



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

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Chapter III - Bond Issues

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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Bond Issues - Historical Notes

Airport

1. Private Acts of 1941, Chapter 18, validated all the prior proceedings held by the Quarterly County Court of Montgomery County at its January 6, 1941, meeting during which the court approved the issuance of Airport Bonds in the amount of \$25,000, at 2¼% interest, maturing over a nine year period. The Court was required annually to levy a tax sufficient to pay principal and interest on the bonds.

Bridges

1. Private Acts of 1911, Chapter 467, authorized, upon voter approval at a special election, the issuance by Montgomery County of bonds in an amount not to exceed \$150,000, for the purpose of building a bridge across the Cumberland River at a point within seven miles of Clarksville. The bonds would bear a maximum interest rate of five per cent and have a maximum maturity of thirty years after issuance. The County Court would elect five commissioners to supervise the construction of the bridge.
2. Private Acts of 1917, Chapter 111, authorized Montgomery County to issue bonds in an amount not exceeding \$500,000 for the purpose of building two bridges across the Cumberland River. One bridge would span the river from Franklin Street in Clarksville to the south side of the river connecting with the Clarksville and Waverly Road. The second bridge would cross the river and connect the Clarksville and Charlotte Road.
3. Private Acts of 1917, Chapter 450, amended Private Acts of 1917, Chapter 111, so that the County Court could, at its discretion and whenever it deemed proper, charge and collect tolls on the two bridges to pay the principal and interest on the bonds.
4. Private Acts of 1919, Chapter 376, permitted, subject to voter approval, the issuance of bonds in an amount not to exceed \$500,000, to build a bridge and its approaches over the Cumberland River within seven miles of Clarksville. The Quarterly County Court would elect five commissioners to supervise the project, and would levy a tax and charge a toll to pay for the bonds.
5. Private Acts of 1923, Chapter 59, authorized Montgomery County officials to apply the proceeds of the bond issue, authorized by Private Acts of 1919, Chapter 376, for the building of a bridge, toward the purchase of rights-of-ways so that the County could properly take advantage of construction funds available from the Federal Government.
6. Private Acts of 1923, Chapter 664, permitted, subject to voter approval, the issuance of bonds in an amount not in excess of \$100,000 at a maximum rate of interest of six per cent, for the purpose of building bridges across creeks and rivers in the County.

Debts

1. Public Acts of 1885, Chapter 100, permitted Montgomery County to issue bonds in dominations of \$100, \$500, and \$1,000, to be payable ten years after issuance and to bear interest at a rate not to exceed six per cent. The purpose of the bond issue was to raise funds to retire the then current bonded indebtedness of the County.
2. Private Acts of 1913, Chapter 30, allowed Montgomery County to issue bonds in the total amount of \$75,000 to retire the floating indebtedness of the County and reduce the interest on the outstanding debt. The bonds would bear interest at a rate not to exceed five per cent and would mature in thirty years, but would be redeemable at year ten, fifteen, twenty, and twenty-five.
3. Private Acts of 1917, Chapter 40, authorized the County of Montgomery to issue bonds for the purpose of retiring past due school warrants and other past due school indebtedness. The maximum aggregate amount of the bonds would be \$20,000. The bonds would bear interest at a rate not exceeding five percent.
4. Private Acts of 1929, Chapter 107, permitted the Quarterly County Court to issue bonds in the amount of \$200,000 to bear interest at a maximum rate of five per cent and to mature in twenty years. The bonds were to be sold under the supervision of the County Judge, County Court Clerk, and the Finance Committee, and the proceeds of sale were to be used for funding the outstanding and floating indebtedness due and owing by the County.
5. Private Acts of 1945, Chapter 132, validated the prior proceedings of the Quarterly County Court conducted on January 1, 1943, regarding the issuance of \$305,000 in refunding bonds by the

County. The act directed the Court to impose an annual tax to pay for the bonds.

6. Private Acts of 1947, Chapter 599, authorized Montgomery County to issue bonds in the approximate principal sum of \$50,000 in two series for the purpose of paying the outstanding and floating indebtedness of the County. The first series would be designated the School Funding Bonds and would total \$40,000. The remaining bonds would be designated the Highway Funding Bonds. Both series would bear interest at a rate not exceeding three per cent and mature no later than twenty years after issuance.

Poor

1. Public Acts of 1875, Chapter 56, allowed the Counties of Montgomery, Stewart, Benton, Houston, Dickson, Cheatham, Humphreys, to authorize bond issues, each in the amount of \$10,000. The act declared that great destitution then existed in the Counties and that the helpless poor were suffering and were likely to suffer more because of the general scarcity of money and provisions, resulting from crop failures. The proceeds from the bond issues were to be disbursed within the discretion of the several County Courts. A tax was to be levied on taxable property to pay interest and principal. Any fraudulent act regarding the issuance or any misappropriation of funds was declared a felony punishable by two to five years at hard labor.

Railroads

1. Acts of 1853-54, Chapter 179, authorized the County Court of Montgomery County to subscribe, on behalf of the County, to stock in the amount of \$250,000 in the Memphis, Clarksville and Louisville Railroad Company, the action having been approved by the voters in a special election. In exchange for the stock the Court was authorized to issue to the Company bonds of the County, payable in thirty years at six per cent interest.
2. Private Acts of 1857-58, Chapter 49, authorized the Magistrates of Montgomery County to enter into a contract with the Memphis, Clarksville, and Louisville Railroad Company for the purchase by the Company of previously authorized Montgomery County Bonds in exchange for stock in the Company. The act empowered the Magistrates to levy a tax to carry out the provisions of the contract.
3. Private Acts of 1865-66, Chapter 68, authorized the Collector of taxes assessed by Montgomery County to pay the interest semi-annually that accrued upon the bonds issued by the County to the Memphis, Clarksville, and Louisville Railroad Company, and to pay the taxes so collected to the First National Bank of Clarksville under the same rules and regulations prescribed for paying the funds into the Bank of Tennessee.
4. Private Acts of 1865-66, Chapter 121, empowered the Judge of the County Court of Montgomery County to issue, under the direction of the County Court, bonds to fund unpaid coupons on the \$250,000 of bonds issued in payment of the County's subscription to the stock of the Memphis, Clarksville, and Louisville Railroad.
5. Public Acts of 1883, Chapter 146, required the collector of the railroad tax in Montgomery County to pay the same into the First National Bank, the Clarksville National Bank, the Northern Bank, and the Franklin Bank upon the warrant of the County Judge and the Financial Agent of the County.

Roads

1. Acts of 1905, Chapter 157, authorized Montgomery County to issue bonds in the total amount of \$150,000, to bear interest at a rate not exceeding five percent, for the purpose of retiring outstanding promissory notes given by the County for turnpike, bridge, ferry and improved highways, and for obtaining additional money for highway purposes. The County Court was directed to levy a tax to retire the bonds.
2. Private Acts of 1915, Chapter 28, authorized the Montgomery County Court to issue bonds for road purposes at any time they were in regular session. The amount of the bonds would not exceed two-thirds of one per cent of the taxable values of the County in any one year and would never exceed 3% of the taxable values at any time. Maximum interest allowed was six per cent and thirty years was the longest maturity period.
3. Private Acts of 1915, Chapter 330, amended the caption of Private Acts 1915, Chapter 28, by naming the census from which the population figures used in the act were taken.
4. Private Acts of 1931, Chapter 775, authorized Montgomery County to issue bonds not exceeding \$100,000 in aggregate amount to bear interest not in excess of six percent for the purpose of creating a Special Highway Fund to pay for rights of way and damages in connection with condemnation suits then pending on appeal to the Supreme Court.

5. Private Acts of 1933, Chapter 17, repealed Private Acts of 1931, Chapter 775.
6. Private Acts of 1935, Chapter 193, validated all prior proceedings of the Quarterly County Court of Montgomery County with respect to the issuance of highway refunding bonds in the amount of \$67,500. The proceeds would be used to retire a like amount of highway bonds. The bonds would bear interest of the rate of three and three quarters per cent, payable semiannually.
7. Private Acts of 1935, Chapter 454, validated a Montgomery County bond issue in the amount of \$150,000 to retire a like amount of Highway Improvement Bonds issued previously at higher interest.
8. Private Acts of 1937, Chapter 598, ratified the issuance by the Quarterly County Court of Montgomery County of Highway Refunding Bonds in the aggregate amount of \$37,500. The bonds paid three and one-half per cent interest.

Schools

1. Private Acts of 1931, Chapter 625, granted the County Court of Montgomery County authority to borrow money on short term notes, at a rate of interest not to exceed six per cent to pay teacher's salaries and necessary operating expenses of the school system until County taxes for the previous year were collected.
2. Private Acts of 1933, Chapter 176, directed the Election Commissioners for Montgomery County to order an election to ascertain the will of the voters of the County on the question of issuing bonds in the amount of \$50,000 with the proceeds to be used in paying the salaries of rural school teachers. The election call was to be issued within three days and the election held no later than sixteen days after the call. The results were to be reported immediately to the County Representative in the General Assembly.
3. Private Acts of 1933, Chapter 420, permitted the issuance of Montgomery County bonds in the amount of \$50,000 for school purposes. The bonds were to bear interest at a rate not to exceed six per cent and were to mature ten years from issuance.
4. Private Acts of 1941, Chapter 507, authorized the issuance of bonds in an amount not to exceed \$75,000 to bear interest at a maximum rate of six per cent and mature within thirty years of issuance. The bonds would be designated the "County Special School Property Fund" and the proceeds used to purchase property for school buildings, to erect, repair, maintain, furnish, and equip such buildings and to buy busses for transportation.
5. Private Acts of 1947, Chapter 681, authorized a bond issue in the amount of \$100,000. The proceeds of sale would be used as matching funds as may be required by any Federal or State program for public school purposes to build, erect, and acquire sites for school buildings. The bonds would be called "School Building Bonds" and the proceeds of sale would be administered by the Board of Education of Montgomery County.
6. Private Acts of 1951, Chapter 168, provided for a referendum to determine the will of the County voters on the question of the authorization, issuance, and sale of Tennessee School Bonds in the amount of \$1,000,000 by Montgomery County.

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