

ORDINANCE NO. _____

An Ordinance to add Section 5-701 in the Crossville Municipal Code pertaining to hotel/motel occupancy tax.

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

SECTION I. That Title 5, Chapter 7, Section 1-10 of the Crossville Municipal Code be added to the Crossville Municipal Code as follows:

5-701. Definitions.

- (A) *City* means the City of Crossville, Tennessee
- (B) *Consideration* means the consideration charged, whether or not received, for the occupancy in a hotel valued in money whether to be received in money, goods, labor, or otherwise, including all receipts, cash, credits, property and services of any kind or nature without any deduction therefrom whatsoever. Nothing in this definition shall be construed to imply that consideration is charged when the space provided to the person is complimentary from the operator and no consideration is charged to or received from any person.
- (C) *Hotel* means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes within the area of the jurisdiction of the city, and includes any hotel, inn, tourist court, tourist cabin, motel or any place in which rooms, lodgings or accommodations are furnished to transients for a consideration.
- (D) *Occupancy* means the use or possession or the right to use the possession, of any room, lodgings or accommodations in a hotel for a period of less than thirty (30) days.
- (E) *Operator* means the person operating the hotel whether as owner, lessee or otherwise.
- (F) *Person* means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.
- (G) *Tax Collection Official* means the city revenue department or its designate.
- (H) *Transient* means any person who exercises occupancy or is entitled to occupancy for any rooms, lodgings, or accommodations in a hotel for a period of less than (30) days.

5-702. Levy of Tax

- (A) There is hereby levied a privilege tax upon the privilege of occupancy in any hotel of each transient in an amount of two (2) percent of the consideration charged by the operator. Said tax so imposed is a privilege tax upon the transient occupying said room and is to be collected and distributed as hereinafter provided.

5-703. Tax added to room invoice

- (A) Said tax shall be added by each and every operator in each invoice prepared by the operator for the occupancy of such invoice to be given directly or transmitted to the transient and shall be collected by such operator from the transient and occupying said room and is to be collected and distributed as hereinafter provided.

5-704. Remittance to tax collection official

- (A) The tax hereby levied shall be remitted by all operators who lease, rent, or charge for any rooms to the city department of revenue not later than the twentieth of each month next following collection from the transient. The operator is hereby required to collect the said tax from the transient at the time of the presentation of the invoice for said occupancy whether prior to occupancy as may be the custom of the operator; the obligation to the city entitled to such tax shall be that of the operator.

5-705. Offer to absorb tax prohibited

(A) No operator of a hotel shall advertise or state in any manner whether directly or indirectly that the tax or any part thereof will be assumed or absorbed by the operator, or that it will be added to the rent, or that, if added, any part will be refunded.

5-706. Penalties and interest for delinquency

(A) Taxes collected by an operator which are not remitted to the tax collection official on or before the due dates are delinquent. An operator shall be liable for interest on such delinquent taxes from the due date at the rate of twelve (12) percent annum, calculated at a daily rate, and in addition for penalty of one (1) percent for each month or fraction thereof such taxes are delinquent. Such interest and penalty shall become a part of the tax herein required to be remitted. Willful refusal of an operator to collect or remit the tax or willful refusal of a transient to pay the tax imposed is hereby declared to be unlawful and shall constitute a misdemeanor. Any fine levied herein shall be applicable to each individual transaction involving lodging services paid by a customer to the operator in those cases when the operator fails or refuses to pay the tax payable.

5-707 Records

(A) It shall be the duty of every operator liable for the collection and payment of any tax imposed by this act to keep and preserve for a period of three (3) years all records necessary to determine the amount of such tax, which records the tax collection official shall have the right to inspect at all reasonable times.

5-708 Administration

(A) In administering and enforcing the provisions of this act, the tax collection official shall have, as additional powers, those powers and duties with respect to collection of taxes provided in Title 67 of Tennessee Code Annotated or otherwise provided by law. Upon any claim of illegal assessment and collection the taxpayer shall have the remedy provided in Tennessee Code Annotated, Section 67-2-313, it being the intent of this act that the provisions of law which apply to the recovery of state taxes illegally assessed and collected be conformed to apply to the recovery of taxes illegally assessed and collected under the authority of this act; provided, the tax collection official shall possess those powers and duties as provided in Tennessee Code Annotated Section 67-2-301, with respect to the adjustment and settlement with taxpayers of all errors of taxes collected by him under the authority of this act and to direct the refunding of same. Notice of any tax paid under protest shall be given to the tax collection official and suit for recovery shall be brought against the tax collection official.

5-709 Expending and distributing tax

(A) The proceed from the tax levied shall be allocated to improving tourism, economic and community development. Any expenditures made from these funds must be approved by a majority vote of the City Council.

5-710 Tax to be in addition to all other taxes levied

(A) The tax herein levied shall be in addition to all other taxes levied or authorized to be levied whether in the form of excise, license, or privilege taxes, and shall be in addition to all other fees and taxes now levied or authorized to be levied.

5-711 Audits to be conducted

(A) The tax collector shall audit each operator in the municipality at least once per year and shall report on audits made on a quarterly basis to the municipal legislative body.

(B) The municipal legislative body is authorized to adopt reasonable rules and regulation for the implementation of this part, including the form for such reports.

SECTION III. This ordinance shall take effect upon and after its final date of passage, the public welfare requiring it.

Mayor

Councilmember

Councilmember

Councilmember

Councilmember

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney

Passed 1st Reading: _____
Passed 2nd Reading: _____
Passed 3rd Reading: _____