

COURT OF APPEALS OF TENNESSEE

City of Bartlett v. Sanders

832 S.W.2d 546 (Tenn. Ct. App. 1991) · Decided November 7, 1991

SUMMARY

The Tennessee Court of Appeals affirmed a judgment finding Franklin Sanders guilty of violating City of Bartlett ordinances requiring a business license and payment of municipal privilege taxes. The court held that evidence that Sanders maintained a business office, advertised as a coin dealer, and exchanged Krugerrands for U.S. currency was sufficient to submit to the jury whether he was engaged in the taxable business of selling coins. The court also rejected Sanders’s arguments concerning legal tender and the absence of a contractual obligation to pay the privilege tax.

CASE DETAILS

COURT	Court of Appeals of Tennessee
WRITING FOR THE COURT	Crawford, Judge; Tomlin, P.J. (W.S.); Farmer, Judge
JURISDICTION	Tennessee
DECIDED	November 7, 1991
DISPOSITION	affirmed
PROCEDURAL POSTURE	After conviction in Bartlett City Court for violating municipal ordinances, Sanders appealed to the circuit court for a trial de novo and obtained a jury trial. Following a jury verdict finding him guilty and imposing a \$50 fine, the circuit court denied his post-judgment motions, treated as a motion for a new trial, and Sanders appealed.
STANDARD OF REVIEW	On a motion for directed verdict, the trial court and reviewing court must view all evidence in the strongest legitimate light favoring the opponent, draw all reasonable inferences in that party's favor, discard countervailing evidence, and deny the motion if any material evidence supports the verdict or if reasonable minds could differ.
PRECEDENTIAL VALUE	Published opinion; precedential
PARTIES	Franklin Sanders v. City of Bartlett

TOPICS

- ordinances
- municipal law
- tax
- appellate procedure
- standard of review

PRACTICE AREAS

municipal law

state and local taxation

appellate procedure

constitutional law

QUESTIONS PRESENTED

1. Whether the trial court erred by denying Sanders's motion for a directed verdict when the evidence showed that he engaged in the business of selling coins, a business subject to Bartlett's privilege-tax and licensing ordinances.
2. Whether the exchange of Krugerrands for United States currency constituted a taxable sale or business activity under Tennessee law.
3. Whether Sanders could be liable for the municipal business tax without a written contract or agreement with the City of Bartlett.
4. Whether foreign gold coins were legal tender for debts under the federal Constitution and federal law.

HOLDINGS

1. The trial court properly denied Sanders's motion for a directed verdict because material evidence supported a finding that he was engaged in the business of selling coins and therefore was subject to the city's licensing and privilege-tax ordinances.
2. Selling coins and other tangible personal property is a privilege taxable by municipal government, and the evidence was sufficient for the jury to find that Sanders conducted such a business in Bartlett.
3. Sanders's liability for the municipal business tax did not depend on a written contract or other agreement with the City of Bartlett.
4. Foreign gold coins such as Krugerrands are not legal tender for debts under federal law.

KEY QUOTATIONS

“The rule for determining a motion for directed verdict requires the trial judge and the reviewing court on appeal to look to all of the evidence, taking the strongest legitimate view of it in favor of the opponent of the motion and allowing all reasonable inferences from it in his favor.” (at 549)

“Foreign gold or silver coins are not legal tender for debts.” (at 550)

“This argument is completely without merit.” (at 550)

FACTUAL BACKGROUND

Sanders maintained a leased office in Bartlett and was listed in the telephone directory as a coin dealer. Evidence showed that he transferred ten South African Krugerrands to a customer in exchange for \$4,285 in United States currency. Sanders had not obtained a Bartlett business license or paid municipal privilege taxes, despite being directed by the city's finance director to comply with the ordinances.

PROCEDURAL HISTORY

Sanders was prosecuted for violating Bartlett ordinances requiring a business license and payment of municipal privilege taxes. The Bartlett City Court entered an adverse ruling, and Sanders appealed to the circuit court for a trial de novo. A jury found him guilty, the circuit court entered judgment and denied his post-judgment motions, and the Tennessee Court of Appeals affirmed and remanded for any necessary further proceedings.

DISPOSITION

affirmed

REMAND INSTRUCTIONS

The case was remanded to the trial court for such other proceedings as may be necessary.

CASES CITED

- Potter v. Tucker, 688 S.W.2d 833 (Tenn. App. 1985)
- Tennessee Farmers Mutual Ins. Co. v. Hinson, 651 S.W.2d 235 (Tenn. App. 1983)
- Wharton Transport Corp. v. Bridges, 606 S.W.2d 521 (Tenn. 1980)
- Julliard v. Greenman, 110 U.S. 421, 4 S. Ct. 122, 28 L. Ed. 204 (1884)
- City of Chattanooga v. Meyers, 787 S.W.2d 921 (Tenn. 1990)

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