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## Chapter III - Bond Issues

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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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# Chapter III - Bond Issues

## Bond Issues - Historical Notes

### **Agriculture**

1. Private Acts of 1917, Chapter 456, authorized the County Court of Maury County to issue bonds in an amount up to \$150,000 bearing interest at a rate not to exceed five percent with maturity dates of no more than twenty-five years for the purpose of purchasing sites for building, and equipping schools in the nature of agriculture experiment stations, and vocational, agricultural, or mechanical high schools.
2. Private Acts of 1929, Chapter 223, authorized the Quarterly County Court of Maury County to issue bonds in an amount not to exceed \$100,000 for the purpose of purchasing sites, erecting and equipping buildings and purchasing equipment for the establishment of a Junior College of Agriculture, Industrial Arts, and Home Economics. Once the order for the bond issue passed the County Court, the question was to be submitted to the electorate for ratification or rejection. If rejected, the order call for the bond issue would be void, but if ratified, the order would become effective. The bonds were to bear interest at a rate not exceeding five percent and would mature no later than twenty-five years from issue date. The County Trustee was to receive the monies for the sale of the bonds and pay over the proceeds to the Trustees of the University of the State of Tennessee. The Quarterly Court was required to levy a tax on taxable property sufficient to pay the interest and retire the bonds.

### **County Debts**

1. Private Acts of 1897, Chapter 150, permitted Maury County, for the purpose of paying off the outstanding county indebtedness, to issue bonds in the amount of \$50,000 to bear interest at a rate not exceeding six percent and to be payable within twenty years.
2. Acts of 1905, Chapter 527, empowered Maury County to issue bonds in an amount up to \$200,000 for the purpose of paying off the outstanding debts of the County relating to bridge, courthouse and other warrants and to pay for the completion of the Courthouse. The boards were to be payable within twenty years with interest not exceeding four percent. The County Court was required to levy a tax to pay for the bonds.
3. Acts of 1907, Chapter 243, repealed Private Acts of 1905, Chapter 527, above.
4. Acts of 1907, Chapter 320, provided for the issuance of bonds at up to four percent interest to pay the county debts relating to courthouse, bridge, and other warrants then outstanding. The maximum maturity period was to be twenty-five years. The County Court was to levy a tax to pay for the bonds.
5. Private Acts of 1917, Chapter 201, authorized the Quarterly County Court of Maury County to issue bonds in an amount not exceeding \$140,000 for the purpose of paying the County's debts including bridge, turnpike, and other outstanding warrants. The bonds were to bear interest at a rate not exceeding four and one-half percent and were to be payable within twenty-five years from date of issuance. The County was to impose a property tax sufficient to pay the debt created by the bond issue.
6. Private Acts of 1921, Chapter 746, empowered the Maury County Court to issue and sell interest bearing warrants in an amount not exceeding \$50,000. The proceeds of the sale were to be used to satisfy the outstanding, floating indebtedness of the County and to pay any deficit in the current expenses of the County, including school, bridge, and highway expenses, as they were to be incurred in the years 1921 and 1922.
7. Private Acts of 1923, Chapter 2, authorized the issuance of warrants in an amount up to \$50,000 for the purpose of paying county debts and any deficit in current expenses during the years 1923 and 1924.

### **County Club House**

1. Private Acts of 1917, Chapter 279, permitted the bond issue of the City of Columbia that, together with the bond issue of Maury County, would fund the establishment of the Maury County Clubhouse. It allowed the City to issue \$50,000 in bonds to bear an interest rate of five percent or less.
2. Private Acts of 1917, Chapter 283, authorized Maury County to issue bonds in an amount not exceeding \$50,000 to bear interest at a rate of five percent or less, and payable within twenty

years. The purpose of the bond issue was to provide a fund for the establishment of the Maury County Clubhouse in Columbia to be used for agricultural, educational, industrial, social, and benevolent purposes. The County Court was required to levy an annual property tax to pay for the bonds. The bond issue was to be submitted to the voters for approval at a special election.

### **Courthouse and Bridge**

1. Acts of 1909, Chapter 330, allowed the Quarterly County Court to appropriate such sums as to it would seem right to compensate the County Judge, County Trustee, and the County Court Clerk for negotiating the sale of \$175,000 worth of courthouse and bridge bonds, and to pay the County Trustee for handling the funds of the bond issue.

### **Health and Hospitals**

1. Private Acts of 1947, Chapter 739, permitted the Quarterly County Court to issue bonds in an amount not to exceed \$50,000 to bear interest not in excess of five percent and to be payable within twenty years of issuance for the purpose of erecting and equipping a building suitable for the County Health Unit. The appointment of a building committee to handle the deficit was authorized and the County Trustee was allowed a one percent commission for handling the funds.
2. Private Acts of 1949, Chapter 448, authorized the issuance of bonds in an amount not exceeding \$750,000, for the purpose of borrowing funds to finance a general hospital in Maury County. The bonds were limited to four percent interest and a maturity of no longer than fifty years.

### **Issuing Regulations**

1. Private Acts of 1923, Chapter 50, made it unlawful for the Quarterly County Court to issue bonds for any purpose without first submitting the order of the Court for the bond issue to the qualified voters in an election for the purpose of ratification or rejection.
2. Private Acts of 1949, Chapter 446, repealed Private Acts of 1923, Chapter 50, above.

### **Jail**

1. Acts of 1851-52, Chapter 191, authorized the County Courts of Lawrence, Maury, Williamson, and Davidson Counties to subscribe to stock of the Nashville, Franklin and Columbia Rail Road Company if such purchase was approved by the voters of the respective purchasing county. The ballots in the election were to be marked "Stock" and " No Stock". If approved the County Court would subscribe to the stock and would issue bonds in the name of the county to pay for the stock. A tax would be levied to pay for the bonds.
2. Private Acts of 1947, Chapter 734, authorized Maury County to issue negotiable, interest-bearing bonds in an amount up to \$200,000 for the purpose of building a jail. The interest rate was not to exceed four percent and the maturity period was not to extend longer than twenty years from issuance. The County Trustee was allowed a commission, not to exceed one percent of the proceeds of sale, for handling receipts and disbursements relating to the bond issue. The Quarterly Court was directed to levy a tax to pay for the bonds and was authorized to appoint a building committee to oversee the building of the jail.

### **Roads**

1. Acts of 1901, Chapter 448, authorized the Counties of Maury, Giles, Davidson, Lincoln, and Williamson to purchase turnpike roads within their respective boundaries in order to make them free, public roads. To finance the purchase the several County Courts could levy a tax as then allowed by law or issue bonds in an amount not exceeding \$250,000 to bear interest at a rate not in excess of six percent and payable within a period of from five to fifty years.
2. Private Acts of 1915, Chapter 426, provided for an election in Maury County to determine if the voters were in favor of the issuance of \$200,000 worth of road bonds. The ballots were to read, "For Good Roads" and "Against Good Roads". If approved the County Court was required to issue the bonds bearing interest at no more than five percent and at a maturity of no longer than thirty years and elect a Commission to carry out the purposes of the bond issue which were to purchase and improve existing turnpikes and to construct and improve public roads.
3. Private Acts of 1947, Chapter 738, authorized the issuance of bonds in the amount of \$50,000 for the purpose of purchasing rights-of-way for federal, state, and county highways. The maximum interest rate would be four percent and the maximum maturity date would be twenty years from issuance.

### **Schools**

1. Private Acts of 1937, Chapter 546, authorized the Quarterly Court of Maury County to borrow up to \$30,000. The money was to be used to build or otherwise acquire public high school and

elementary school buildings. The Court could issue evidence of the indebtedness in the form of notes or warrants bearing up to four percent interest. The Board of Education was empowered to expend the money, keeping separate accounts for high schools and elementary schools.

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