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Chapter III - Bond Issues

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Sincerely,

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Bond Issues - Historical Notes

A listing of the acts which authorized various bond issues for McMinn County is included below for reference purposes, although these acts are no longer current. Also referenced below are acts which repeal prior law without providing new substantive provisions.

Bridges

1. Private Acts of 1911, Chapter 324, recited that the County Court of McMinn County had adopted a Resolution to join Bradley County in the construction of a bridge across the Hiwassie River at Charleston for the use of passenger vehicles and pedestrians on an equal basis, which share would not exceed \$16,000; and that there were other bridges in the county which also needed renovation or repair costing an estimated \$9,000. This act gives the Quarterly Court the authority to issue \$25,000 in coupon bonds, at an interest rate not to exceed 5%, and to mature from five to thirty-five years as the court might direct. All the essential details of a valid bond issue and the mandatory tax levy for the sinking fund were included. A commission to be named by the court would be in full charge of the work.

Courthouse

1. Acts of 1832, Chapter 113, was the authority for the County Court of McMinn County, a majority of the Justices being present, at their next regular, or any subsequent regular meeting, to agree with some suitable person or persons, to erect adequate buildings at and upon some corner of the Public Square in Athens, for Clerk's and Register's offices, which buildings, when erected, shall be at the disposition of the said County Court to rent out to the best advantage of the county. The court may in its discretion remove the stocks from the Public Square to some other sufficient location in town. Some of the funds were allowed to be used for the repair of the courthouse.
2. Private Acts of 1927, Chapter 462, allowed the Quarterly County Court of McMinn County to issue up to \$60,000 in short-term notes at 5% interest, or less, and to mature in from three to fifteen years as the court may direct. These funds would be kept separately as the "Court House Repair Fund." These notes could be used by the County Judge, or Chairman, and the Clerk of the County Court. The court shall appoint three citizens who, with the County Judge, or Chairman shall constitute a committee to supervise the repairs, or remodeling of the Court House, provided that all the conditions stipulated in the act are observed. All the details to make up a valid bond issue and the tax levy to amortize the bonds are included in the act.
3. Private Acts of 1945, Chapter 503, permitted the Quarterly Court of McMinn County to issue up to \$100,000 in coupon bonds to erect a courthouse and jail and build additions to the same and to equip and furnish the said edifice. The interest rate could not exceed 4% and the maturity period would be for 20 years, or less. All details are present for the issue and the sinking fund tax is required. These bonds are declared exempt from the taxation of other governments, but, a provision is included that these bonds shall not be issued unless State, or Federal, money is available to maintain the construction.

Funding

1. Private Acts of 1933, Chapter 15, stated that all the prior proceedings of the Quarterly Court of McMinn County, heretofore had with respect to the issuance of \$40,000 in Funding Notes, dated January 1, 1933, bearing interest at the rate of 6%, and maturing through 1943, are hereby confirmed and validated, and declared to be the incontestable obligations of McMinn County. The Quarterly Court would levy an additional tax each year until the bonds were paid.
2. Private Acts of 1935, Chapter 536, declared that all the proceedings of the Quarterly County Court of McMinn County, heretofore authorizing the issue of \$75,000 in Funding Bonds, maturing through 1945, \$75,000 in Refunding Bonds, maturing through 1949; and \$100,000 in Refunding Bonds, maturing through 1949, all bearing an interest rate of 4½%, and, in order to remove all doubt as to the genuineness of said bonds, are hereby ratified, legalized, confirmed, and validated, and declared to be the incontestable obligations of the county. The County Chairman and the Clerk of the County Court are given the authority to attend to all the details of the issue and the Quarterly Court was mandated to levy a tax, in addition to all other property taxes, which would be calculated to repay the bonds.
3. Private Acts of 1937, Chapter 81, ratified, confirmed, and validated all the previous actions taken by the Quarterly County Court of McMinn County in regard to the issuance to \$125,000 in Bonds,

at 4% interest, and which would mature according to the schedule prescribed in the act which went through the year 1962. The bonds were to be used to fund and to pay off the outstanding indebtedness of the county. The Quarterly Court must levy a tax for the sinking fund as long as any of these bonds were outstanding.

4. Private Acts of 1941, Chapter 28, validated the actions of the Quarterly Court held in connection with the issuance of \$250,000 in Funding Bonds for the county, bearing a 3% interest rate, and maturing according to the schedule established in the act, running through the year 1960. It would be the duty of the Quarterly Court to levy a tax, as long as any of these bonds were outstanding, to repay them.
5. Private Acts of 1943, Chapter 78, ratified and validated the proceedings of the Quarterly Court of McMinn County held in connection with the issue of \$125,000 in Funding Bonds of the county at split interest rates of 2½% and 2¼%, same being declared to be the incontestable obligations of the county. The proceeds shall be turned over to the Trustee of the county who shall keep them separately to pay off and retire the outstanding debts of the county. The customary tax levy to amortize the bonds was required and the debts to be paid legitimated.

General

1. Private Acts of 1923, Chapter 187, stated that the county courts in counties with no more than 25,786, and no less than 25,700 in population, shall be prohibited from issuing bonds of any kind or for any purpose without first calling an election and submitting the question to the qualified voters of the county. The election must be held at least 30 days before the bonds are proposed to be issued, and be governed by the general election laws of the state. The margin stated that this act applied to Lincoln County but the population figures make it applicable also to McMinn County.
2. Private Acts of 1923, Chapter 540, also prohibited the County Courts of all counties between 25,786 and 25,700, from issuing bonds of any kind and for any purpose without first calling an election and submitting the question to the qualified voters of the county. This act repealed Private Acts of 1923, Chapter 187, above, and made this law effective in both Lincoln and McMinn Counties.

Roads

1. Acts of 1899, Chapter 350, was the enabling legislation for the Quarterly Court of McMinn County, three-fifths of the Justices being present and voting therefor, to issue up to \$100,000 in bonds to lay out, construct and improve the public roads of the county but not until the issue has been submitted to, and ratified by a majority of voters of the county. The bonds would mature over a period not to exceed 20 years, and bear an interest rate of 6%, or less. The county court shall also appoint a commission of from three to five persons who shall have and exercise general supervision over the work with the power to award contracts as they deem best to responsible parties, reporting periodically on the status of the project to the court, and keeping good records of all transactions, all essential details and the customary tax levy are contained in the act. This act was repealed by the one below.
2. Acts of 1901, Chapter 478, was the authority for the Quarterly Court of McMinn County, to issue \$125,000 in bonds, or so much thereof as may be necessary, to lay out, construct, and build macadamized public roads, and to improve other roads by macadamizing them. The court shall appoint a three member commission, who are not Justices, and who shall generally supervise all phases of the work, keeping records of all meetings and transactions, and who may employ an engineer to assist them, and reporting their findings and recommendations to the court. If the report is accepted, the county court will proceed to order the work done, as recommended; if the report is rejected, the county court shall select the roads to be built, or improved and proceed after that fashion. The bonds shall mature during a period no longer than 20 years, at an interest rate not to exceed 6%. Commissioners may be paid their expenses plus such compensation as the court may fix. The usual details of the issue and the tax levy requirement to amortize the bonds are included, plus Acts of 1899, Chapter 350, above, is repealed.
3. Acts of 1903, Chapter 440, provided that, subject to the approval of a majority of the voters in a referendum held for that purpose on a date set by the Quarterly County Court of McMinn County, the court was empowered to issue up to \$200,000 in bonds, to locate, build, and improve certain public and pike roads and to pay the expenses incidental thereto. The bonds shall mature in less than 40 years, and have an interest rate not to exceed 5%. The essential details of the form signatures, and issuance of the bonds are included, plus a mandatory tax levy to repay them over the required period. The County Judge, or Chairman, with the approval of the court, shall appoint a five member pike commission who are considered the best qualified men available, who shall all be sworn and bonded before entering upon their duties. The commissioners may employ civil

- engineers to advise and assist them and to survey the proposed road routes, and they may accept aid from the state, if offered, and in the best county interests. they may award contracts on a bid basis, with holding at all times 10% of the contract price as a reserve to the county. A list of twenty-four roads, or parts to be worked on, are included in Section 7 of the act. The election at first shall concern \$165,000 of the authorization, and the remainder shall not be issued until a second election indicates approval of the voters. This act was repealed by Acts of 1907, Chapter 26, entirely.
4. Acts of 1905, Chapter 430, permitted the Quarterly Court of McMinn County to submit to the voters of the county the proposal to issue, first, \$200,000, and, secondly, \$80,000, in bonds to locate, build, and improve certain roads in the county. There will be two ballot boxes, one for the first issue, and one for the second issue in the election to be held after proper notice has been given and at the expense of the county. The details of the issues, once approved, are given, and the required tax levy, are included in the statute which limits the interest rate to 5%, and the maturity schedule to 40 years, but any bonds may be called earlier than the maturity date if the special features in this law are observed. Five Pike Commissioners shall be appointed to supervise the work generally, and to contract for it, if deemed advisable, provided all the details and requirements specified in the law, similar to those stated above, are met. Another list of 24 rods is prescribed in the act and given priority of improvement, which list seems to be substantially the same as the preceding act had. This act was also repealed by Acts of 1907, Chapter 26, in its entirety.
 5. Acts of 1907, Chapter 26, repealed specifically Acts of 1903, Chapter 440, Item 3, above, and Acts of 1905, Chapter 430, Item 4, above, and all other conflicting acts generally. This act gave the McMinn County Quarterly Court the authority to submit to the people the proposition to issue \$200,000 in bonds, on a date fixed by the court, to locate, build, and improve certain public or pike roads in the county. If approved, the bonds were limited to 5% interest, and a 40 year maturity schedule, with earlier payments possible under certain specified conditions. All essential details to be inserted in valid bond laws are present. This statute likewise called for the appointment of 5 Pike Commissioners who were given the same obligations and duties, and the same power and authority as the ones specified in previous legislation on the same subject. The list of roads having priority of attention was changed around somewhat and reduced in number to 22, probably because the second bond issue authorized heretofore, was omitted from this law. The other lengthy details are quite similar to the ones previously outlined herein. This act was repealed by the one following.
 6. Acts of 1909, Chapter 301, specifically repealed Acts of 1907, Chapter 26, Item 5, above, in its entirety. This act directed an election to be held at all precincts in McMinn County on the 5th day of June, 1909, to ascertain the will of the people on the matter of issuing \$250,000 in bonds to locate, grade, bed, metal, pike, and macadamize the public roads listed herein. If approved in the election, the county court shall issue said bonds in accordance with the details specified herein, at an interest rate which shall not exceed 5%, and to mature in thirty years, or less. When the bonds have been prepared and signed, they shall be delivered to a committee composed of James G. Fisher, W. C. Reynolds, and W. C. Dodson who shall sell the bonds in the most advantageous manner for which the three shall be paid their expenses and divide \$500. The proceeds shall be applied to the improvement or construction of a list of 18 roads, as enumerated in the act. The act names Robert J. Fisher, U. G. Thompson, and John C. Cate as Board of Pike Commissioners to hold the office until the next general election when their successors shall be chosen by popular vote. These commissioners shall take the oath written in the act, and be bonded, as required. They are given the power and authority mentioned in previous acts which includes the employment of an engineer to assist them. The members shall be paid each \$1,000 out of the bond money. A supplementary list of three roads is specified as the next order of priority if there is any surplus after complying with the first list. Provisions are made for subsequent elections if the first one is unfavorable. This act was repealed by the one below.
 7. Acts of 1911, Chapter 521, repealed Acts of 1909, Chapter 301, above, in its entirety. This act was the enabling legislation for the Quarterly Court of McMinn County to issue \$300,000 in bonds, without the necessity of a referendum election, at a maximum interest rate of 5%, and to mature in 30 years, or less, for the purpose of building and improving certain public roads in the county. The essential details and the sinking fund tax are established according to law and then the act names W. P. Wilson, T. F. Peck, W. H. Grubb, John Gregory, M. F. Arnwine, Bruce McMurray, and J. L. Emerson, as the "McMinn County Pike Commissioners" who shall be sworn and bonded as the act required and exercise the power and authority, and perform the duties specifically stipulated in the act with the assistance of an engineer they may employ, if desired, and which included the expenditure of all funds available. The list of roads to be involved in the program was rearranged,

changed, and increased to 33. Cost of improvement, or construction, was limited to \$1500 per mile.

8. Private Acts of 1913, Chapter 291, amended Acts of 1911, Chapter 521, Section 8, above, by changing the route of one of the roads specified to be improved in that Section and providing that this road be macadamized with gravel, or crushed stone, for one and one-half miles from Mt. Verd to Cochran's Gap, and more if the commissioners think best.
9. Private Acts of 1917, Chapter 287, has no repealing clause whatsoever. This act calls for a referendum to be held wherein the qualified voters of McMinn County may vote "For" or "Against" the proposal to issue \$300,000 in bonds to locate, build, or improve certain public or pike roads in McMinn County. If approved, the Quarterly Court shall issue the bonds in accordance with the details specified in this statute with limitations of 5% on the interest rate, and 30 years on the maturity period. So long as there are bonds of this issue unpaid, the court shall levy annually a sinking fund tax. A three member Board of Pike Commissioners, not members of the Quarterly Court, is established, who shall be sworn and bonded, and select a chairman and secretary from among their number. They shall sell the said bonds, observing all the requirements of this law regarding the sale, and shall have the same authority and obligations as may have been heretofore granted to similar Boards, including the award of contracts and general supervision of all phases of the program which included a list of 65 roads to be affected in more or less degrees and with the amount to be spent on each one stipulated alongside of it. Some minimum specifications are provided. The court shall fix the compensation of the commissioners.
10. Private Acts of 1921, Chapter 847, amended Public Acts of 1919, Chapter 175, Section 3, by allowing McMinn County the power and authority to issue highway bonds, as were authorized under the public law whether the indebtedness thus created, together with the outstanding debts of the county exceeded the said five percent of the taxable property of the county or not.
11. Private Acts of 1947, Chapter 535, allowed the McMinn County Council to issue \$250,000 in 4%, 20 year bonds to purchase equipment, machinery, material, and supplies to be used in the repair, improvement, construction, maintenance, and building of roads and highways, and to acquire rights of way wherever needed. Each of the said bonds would be signed by the County Chairman and countersigned by the County Court Clerk, and all other expressed details on the issue of the bonds and the tax levy to amortize them must be noted and obeyed. These bonds would be the general obligations of the county and exempt from taxation from all State, County, and Federal agencies. No election referendum was necessary before the bonds could be issued. The County Council may contract with the State, or Federal, Governments, for funds, or contributions to the projects herein.

Schools

1. Private Acts of 1919, Chapter 407, permitted the McMinn County Quarterly Court to issue up to \$175,000 in bonds to construct or acquire, a building or buildings, for a County High School to be located on county owned property in the county seat, and to be called "Memorial High School" in honor of the soldiers and sailors of McMinn County who served in the recent World War. This could not be done, however, until approved by a majority of the voters in an election which allowed them to vote for the High School only, or for the funds to be used on the High School and other schools as well. If the vote was for other schools to be included, then brick, or concrete, school buildings shall be built at Englewood, Riceville, and Niota at a cost not to exceed \$19,000 each; the school at Etowah shall be extended, or remodeled at a cost of \$36,000, or less; \$7,000 would be devoted to paying off the debts and completing the teacher's home at Calhoun, plus the remainder for the High School. The bonds were limited to 6% interest, and a 30 year maturity schedule. Resolutions were to be adopted fixing the details of the bond issue and a tax levy would be made to amortize them over the selected maturity period. This act was repealed by the one below.
2. Private Acts of 1921, Chapter 44, expressly repealed Private Acts of 1919, Chapter 407, Item one, above, in its entirety.
3. Private Acts of 1921, Chapter 49, was the authority for the Quarterly Court of McMinn County to issue \$300,000 in 6%, 20 year bonds, provided the same is approved in a referendum election held for that purpose which would be initiated by a petition of at least 50 voters, and held within 30 days after its receipt. The court would fix all the details of the issue by Resolution and provide for a tax levy with which these bonds would be repaid. The School Building Commissioners, assisted by an Advisory Board if in a school district, shall be the instrumentalities of expenditure. The buildings constructed hereunder shall be of permanent brick, or concrete construction. The High School at the county seat had \$75,000 allotted; the new, or remodeled, buildings at Etowah

had \$45,000; the new school is to be located on 10 acres, or more, at Englewood, Riceville, and Niota, had \$25,000 each; the teacher's home at Calhoun had \$9,000, and the remainder would be used to build eight more schools in rural areas most urgently needing them.

4. Private Acts of 1929, Chapter 222, was the legislative authority for the Quarterly Court of McMinn County to issue up to \$125,000 in bonds, at a 5%, or less, interest rate, and maturing on schedules of no less than 20, nor more than 30 years, which would be used exclusively to pay off and liquidate the outstanding indebtedness of the elementary and high schools of the county. They would be designated as the "County Board of Education Refunding Fund." The debts would be paid through the supervision of both the County Judge, Trustee, and Board of Education. The essential details and tax levy requirements were met by the act.
5. Private Acts of 1929, Chapter 425, provided that any deficits incurred by the McMinn County Board of Education in constructing and equipping consolidated schools in the county shall be paid out of the school funds of the county on a school warrant drawn on the Trustee by the Secretary of the Board of Education, and charged against the school funds of the county, but the amount of which shall not exceed \$3,200.
6. Private Acts of 1929 (Ex. Sess.), Chapter 19, allowed the Board of Education of McMinn County to issue up to \$100,000 in bonds, signed by the Chairman, with which to pay off, discharge, and liquidate the indebtedness of the elementary and high schools as of September 1, 1929, outstanding. The bonds shall have an interest rate at 6%, or less, and a maturity schedule requiring that 1/10 of the principal be paid annually. The proceeds shall be deposited with the Trustee and issued only upon the warrants, properly drawn, from the Board of Education. The Board was allowed to employ an attorney to advise and assist them in the payment of the debts and the handling of the bond issue. The bonds were made the general obligations of the county.
7. Private Acts of 1935, Chapter 300, was the enabling legislation for the city of Athens to issue up to \$50,000 in 6%, 30 year bonds to acquire a site and erect and equip a school building thereon which would be a part of the city school system. The details of the sale and application of the proceeds plus the customary sinking fund tax levy were all properly included in this statute.
8. Private Acts of 1935 (Ex. Sess.), Chapter 87, was the legislative authority for the County Chairman and County Court Clerk, of McMinn County, to issue and sell \$55,000 in School Bonds, payable at \$5,000 annually, on the first day of July for the next eleven years, with an interest rate of 4%, or less. The form of the bonds is written into the act, including the attestation of the Chairman and the counter signature of the Clerk. The proceeds will be available to assist in any Federal Public Works program involving the schools of McMinn County. All details and the required tax levy are contained in the law.
9. Private Acts of 1945, Chapter 492, authorized the Quarterly Court of McMinn County to issue up to \$200,000 in bonds to erect, repair, remodel and add to, furnish and equip school buildings at an interest rate of 4%, or less, and maturing not over 20 years from issue. The usual details were included, and the tax levy mentioned. The bonds were exempted from State, County, and Municipal taxes.
10. Private Acts of 1947, Chapter 534, allowed the County Council of McMinn County to issue up to \$300,000 for the erection of school buildings, additions and repairs to existing buildings, and for equipment and furnishings. The bonds have a maximum allowable interest rate of 4%, and the maturity schedule shall not exceed 20 years, but may be called at the end of five years. These bonds are declared exempt from taxation. The act includes the information on essential details and the tax levy requirement. The County Council may contract with State and Federal authorities in connection herewith.
11. Private Acts of 1949, Chapter 639, was the legislative authority for the McMinn County Council to issue \$300,000 in 4%, 20 year, callable bonds with which to erect, remodel, repair, furnish, and equip school buildings. The bonds shall be signed by the County Chairman and countersigned by the County Court Clerk. The bonds may be called at the expiration of five years from the date of issue. They are exempt from taxation by declaration in the act, and the issue and sale of a portion of them shall not void the sale of the remainder. The County Council is granted specific authority to contract with the State, or Federal, Governments, in connection with the purposes of this act.
12. Private Acts of 1957, Chapter 1, enabled the County Council of McMinn County to issue \$375,000 in 5%, 20 year bonds to construct, improve, and furnish schools and to pay the outstanding debts if they are valid and binding, and without submitting the same to a referendum. The bonds are declared to be tax exempt and the essential details and tax levy requirement are included. This act was properly ratified at the local level making it binding and legal.

Workhouse

1. Private Acts of 1927, Chapter 730, was the legislative act which enabled the counties of Blount, Bradley, Loudon, McMinn, Monroe, Polk, and Roane to have their workhouse bonds received, approved, and collected by the Criminal Court Clerk of the respective counties and he shall account for the funds collected as the law requires. The bond shall not be approved unless it has two good and solvent sureties and one shall not be taken or received, when court is in session. Obviously these bonds are not of the type to which this section is devoted although they are indexed in that manner.
2. Private Acts of 1929, Chapter 720, amended Chapter 730, Private Acts of 1927, above, and consequently has no bearing on the subject matter of this subject.

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