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Bonds

Dear Reader:

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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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Private Acts of 1939 Chapter 605

Whereas, there are five school districts in McNairy County, Tennessee, each of which has heretofore issued bonds for the acquisition of school buildings, equipment and improvements and each of which is now operating the public schools in the district; and

Whereas, the bonds issued by each of said school districts for the acquisition of public schools, equipment and improvements are in default as to interest and some of said bonds are in default as to principal; and

Whereas, it is considered to be to the best interests of McNairy County and the inhabitants thereof to incorporate part or all of said schools into the county school system, to operate said schools as county schools and as a part of the county school system and to that end to purchase the school buildings, equipment and improvements existing in said districts; Now, therefore, be it enacted by the General Assembly of the State of Tennessee:

SECTION 1. That the Quarterly County Court of McNairy County, Tennessee, is authorized by appropriate resolution or resolutions to provide that McNairy County shall acquire the public schools, equipment and improvements in any or all of the school districts in McNairy County and to operate said schools as a part of the county school system of said county.

SECTION 2. That for the purpose of paying the cost of the acquisition of the schools, equipment and improvement to be so acquired the Quarterly County Court of McNairy County is empowered by appropriate resolution or resolutions to authorize and issue the public school bonds of said county. One series of such bonds shall be authorized to pay the cost of the acquisition of the school buildings, equipment and improvements in each district, the schools of which are determined to be incorporated into the county system as herein provided. The price to be paid for the acquisition of such schools, equipment and improvements in each district shall be a sum equivalent to the total amount of the bonds of such district now outstanding, together with all interest accrued and unpaid on such bonds to the date of the county bonds herein authorized and the bonds of each series shall be in such principal amount.

SECTION 3. That the bonds of each series shall mature not more than twenty (20) years from the date of such series, shall bear interest at the rate borne by the outstanding bonds of the corresponding district and shall otherwise have such details and be issued in such manner as may be provided by the Quarterly County Court in the enabling resolution.

SECTION 4. That the bonds of each series shall be delivered to the holder or holders of the outstanding bonds and interest obligations of the corresponding district, such exchange to be made in such manner that the county bonds so delivered shall be in like amount as the district bonds received in exchange plus accrued interest on such district bonds to the date of the county bonds. In the event that not all of the district obligations are available for surrender a like amount of the county bonds may be delivered to such bank in the City of Nashville as is designated by the Quarterly County Court, to be held by such bank for delivery to the holders of the proper outstanding bonds and interest obligations as such bonds and interest obligations are surrendered. All bonds and interest obligations surrendered in exchange for county bonds shall be cancelled and delivered to the County Trustee.

SECTION 5. That Clark and Company of Nashville, Tennessee, are hereby designated as the fiscal agent of McNairy County for the purpose of effecting the exchange of bonds herein authorized. All bonds and interest obligations surrendered in exchange for county bonds shall be surrendered through Clark and Company as exchange agent and the Quarterly County Court of McNairy County is authorized to pay such fiscal agent's fee to Clark and Company for services rendered in obtaining the surrender of the district obligations as it may in its discretion deem proper.

SECTION 6. That the bonds herein authorized shall be known as "Public School Bond, Series _____"(sic), and shall be executed in behalf of the county by the County Judge and County Court Clerk under the seal of the county and shall be delivered by the County Trustee from time to time in exchange for the proper district bonds and interest obligations, provided that as to such of said bonds as may be escrowed with the bank in the City of Nashville as hereinabove provided, the exchange may be made by such bank.

SECTION 7. That in order to remove any question as to the validity of the school district bonds and obligations in exchange for which the county bonds herein authorized are to be issued all such bonds and interest accrued thereon are hereby validated, confirmed and found to be the legal and validly binding obligations of the respective school districts of McNairy County.

SECTION 8. That the Quarterly County Court of McNairy County is authorized to adopt all resolutions and do all things considered by it necessary or convenient to the authorization and issuance of the bonds herein authorized and to the acquisition by McNairy County of said public schools, equipment and improvements.

SECTION 9. That the Quarterly County Court of McNairy County is authorized and directed annually to levy taxes on all taxable property in McNairy County at such rates and in such amounts as will be fully sufficient to pay interest on all bonds issued hereunder from time to time outstanding and to provide a sinking fund adequate to retire said bonds at maturity.

SECTION 10. That all bonds issued hereunder and the interest thereon shall be exempt from all taxation in the State of Tennessee.

SECTION 11. That all laws or parts of laws in conflict herewith are to the extent of such conflict hereby repealed and that this Act shall take effect from and after its passage, the public welfare requiring it.

Passed: March 10, 1939.

Source URL: <https://www.ctas.tennessee.edu/private-acts/bonds-4>