

ORDINANCE

**AN ORDINANCE OF THE COMMISSION
OF KNOX COUNTY, TENNESSEE,
AMENDING THE KNOX COUNTY CODE,
CHAPTER 58, ARTICLE III, SECTION
58-92 REGARDING DISBURSEMENT OF
COUNTY FUNDS LEVIED THROUGH
THE HOTEL OCCUPANCY TAX.**

**(Ord. No. O-91-11-101, adopted 1-27-92
and Ord. No. O-02-6-102, adopted 7-22-02)**

ORDINANCE: O-26-10-103

REQUESTED BY: COMMISSIONER RUSSELL

PREPARED BY: COMMISSIONER RUSSELL

**APPROVED AS TO FORM AND
NOT AS TO CONTENT: _____
DIRECTOR OF LAW**

APPROVED 1ST READING: _____
DATE

APPROVED 2ND READING: _____
DATE

APPROVED EMERGENCY: _____
(YES)(NO)

VETOED: _____
DATE _____

VETO OVERRIDE: _____
DATE

MINUTE BOOK	PAGE
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WHEREAS, Chapter 58, Article III, Section 58-92 of the Knox County Code currently provides appropriation, grant and funding contract procedures for allocation of the hotel occupancy tax, otherwise known as the hotel/motel tax fund; and,

WHEREAS, Knox County is experiencing significant budget and debt challenges, and taxpayer resources must be allocated with great circumspection; and,

WHEREAS, Knox County owes its residents and taxpayers the highest standard of fiscal responsibility regarding stewardship of taxpayer resources; and,

WHEREAS, transparency in allocation and expenditure of taxpayer's resources must apply to all areas of the county budget, including organizations that receive tax dollars from the county; and,

WHEREAS, in the Knox County fiscal year 2027 budget nonprofit entities received \$12,500,000 through the hotel/motel tax fund; and,

WHEREAS, Knox County should review and conduct due diligence of financial records of a nonprofit entity that receives taxpayer resources, to ensure that the resources are being utilized properly

NOW THEREFORE BE IT ORDAINED BY THE COMMISSION OF KNOX COUNTY AS FOLLOWS:

Section 1. The Knox County Code, Chapter 58, Article III, Section 58-92, entitled "Appropriation, grant and funding contract procedures," is hereby amended by replacing subsection (a) to read as follows:

(a) Any person or organization requesting the receipt of general county funds under the designation of "Hotel/Motel Tax Funds" shall submit an application in such form as may be prescribed by the mayor, subject to the minimum requirements provided herein. Such form shall include, without limitation, all information required by general state law relating to the appropriation of funds for the financial aid of any nonprofit, charitable, or civic organization. Attached to the submission of an application shall be:

- 1 Copy of its corporate Charter, Bylaws, and similar corporate documents.
- 2 Copy of IRS letter evidencing organization is a nonprofit, tax-exempt organization.
- 3 Copy of the most recent filed year IRS 990 tax return.
- 4 Salary information for organization's chief officer, next highest paid employee, and any employee with a salary greater than \$100,000.
- 5 Disclosure of any potential staff or board member conflicts of interest.
- 6 Statement of nature and extent of program of organization which serves residents of Knox County, and how county funds will be used.
- 7 Financial budget of organization in generally accepted accounting form, including detailed accounting of expenditures budgeted to be paid by organization from funds it anticipates receiving from Knox County.
- 8 Financial statements of organization in generally accepted accounting form, including a copy of organization's prior year's external audit showing a clean unqualified opinion if required by the state.
- 9 Summarized list of other funding sources by general category, if not provided as part of financial statements.
- 10 Such other information, as may be required by code of ordinances or law.

No organization's application will be considered eligible if a detailed accounting of expenditures paid by the organization from the funds it received from Knox County during the previous fiscal year is not on file with Knox County, if applicable.

These documents must be received by the county mayor by April 15th prior to inclusion in the Knox County Budget. The county mayor shall review applications and approve funding amounts to be included in the proposed Knox County budget. Any applications and accompanying documentation filed with the county mayor shall be available for review by the county commission.

In reporting on all applications received and reviewed during the preparation of the annual budget of the county, the director of finance shall prepare and submit for review a fiscal note describing the total funding requirements of all applications presented to the director of finance, including therewith the recommendation of the county mayor, along with anticipated revenues available for such funding.

Section 2. The Knox County Code, Chapter 58, Article III, Section 58-92, entitled "Appropriation, grant and funding contract procedures," part (b), is hereby amended by replacing subsection (b) to read as follows:

(b) No request for funding pursuant to this article shall be considered by the county commission without the review, reports, and recommendations mandated herein.

Upon approval of the Knox County Budget, any organization approved for funding pursuant to this article must sign a contractual agreement with the county and ensure compliance with all stated terms and conditions; including, providing Knox County's internal audit department access to all financial, operational, and compliance records, and implementation of any recommendations and/or requirements that the internal audit department deems necessary. Included in the contract will be a requirement for the grant recipient to have an external audit with a clean unqualified opinion of each fiscal year they receive funds of \$10,000 or greater as a requirement in order to continue receiving funding from Knox County in the following year.

Section 3. The Knox County Code, Chapter 58, Article III, Section 58-92, entitled "Appropriation, grant and funding contract procedures," part (d), is hereby amended by deleting subsection (d).

Section 4. This Ordinance shall take effect as provided by the Charter of Knox County, Tennessee, the public welfare requiring it.

Presiding Officer of the Commission **Date**

County Clerk **Date**

Approved:

County Mayor **Date**

Vetoed: _____
County Mayor **Date**