximum per diem rates authorized by the federal or state rate schedule, whichever is chosen by the city.

A. If the city reimburses using the federal rates, the Government Services Administration provides guidelines for determining the maximum that can be reimbursed for lodging. These amounts are available online at [http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/perd05d.html](http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/perd05d.html). The rates are the maximum reimbursable rates for hotel rooms plus appropriate taxes.

If the city chooses Tennessee’s reimbursement rate, the amount varies according to location, and does not include appropriate taxes. State rates for travel reimbursement can be found in the state regulations online at [http://www.state.tn.us/finance/act/policy8.pdf](http://www.state.tn.us/finance/act/policy8.pdf).

B. Original lodging receipts must be submitted with the reimbursement form. **Photocopies are not acceptable.**

C. If a traveler exceeds the maximum lodging per diem, excess costs are the responsibility of the traveler.
D. If the best rate is secured, and it still exceeds the maximum lodging per diem, the CAO may authorize a higher reimbursement amount.

Even if it costs more, travelers may be allowed to stay at the officially designated hotel of the meeting; however, more moderately priced accommodations must be requested whenever possible. It will be the traveler's responsibility to provide documentation of the "officially designated meeting site" room rates, if these rates are higher than the normal reimbursable amounts.

E. If two or more city employees travel together and share a room, the lodging reimbursement rate will be the maximum of two single rooms. If an employee shares a room with a non-employee, the actual cost will be allowed up to the maximum reimbursable amount. The receipt for the entire amount must be submitted with the expense form.

**Meals and Incidents**

Receipts are not required for meals and incidentals. The authorized traveler may be reimbursed the daily amount based on the rate schedule and the authorized length of stay. The per diem meal amounts are expected to cover meals, tips, porters, and incidental expenses. The authorized traveler will not be reimbursed more than this.

Whether meals may be claimed depends on when the traveler leaves and returns to the official station. The traveler's official station is home or work, whichever produces the least cost to the city. When partial day travel is involved, the current per diem allowance is determined as follows:

<table>
<thead>
<tr>
<th>Meal</th>
<th>If Departure Before</th>
<th>If Return After</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>7 a.m.</td>
<td>8 a.m.</td>
</tr>
<tr>
<td>Lunch*</td>
<td>11 a.m.</td>
<td>1:30 p.m.</td>
</tr>
<tr>
<td>Dinner**</td>
<td>5 p.m.</td>
<td>6:30 p.m.</td>
</tr>
</tbody>
</table>

*Generally, lunch will not be reimbursed unless overnight travel is involved. Lunch may be reimbursed if departure is before 11 a.m. and the employee is eligible to be reimbursed for dinner.**

**When overnight travel is involved, dinner reimbursement is made regardless of departure time.**

Regardless of which reimbursement rate the city uses, the amounts include tip, gratuity, etc. The hour and date of departure and return must be shown on the expense reimbursement form.

The excess cost of an official banquet may be allowed provided proper documentation or explanation is submitted with the expense reimbursement form. If a meal is included as part of a conference or seminar registration, or is included with the air fare, then the allowance for that meal should be subtracted from the total allowance for the day. For example, if a dinner is included as part of the conference fee, the maximum meal allowance for the day should be reduced by the allowed dinner amount.
PLEASE NOTE: The municipality has selected to reimburse travelers at the [enter either federal or state] travel regulation rates. The city’s rates will automatically change when the selected agency rates are adjusted.

Miscellaneous Expenses
A. Registration fees for approved conferences, conventions, seminars, meetings, and other educational programs will be allowed and will generally include the cost of official banquets, meals, lodging, and registration fees. Registration fees should be specified on the original travel request form and can include a request for pre-registration fee payment.

B. The traveler may be reimbursed for personal phone calls while on official travel, but the amount will be limited to $5 per day.

C. A $4 allowance will be reimbursable for hotel/motel check-in and baggage handling expenses.

D. Laundry, valet service, tips, and gratuities are considered personal expenses and are not reimbursable.

E. For travel outside the United States, all expenses claimed must be converted to U.S. dollars. The conversion rate and computation should be shown on each receipt.

Entertainment
The city may pay for certain entertainment expenses provided that the

02.11.05
MUNICIPAL TRAVEL POLICY
Updated by Melissa Ashburn, Legal Consultant

A. Entertainment is appropriate in the conduct of city business;

B. Entertainment is approved by the CAO;

C. Group or individuals involved are identified; and

D. Documentation is attached to the expense form to support the entertainment expense claims.

To request reimbursement for authorized entertainment expenses, be sure to include with the expense reimbursement form

A. Required receipts. All requests must be supported by original receipts from the vendor (restaurant, caterer, ticket office, etc.) Reasonable tips and gratuities included on the receipt by the vendor are reimbursable.

B. A disclosure and explanation statement, explaining the purpose of the entertainment and identifying the group and the number of people entertained (or individual names listed if not a recognized group).

If the CAO is the person filing the claim, then it must be approved by the governing board before the finance officer authorizes payment.

TRAVEL RECONCILIATION
A. Within 10 days of return from travel, or by the end of the month, the traveler is expected to complete and file the expense reimbursement form. It must be certified by the traveler that the amount due is true and accurate. Original lodging,
If the city provided a travel advance or made advanced payment, the traveler should include that information on the expense form. In the case of advances, the form should have a reconciliation summary, reflecting total claimed expenses with advances and city pre-payments indicated. The balance due the traveler or the refund due the city should be clearly shown below the total claim on the form or in a cover memo attached to the front of the form.

B. If the traveler received a travel advance and spent less than the advance, the traveler should attach a check made payable to the city for that difference.

C. The CAO will address special circumstances and issues not covered in this ordinance on a case-by-case basis.

DISCIPLINARY ACTION
Violation of the travel rules can result in disciplinary action for employees. Travel fraud can result in criminal prosecution of officials and/or employees.

MTAS OFFICES
Knoxville (Headquarters) . . . . . . . . . (865) 974-0411
Johnson City . . . . . . . . (423) 854-9882 Nashville . . . . . . . . . . . . . . . . (615) 532-6827
Jackson . . . . . . . . . . . . (731) 423-3710 Martin . . . . . . . . . . . . . . . . . . (731) 587-7057

The Municipal Technical Advisory Service (MTAS) is a statewide agency of The University of Tennessee Institute for Public Service. MTAS operates in cooperation with the Tennessee Municipal League to provide technical assistance services to officials of Tennessee's incorporated municipalities. Assistance is offered in areas such as accounting, administration, finance, public works, ordinance codification, and wastewater management.

MTAS Technical Bulletins are information briefs that provide a timely review of topics of interest to Tennessee municipal officials. Technical Bulletins are free to Tennessee local, state, and federal government officials and are available to others for $2 each. Photocopying of this publication in small quantities for educational purposes is encouraged. For permission to copy and distribute large quantities, please contact the MTAS Knoxville office at (865) 974-0411.

www.mtas.tennessee.edu
The University of Tennessee is an EEO/AA/Title VI/Title IX/Section 504/ADA/ADEA institution.
MTAS00654 • E14-1050-000-162-05

THE UNIVERSITY OF TENNESSEE
STATE AND FEDERAL REIMBURSEMENT RATE COMPARISON

State of Tennessee
Comprehensive Travel Regulations
Travel Reimbursement Rate Schedule
General Reimbursement Schedule
Effective August 1, 2001
Revised July 19, 2001

General Reimbursement Rates
Standard Mileage Rate $0.32/mile
Maximum Parking Fees Without Receipt $8.00/day
Fees for Handling Equipment/Promotional Materials $20.00/hotel

Out-of-State Reimbursement Rates
Employees should utilize the U.S. General Services Administration CONUS (Continental United States) rates provided by the federal government. To view the CONUS rates, access the Department of Finance and Administration Web page at http://www.state.tn.us/finance. Click on Accounts then scroll to Policy Development where there is a direct link to the GSA CONUS rates. Use the CONUS standard rates for all locations within the continental United States not specifically shown on the CONUS Web site as a listed point. Both in-state and out-of-state meals and incidentals are reimbursed at 75% for day of departure and/or day of return.

In-State Travel Reimbursement Rates

<table>
<thead>
<tr>
<th>Level I Counties and Cities</th>
<th>Maximum Lodging</th>
<th>Maximum Meals and Incidentals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shelby and Davidson Counties</td>
<td>$70.00</td>
<td>$34.00</td>
</tr>
<tr>
<td>Gatlinburg (Includes Paris Landing, Montgomery Bell, Natchez Trace, Pickwick and Fall Creek Falls State Parks)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level II Counties</th>
<th>Maximum Lodging</th>
<th>Maximum Meals and Incidentals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knox, Hamilton, Sullivan and Williamson Counties</td>
<td>$60.00</td>
<td>$30.00</td>
</tr>
<tr>
<td>Johnson City (Includes Henry Horton and Reelfoot Lake State Parks)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level III Counties</th>
<th>Maximum Lodging</th>
<th>Maximum Meals and Incidentals</th>
</tr>
</thead>
<tbody>
<tr>
<td>All counties not listed above</td>
<td>$50.00</td>
<td>$30.00</td>
</tr>
</tbody>
</table>
APPENDIX 9—MUNICIPAL TRAVEL POLICY

The following travel reimbursement rates are current for the year 2004 for some of the more common travel expenses.

<table>
<thead>
<tr>
<th>Expense Item</th>
<th>State Rates</th>
<th>Federal Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Vehicle</td>
<td>$0.32 mile</td>
<td>$0.375 mile</td>
</tr>
</tbody>
</table>

State Regulations

Per Diem Rates for Meals and Incidentals

32. The maximum per diem rates include a fixed allowance for meals and incidental expenses (M&I). The M&I rate, or fraction thereof, is payable to the traveler without itemization of expenses or receipts. Incidentals are intended to include miscellaneous costs associated with travel such as tips for baggage handling, phone calls to home, etc. Reimbursement is made only when overnight travel is required, or excessive hours of work are required outside the county of the employee’s official station or residence. Generally, the applicable maximum per diem rate for each calendar day of travel shall be determined by the location of lodging for the traveler.

33. The per diem rates for meals and incidentals are established on the Reimbursement Rate Schedule. The M&I rates for out-of-state travel are the same as those for federal employees, and are available on the General Services Administration’s Web site. As with lodging, there is a standard rate for the continental United States (CONUS) and a list of exceptions.

34. Reimbursement for meals and incidentals for the day of departure shall be three-fourths of the appropriate M&I rate (either the in-state rate or CONUS rate for out-of-state travel) at the rate prescribed for the lodging location. Reimbursement for M&I for the day of return shall be three-fourths of the M&I rate applicable to the preceding calendar day. To assist in this calculation, the following table lists partial per diem rates for meals and incidentals for in-state and out-of-state travel.

**Per Diem Rates: Three-Fourths Calculations**

- $30 ..................................... $22.50
- $34 ..................................... $25.50
- $38 ..................................... $28.50
- $42 ..................................... $31.50
- $46 ..................................... $34.50
- $50 ..................................... $37.50

35. Employees who receive maintenance in the form of meals provided by their employing agency at their official work station shall be eligible for reimbursement if they are away from their official work station on state business and do not receive the maintenance meal.

36. Reimbursement for a single meal (or meals) for employees on one-day travel status with no overnight stay is not permitted. While on travel status, if more than a single full meal is provided as part of a state-sponsored training session or conference, the employee should deduct the cost of those meals from the per diem for that day using the schedule provided below. This also applies to the day of departure and the day of return. In those instances where all meals are provided, only
the $2.00 incidental rate should be claimed. For non-state sponsored training or conferences the employee is not required to deduct from the per diem the cost of a meal or meals provided through a conference fee.

**In-State and Out-of-State Meals & Incidentals Allocated by Meal**

<table>
<thead>
<tr>
<th>In-State Meals</th>
<th>Rate is dependent on location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>$6 to $11</td>
</tr>
<tr>
<td>Lunch</td>
<td>$8 to $13</td>
</tr>
<tr>
<td>Dinner</td>
<td>$14 to $24</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Out-of-State Meals</th>
<th>Rate is dependent on location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>$6 to $11</td>
</tr>
<tr>
<td>Lunch</td>
<td>$8 to $13</td>
</tr>
<tr>
<td>Dinner</td>
<td>$14 to $24</td>
</tr>
</tbody>
</table>
APPENDIX 9—MUNICIPAL TRAVEL POLICY

PUBLIC CHAPTER NO. 433

SENATE BILL NO. 739

By Henry, McNally

Substituted for: House Bill No. 1550
By Bragg, Kisber

AN ACT Relative to travel and expense regulations for municipal governments and to amend Tennessee Code Annotated, Title 6, Chapter 54.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 6, Chapter 54, is amended by adding the following as a new section:

() Notwithstanding the provisions of any public or private act to the contrary, in all municipalities of the state, any mayor and any member of the local governing body and any board or committee member elected or appointed by the mayor or local governing body and any official or employee of the municipality whose salary is set by charter or general law may be reimbursed from municipal funds for the actual expense which such municipal officer may incur as an incident to holding such office. The municipal legislative body shall by ordinance determine whether or not to pay the expense of the mayor or any member of the local governing body and any board or committee member elected or appointed by the mayor or local governing body and any official or employee of the municipality whose salary is set by charter or general law; and if it is determined that the municipality will reimburse expenses, shall enact a written policy as to how expenses will be reimbursed and determine what expenses are reimbursable. In such municipality it shall be the duty of the chief administrative officer or his/her designee to prescribe forms on which expenses will be reported, and it is further made his duty to examine such expense report to determine if all expenses so listed as reimbursable are legally reimbursable expenditures within the schedule as determined by the municipal legislative body and, if such listed expenses are reimbursable, then to forward the expense report to the proper disbursing officer for payment.

SECTION 2. To the extent not adequately documented as provided in Section 1, expense allowances shall be considered compensation for purposes of any salary limitations as may be provided by statute, charter or private act.

SECTION 3. All municipal travel and expense reimbursement policies, and any amendments thereto, shall be filed with the Office of the Comptroller or his designee. Such policies and amendments are not subject to the approval of; but shall not be effective until filed with, the Office of the Comptroller.
APPENDIX 9—MUNICIPAL TRAVEL POLICY

SECTION 4. The Municipal Technical Advisory Service (MTAS) shall disseminate, and amend from time to time as necessary, a model travel and expense policy to provide guidance for the various municipalities. Such policy and amendments thereto shall be subject to the approval of the Comptroller. Any municipality that adopts the policy promulgated by MTAS shall not be required to file such policy with the Comptroller’s office.

SECTION 5. Municipalities may provide vehicles for the use of mayor and any member of the local governing body and any board or committee member elected or appointed by the mayor or local governing body and official or employee whose salary is set by charter or general law. Such vehicles shall be provided pursuant to a written policy adopted by the municipal legislative body. The written policy for vehicle use shall be separate from the travel and expense policy provided for in the previous sections and shall contain no other subject matter.

SECTION 6. In addition to the authority to reimburse expenses provided in the preceding sections of this act, municipalities may pay directly for travel expenses, including meals and lodging, and registration fees for conferences, conventions, seminars, and other education programs on behalf of the mayor and any member of the local governing body and any board or committee member elected or appointed by the mayor or local governing body and any official or employee whose salary is set by charter or general law, provided payment is made directly to the provider and not to the official or employee.

SECTION 7. The provisions of this act do not apply to municipalities nor to metropolitan governments with a population greater than 100,000 according to the most recent federal decennial census. Those municipalities and metropolitan governments may elect to pay and/or reimburse expenses for their officials in accordance with travel and expense policies that may be adopted and amended from time to time by the appropriate bodies or officials.

SECTION 8. This act shall take effect July 1, 1993, the public welfare requiring it.
The University of Tennessee does not discriminate on the basis of race, sex, color, religion, national origin, age, disability or veteran status in provision of educational programs and services or employment opportunities and benefits. This policy extends to both employment by and admission to the University.

The University does not discriminate on the basis of race, sex or disability in its education programs and activities pursuant to the requirements of Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act (ADA) of 1990.

Inquiries and charges of violation concerning Title VI, Title IX, Section 504, ADA or the Age Discrimination in Employment Act (ADEA) or any of the other above referenced policies should be directed to the Office of Equity and Diversity (OED), 1840 Melrose Avenue, Knoxville, TN 37996-3560, telephone (865) 974-2498 (V/TTY available) or 974-2440. Requests for accommodation of a disability should be directed to the ADA Coordinator at the UTK Office of Human Resources, 600 Henley Street, Knoxville, TN 37996-4125.