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Bond Issues - Historical Notes

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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Bond Issues - Historical Notes

A listing of the acts which authorized various bond issues for Marshall County is included below for reference purposes, although these acts are no longer current.

Agriculture Experiment Station

1. Private Acts of 1917, Chapter 761, authorized the Quarterly County Court of Marshall County to issue \$150,000 in 5%, 20 year maturity bonds, to purchase a farm or farms for an Agriculture Experiment Station for Middle Tennessee which would be deeded to the University of Tennessee for that purpose. A committee of five would be appointed to explore all the possibilities of the project and report back to the court. If the bonds were issued, advertisement must be made in specified papers of the bond sale, the details of the bonds fixed in the County Court Resolutions, and in additional tax levy made for the sinking fund.

Debts

1. Private Acts of 1929, Chapter 23, authorized the Quarterly County Court of Marshall County to issue \$190,000 in 5%, ten to thirty year bonds to pay off certain outstanding debts specified in the act, including some previous bond issues, and if any money were left in this bond issue, the same would go into the sinking fund. All details of the form of the bonds and the issue were included with the provision that the County Trustee would keep all the records and disburse the moneys.
2. Private Acts of 1929, Chapter 300, amended Private Acts of 1929, Chapter 23, above, by permitting the bonds to be issued to be "interest bearing special coupon bonds" as well as "interest bearing coupon bonds" and to set both maturity limit schedules at thirty years from date of issuance.
3. Private Acts of 1941, Chapter 214, permitted the Quarterly County Court to issue \$70,000 in 2½% bonds, maturity schedules to be determined by the court, to pay and retire a schedule of debts listed in the act involving roads, bridges, courthouse, jail, and schools. All necessary details as to the form of the bonds and the tax levy were present. These bonds were declared exempt from taxation by other levels of government.

Hospital

1. Private Acts of 1933, Chapter 359, subject to the favorable outcome of a referendum held for that purpose, the Quarterly County Court would be allowed to issue \$50,000 in bonds at 6% maximum interest, and to mature according to a schedule to be determined by the Court to purchase land, erect, repair, maintain, equip, and improve a county hospital building.

Jail

1. Private Acts of 1937 (Ex. Sess.), Chapter 29, also subject to a popular approval via referendum, the County Court may issue \$50,000 in 5% bonds, or less to mature according to a schedule dictated by the court, to erect and furnish a county jail in Lewisburg. The County Trustee would handle the money and keep the records while the County Court would fix the details of the bond forms and the tax rate levy.

Lake

1. Private Acts of 1937, Chapter 483, permitted the Court to issue \$3,000 in 5%, 4 year bonds, which would be exempt from taxation to aid in acquiring, establishing, or constructing a lake in cooperation with the State Government or the Federal Government. Ads must be run in certain newspapers concerning the bond sale.

Roads

1. Private Acts of 1925, Chapter 15, validated all prior actions had by the Quarterly County Court of Marshall County preliminary to the issuance of \$40,000 in bonds to be used solely for the purchase of any or all of the turnpike roads in the county, and contracts of that nature being previously entered into were ratified, confirmed and made valid. The said bonds, when delivered, shall be the valid and binding obligations of the county.

Schools

1. Private Acts of 1935, Chapter 596, authorized Quarterly County Court to issue \$15,000 in interest bearing serial coupon bonds to be used to erect and equip a school building for High School and Elementary School purposes at Cornersville. They would be general obligation bonds with a 5% maximum interest rate and would mature according to a schedule to be determined by the County

Court.

2. Private Acts of 1935, Chapter 678, provided for a \$10,000 bond issue under the same terms as mentioned above to erect and equip a High School and Elementary School on present school grounds at Belfast, Tennessee.
3. Private Acts of 1935, Chapter 762, authorized the Quarterly Court to issue \$25,000 in 5% bonds, maturing at optional times, and in forms described by the Court, to erect and equip a school building for elementary school purposes within the corporate limits of Lewisburg, Tennessee.
4. Private Acts of 1935 (Ex. Sess.), Chapter 5, cites in the preamble that the Quarterly County Court had by Resolution issued \$25,000 in 3½% bonds to build a High School and an Elementary School in Chapel Hill, Tennessee, and their authority to so do had been questioned. This act validates, confirms, and legalizes all those prior proceedings, including a non-compliance with Private Acts of 1923, Chapter 47, and makes them legal, binding obligations of the county. The court must levy a sinking fund tax in order to pay off these bonds.
5. Private Acts of 1935 (Ex. Sess.), Chapter 23, also validated and legalized all the prior proceedings had by the County Court on June 10, 1935 in the issuance of \$25,000 in 3½%, 25 year bonds, to build and equip an elementary school in Lewisburg, which bonds were issued prior to this act under Private Acts of 1935, Chapter 762, and makes all of them the general obligations of the county.
6. Private Acts of 1935 (Ex. Sess.), Chapter 24, validates, confirms, and legitimized all previous actions taken in connection with the issuance of \$10,000 in 3¼%, 10 year bonds, on June 10, 1935, to build, and equip a High School and Elementary School at Belfast, Tennessee.
7. Private Acts of 1935 (Ex. Sess.), Chapter 26, validated actions taken on the same day, June 10, 1935, by the County Court in reference to issuing \$15,000 in 3¼%, 15 year bonds to build a high school and elementary school in Cornersville, Tennessee.
8. Private Acts of 1937, Chapter 484, ratified, confirmed, validated and legalized all the Quarterly Court action taken in connection with the issuance of \$20,000 in 4%, 20 year bonds, including non-compliance with private Acts of 1923, Chapter 47, on April 5, 1937. All essential details were observed in the language of the Act.
9. Private Acts of 1947, Chapter 184, permitted the issuance of \$25,000 in 2%, 8 year bonds for the purpose of building and equipping school buildings in Marshall County by the Quarterly Court of that County. These would be general obligation bonds to be paid out of the sinking fund.

General

1. Acts of 1866-67, Chapter 41, allowed the Quarterly County of Hawkins County by a two-thirds vote of the members present to issue coupon bonds to pay the debts of the county but not to be used to pay debts incurred in aid of the recent rebellion. Section 3 of the Act extended all its provisions and obligations to Marshall County and to Bedford County.
2. Private Acts of 1923, Chapter 47, made it unlawful for the County Courts of Marshall County, using population figures, to authorize the issuance and sale of bonds for any purpose without first submitting the issue to a public referendum vote to be held under the general law concerning elections. A majority of the votes cast shall be sufficient if there is an existing statute authorizing the said bond issue.
3. Private Acts of 1929, Chapter 12, amends Private Acts of 1923, Chapter 47, above, by making the requirement of a referendum prior to the issuance of bonds inapplicable to renewal or refunding bonds or bonds issued to pay the debts of the county.

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