

## Resolution 1965-02

"BE IT RESOLVED by the Board of Commissioners of the City of Belle Meade in a special meeting duly called and held on June 12, 1965, pursuant to the provisions of law, and of Ordinance No. 65-1 of the City of Belle Meade, as follows:

(1) That a certain document entitled "Contract for Administration of Local Sales Tax in the Metropolitan Government of Nashville and Davidson County, providing an agreement between Donald R. King as Commissioner of Revenue of the State of Tennessee, the Metropolitan Government of Nashville and Davidson County, and the Cities of Belle Meade, Berryhill, Goodlettsville, Forrest Hill, Lakewood, and Oakhill, having been read, discussed and considered by the said Board of Commissioners, be, and is hereby approved, and a copy thereof conformed to show the signatures of the persons signing same shall be spread upon the minutes of this meeting, when available; and

(2) That a certain document entitled "Contract for Distribution of Metropolitan Government of Nashville and Davidson County Local Sales Tax" providing an agreement said Metropolitan Government of Nashville and Davidson County, and the cities of Belle Meade, Berryhill, Goodlettsville, Forrest Hill, Lakewood and Oakhill, having been read, discussed and considered by the said Board of Commissioners, be, and is hereby approved, and a copy thereof conformed to show the signatures of the persons signing same shall be spread upon the minutes of this meeting, as soon as available; and

(3) That the Mayor of the City of Belle Meade is expressly authorized to sign said agreements on behalf of said City, and that City Recorder is expressly authorized and directed to prepare and furnish certified copies of this resolution, and affix the seal of the City of Belle Meade thereto as evidence of such approval, and of the authority of the Mayor to sign same on behalf of the City of Belle Meade.

*Bill Bell*  
MAYOR

*John Tens*  
VICE MAYOR

*Walter G. S. A.*  
COMMISSIONER

*Linda Berner*  
CITY RECORDER

Date of Adoption:  
June 12, 1965

\*\*Original Resolution not found. Copied from minute book May 5, 2009  
by City Recorder Linda Berner.

CONTRACT FOR THE DISTRIBUTION OF METROPOLITAN GOVERN-  
MENT OF NASHVILLE AND DAVIDSON COUNTY LOCAL SALES TAX

THIS AGREEMENT made and entered into on this,  
the 1st day of July, 1965, by and between  
The Metropolitan Government of Nashville and Davidson County,  
hereinafter called "Metropolitan Government", and the City  
of Belle Meade, the City of Berry Hill, the City of Forest  
Hills, the City of Goodlettsville, the City of Lakewood and the  
City of Oak Hill, hereinafter called the "municipalities",

W I T N E S S E T H:

WHEREAS, The General Assembly for the State of Tennessee  
for 1963 has, by Chapter 329 of its Public Acts provided for the  
enactment by counties and/or cities of a tax upon the same privileges  
subject to state taxation under Chapter 30 of Title 67, Tennessee Code  
Annotated, such tax not to exceed one-third of the rate of the state  
tax upon such privileges; and,

WHEREAS, The Metropolitan Government of Nashville and  
Davidson County has, by appropriate action of its governing body,  
adopted a tax upon such privileges at the rate of one-third of the state  
rate, which action has been approved by the people of the General  
Services District of the Metropolitan Government in a referendum  
held for that purpose, the results of which have been duly certified;  
and,

WHEREAS, The resolution of the Metropolitan Government adopting  
the said tax provides for collection thereof by the Department of  
Revenue of the State of Tennessee, provided such collection has  
been determined to be feasible by said department; and,

WHEREAS, The Department of Revenue of the State of Tennessee  
has satisfied itself that it is feasible for said department to  
undertake collection and administration of said tax, subject to the  
applicable regulations and conditions set forth in the rules and  
regulations promulgated by said department, and subject further to the

stipulations and conditions set forth in a contract entered into by and between the State of Tennessee, The Metropolitan Government of Nashville and Davidson County, and the six municipalities located within the boundaries of the General Services District of the Metropolitan Government; and,

WHEREAS, Under the terms and conditions of the aforementioned contract the State of Tennessee is obligated and will pay to The Metropolitan Government of Nashville and Davidson County the proceeds derived from said collection, less three percent (3%) to be retained by the State to defray the cost of collection; and,

WHEREAS, paragraph 3 of the said contract with the State of Tennessee requires the Metropolitan Government and the six municipalities within the General Services District of such Metropolitan Government to arrange contractually for the distribution of the net proceeds of the tax and to furnish a copy of the distribution agreement to the Commissioner of Revenue of the State of Tennessee; and,

WHEREAS, The Metropolitan Government, through its Metropolitan School Board, operates the only free public school system at the elementary and secondary school level within the territory of Davidson County;

NOW, THEREFORE, in consideration of the mutual premises of the parties hereto each to the other, and the other considerations herein set forth, it is agreed by and between the Metropolitan Government and the cities named above herein as follows:

1. One-half of the net proceeds from the local sales tax received by the Metropolitan Government from the Department of Revenue of the State of Tennessee shall be used exclusively for school purposes and shall be appropriated to the Metropolitan School Board for school operational purposes as provided in Section 67-3052(1) Tennessee Code Annotated.

2. The remaining one-half of the net proceeds from the local sales tax received by the Metropolitan Government from the Department of Revenue of the State of Tennessee, being that portion distributable according to Section 67-3052 (2) of Tennessee Code Annotated, shall be used by the Metropolitan Government exclusively for school purposes including school operating costs and debt service on school bonds, the allocation of the money between school operating expenses and school bond debt service shall be made each year by the Metropolitan County Council in its annual budget appropriations.

3. Although it is agreed between all the parties hereto that the entire net proceeds from the local sales tax received by the Metropolitan Government from the Department of Revenue of the State of Tennessee shall be used by such Metropolitan Government for Metropolitan Government school purposes as provided in paragraphs 1 and 2 of this agreement, the termination of this contract by its terms and the failure to renew it is recognized as a contingency which will require a distribution of the net proceeds of one-half of the local tax between the Metropolitan Government and the various municipalities as provided in Section 67-3052(2) of Tennessee Code Annotated. In the event this contract is not renewed at the expiration of its fixed term of any renewals thereof; then the one-half of the net proceeds of the local sales tax received by the said Metropolitan Government which are by law distributable to the municipalities for non-school purposes shall be distributed to the various municipalities entitled thereto as nearly as possible on the basis of the geographical location where the tax is collected; and for this purpose the Department of Revenue shall determine the exact location of each taxpayer and, as soon as possible, report monthly to the Metropolitan Government and the incorporated municipalities within its territorial limits, information from which a distribution can be made should the contingency requiring a distribution occur. Pending the determination of the situs of each taxpayer by the Department of Revenue, the net proceeds

of the local sales tax shall be paid to the Metropolitan Government of Nashville and Davidson County for use as provided in Sections 1 and 2 of this agreement, and such Sections 1 and 2 shall control the distribution of the net proceeds of the local sales tax while this agreement or any renewals hereof are in effect.

It is further understood between the parties hereto that even after the survey to determine geographical locations of the taxpayers is completed, neither the Department of Revenue nor the parties to this contract will be able to determine the geographical location of the taxpayers in certain instances, particularly relating to the public utility field.

It is accordingly agreed between the parties that in the case of sales tax collections received from the telephone and telegraph systems within the boundaries of the Metropolitan Government that distribution shall be made on a population ratio basis.

It is further agreed that the Department of Water and Sewerage Services of the Metropolitan Government will determine that percentage of its gross revenue which is derived from the sale of water to its water customers who are located within each of the respective municipalities which are parties to this contract.

It is further understood and agreed that in those cases where the Department of Revenue determines that it is not feasible to accurately determine the situs of the collection of the tax, that the Department of Revenue in the absence of an agreement to the contrary between all of the parties to this contract shall have the right, without liability, to designate what it considers to be the most equitable distribution of the tax, and that portion of the tax shall thereupon be distributed in accordance with the directions of the Tennessee Department of Revenue; provided, however, that the Tennessee Department of Revenue shall give the parties to this contract an opportunity to agree to a doubtful or disputed situs of collection before making its own determination.

hereto that Chapter 30 of Title 67, Tennessee Code Annotated, Chapter 329 of the Public Acts of 1963, the ordinance of the Metropolitan County Council adopted in referendum by the citizens of the Metropolitan Government, and the contract entered into by and between the State of Tennessee Department of Revenue, the Metropolitan Government, and the six (6) municipalities within the area of the Metropolitan Government with reference to the collection of the local sales tax are all superior to this contract, and that all the conditions of the aforementioned acts, ordinance, referendum and contract are incorporated herein by reference and made a part hereof the same as though copied herein, and that any terms and conditions contained in this contract in conflict with the statute and contract made a part hereof by reference shall be considered null and void.

5. This contract shall remain in full force and effect for the period of one (1) year from July 1, 1965, and shall terminate on June 30, 1966, unless renewed by the parties hereto on or before June 1, 1966. This contract may be renewed by each of the parties hereto by the adoption of a resolution by the respective governing bodies approving a renewal of the contract for a period of not less than one (1) additional year from the date of its termination, and subsequent renewals may be effected in the same manner for each year after the original term. Each municipality shall notify the other and the Metropolitan Government of the adoption of its resolution renewing this contract by delivering a certified copy to each of the mayors of the other municipalities involved, and a certified copy of such resolutions shall also be delivered to the Commissioner of Revenue of the State of Tennessee.

In the event this contract of any renewal hereof is not renewed by each of the municipalities and the Metropolitan Government then, upon the termination of this contract or any renewal hereof, the Department of Revenue of the State of Tennessee shall pay the net proceeds of the local sales tax to the Metropolitan Government

for distribution to the other municipalities of their share in accordance with a distribution formula determined by the State of Tennessee, and in accordance with the provisions of this contract.

IN WITNESS WHEREOF the undersigned Metropolitan County Mayor of the Metropolitan Government of Nashville and Davidson County, being authorized so to do by the Metropolitan County Council of the Metropolitan Government of Nashville and Davidson County, and the undersigned Mayors of the City of Belle Meade, the City of Berry Hill, the City of Forest Hills, the City of Goodlettsville, the City of Lakewood, and the City of Oak Hill, being authorized so to do by the governing bodies of the respective municipalities, have executed this agreement in seven originals on this, the 1st day of July, 1965.

ATTEST:

METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY

/W. M. Carr, Jr.  
Metropolitan Clerk

By /Beverly Briley  
Metropolitan Mayor

ATTEST:

CITY OF BELLE MEADE

/ Larry F. Goldsby  
Witness

By / S. D. Bell  
Mayor

ATTEST:

CITY OF BERRY HILL

/ Helen M. Hutchison  
Witness

By / Ralph Rona  
Mayor

ATTEST:

CITY OF FOREST HILLS

/ Helen M. Hutchison  
Witness

By / Robert H. Chilton, Jr.  
Mayor



ATTEST:

CITY OF GOODLETTSVILLE

/ Floy Lewis Folk  
Witness

By \_\_\_\_\_  
Mayor

ATTEST:

CITY OF LAKEWOOD

/ Helen M. Hutchison  
Witness

By / C. L. Ferrell  
Mayor

ATTEST:

CITY OF OAK HILL

/Helen M. Hutchison  
Witness

By / Paul C. Simpson  
Mayor

APPROVED AS TO FORM AND LEGALITY:

/Seymour Samuels, Jr.  
DEPUTY METROPOLITAN ATTORNEY

CONTRACT FOR ADMINISTRATION OF  
LOCAL SALES TAX IN THE METROPOLITAN  
GOVERNMENT OF NASHVILLE AND DAVIDSON  
COUNTY.

WHEREAS, the General Assembly of 1963 has by Chapter 329 of the Public Acts of 1963 provided for the enactment by cities and/or counties of a tax upon the same privileges subject to State Taxation under Chapter 30 of Title 67, Tennessee Code Annotated, such tax not to exceed one-third (1/3) of the rate of the State tax upon such privileges; and,

WHEREAS, The Metropolitan Government of Nashville and Davidson County, hereinafter referred to as Metropolitan Government, has by appropriate action of its governing body adopted a tax upon such privileges at the rate of one-third (1/3) of the State rate, which action has been approved by the people of the General Services District of the Metropolitan Government in a referendum held for that purpose, the results of which have been duly certified; and,

WHEREAS, the Metropolitan Government ordinance of adoption of the said tax provides for collection thereof by the Department of Revenue of the State of Tennessee, provided such collection has been determined to be feasible by said Department; and,

WHEREAS, the Department of Revenue is presently satisfied that it is feasible for said Department to undertake collection and administration of said tax within the limitations and conditions set forth in rules and regulations promulgated heretofore by said Department, subject to stipulations hereinafter set forth;

WITNESSETH, that the parties signatory hereto, Donald R. King, Commissioner of Revenue of the State of Tennessee, The Metropolitan Government of Nashville and Davidson County and all incorporated municipalities within the Metropolitan Government as of the date hereof, do hereby stipulate, contract and agree as follows:

1. The Department of Revenue of the State of Tennessee will collect the tax imposed by The Metropolitan Government herein referred to with respect to all transactions occurring in its General Services District to which the State sales or use tax, as the case may be, is applicable and contemporaneously collected by the said Department.

2. The Department of Revenue will submit to each taxpayer of The Metropolitan Government of Nashville and Davidson County which is registered with the Department and engaged in the business of selling or leasing tangible personal property a questionnaire designed to enable the Department to determine the geographical location of said taxpayers. This information with respect to the location of each such taxpayer will then be furnished to The Metropolitan Government for its acceptance and confirmation. The Metropolitan Government will indicate its acceptance of this information as a basis to establish the situs for tax collection on its behalf by certification of satisfaction to the Department of Revenue. Such certified information shall as soon as practicable be incorporated into the records maintained by the Department of Revenue, and shall provide the basis for enabling the Department to establish the situs from which its tax collections on behalf of The Metropolitan Government are made. Upon the basis of such information, the Department shall compile a monthly report and furnish same to The Metropolitan Government for the use of said Metropolitan Government in making such distribution of the proceeds of the tax within the territory of the Metropolitan Government as may be dictated by appropriate law or contract. The Department will also furnish a copy of said report to each incorporated municipality within the General Services District of the Metropolitan Government.

3. It is understood and agreed by all parties signatory hereto that, pending the determination of the location of each

taxpayer in the territory of the Metropolitan Government engaged in the business of selling or leasing tangible personal property, or furnishing any services taxable under Chapter 30 of Title 67, T.C.A., the Metropolitan Government and each of the incorporated municipalities within the borders of the Metropolitan Government will arrange contractually or otherwise for distribution as between them of the proceeds of the tax herein referred to. A copy of any contractual agreement to that end will be furnished to the Commissioner of Revenue. It is understood and agreed however by all concerned that the Department of Revenue is to be held harmless, and that there shall be no recourse against said Department or any agent thereof as to any division or distribution of the proceeds of said tax effectuated locally as between governmental entities within the General Services District of the Metropolitan Government.

4. In the event of the surrender of its Charter by any municipality within the General Services District of the Metropolitan Government from and after the effective date of this agreement, a certification of this fact shall be furnished to the Department of Revenue by the Metropolitan Government. Until such certification is furnished; the Department shall for the purpose of the reports provided for in paragraph 2 hereof, conclusively deem the situs of taxable transactions to be the location of the taxpayer's place of business as reflected in the records maintained by the Department for purposes of the State sales and use tax, and there shall be no recourse therefor against the Department or any agent thereof. With respect to new taxpayers or new places of business within the General Services District of the Metropolitan Government, that is, those commencing to do business subject to sales or use tax from and after the effective date hereof, the Department shall, for the purpose of the reports provided for in paragraph 2 hereof, conclusively deem the situs of taxable transactions to be the location of the taxpayer's place

of business as reflected in the records maintained by the Department for purposes of the State sales and use tax. Provided, that the Department shall upon request furnish to any party hereto, annually, listings of new businesses and locations as shown by said records.

5. The Department of Revenue shall make to the Metropolitan Government each month a disbursement equal to the total collections, less appropriate adjustment for refunds, and agreed compensation for collection and administration of the tax imposed by the Metropolitan Government. Such disbursement shall be made during the month next succeeding the month in which collection of said tax is made by the Department. The disbursement thus made monthly to the Metropolitan Government shall be the sole disbursement made by the Department. The Department shall be accountable for any error made by it or its agents in the disbursement so made to the Metropolitan Government. There shall however be absolutely no recourse upon said Department for any errors occasioned by misapprehension as to the location of a taxpayer's place of business or the situs of the exercise of any taxable privilege, or growing out of any alleged or actual improper distribution or division of the proceeds of the said tax effectuated locally between the various governmental entities located within the General Services District of the Metropolitan Government.

6. All rules and regulations governing the administration and collection of the local option sales and use tax, as presently existing and as same may be amended by the Commissioner of Revenue from time to time, are incorporated into this agreement by reference, and all parties signatory hereto agree to be bound thereby.

7. It is agreed that the Department of Revenue shall retain from each disbursement made as herein provided an amount equal to three (3%) per cent of the gross collections as compensation for

collecting and administering the local tax referred to herein. The costs incurred by the Department in so doing shall be reviewed six (6) months after the effective date hereof and thereafter at such intervals as are deemed advisable by the Commissioner of Revenue, and based upon such review so made the rate of charge may be either increased or decreased so as to provide the required amount to reimburse the Department of Revenue for its cost incurred in the administration and collection of the tax. Any adjustment however, whenever made, shall be effective as to succeeding periods only. The Department agrees however to apply the same rate of charge to each county or municipality within the State of Tennessee as may by appropriate action adopt a local option sales or use tax which the Department undertakes to administer.

8. It is understood and agreed by the Department of Revenue and the Metropolitan Government that either of them may cancel this agreement by giving to the other, and to each incorporated municipality within the General Services District of the Metropolitan Government a six (6) month's notice. It is further understood and agreed however that the Department of Revenue shall have the right to cancel this agreement immediately upon any breach by the Metropolitan Government of any provision hereof or of any provision contained in the statute, or ordinance of adoption, rules and regulations pertaining thereto or the terms of this agreement. In the event of such cancellation on the part of the Department, its obligations shall extend only to make collection of the local tax for the remainder of the current month and make to the Metropolitan Government a proper distribution with respect to such collection.

9. It is understood that this agreement shall be binding upon the Department of Revenue only upon the concurrence in same by each incorporated municipality within the General Services District.

of the Metropolitan Government as evidenced by the signatures of their highest executive officers upon the original hereof.

10. In all cases where the Department of Revenue is unable to categorize a sale or use tax collection as between geographical areas within the Metropolitan Government such collections shall be included upon the report contemplated in paragraph 2 hereof, as per terms of the agreement between the Metropolitan Government and the incorporated municipalities therein which will be furnished to the Department of Revenue. In the event no agreement is furnished, such collections will be included upon said report in a classification denominated "collections of indeterminate situs."

Done this \_\_\_\_\_ day of \_\_\_\_\_, 1965, at Nashville.

Approved:

Donald R. King  
Donald R. King,  
Commissioner of Revenue  
State of Tennessee

CITY OF BELLE MEADE

By S. D. Bell  
Mayor

Metropolitan Government of  
Nashville and Davidson County

CITY OF BERRY HILL

By: \_\_\_\_\_  
Finance Director

By Ralph Rona  
Mayor

CITY OF FOREST HILLS

By Robert H. Chilton, Jr.  
Mayor

CITY OF GOODLETTSVILLE

By \_\_\_\_\_  
Mayor

CITY OF LAKEWOOD

CITY OF OAK HILL

By C. L. Ferrell  
Mayor

By Paul C. Simpson  
Mayor