



County Technical Assistance Service  
INSTITUTE *for* PUBLIC SERVICE

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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

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authorized various bond issues for Madison County is included below for reference purposes, although these acts are no longer current.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

### **Airport**

1. Private Acts of 1943, Chapter 262, authorized the issuance of bonds in the amount of \$25,000, at 3% per annum, to mature not more than 10 years from date of issuance, for McKellar Airport.

### **Buildings - Memorials**

1. Private Acts of 1925, Chapter 650, as amended by Private Acts of 1929, Chapter 450, authorized municipalities in Madison County to issue bonds for municipal auditoriums, payable within 30 years from date of issue at a maximum interest rate of 6% per year, subject to voter approval; and to issue bonds not exceeding \$75,000 to be applied in conjunction with the state for the construction of a National Guard Armory.
2. Private Acts of 1929, Chapter 663, authorized a bond issue of \$750,000 for building, equipping and furnishing a courthouse in Jackson, maximum interest of 5% per year, payable semi-annually, due not more than 30 years after issuance.
3. Private Acts of 1945, Chapter 597, authorized Madison County and City of Jackson, jointly or separately, to construct "The War Veterans Memorial Building" and to issue bonds of \$60,000 with a maximum interest rate of 5% payable in 20 years.
4. Private Acts of 1947, Chapter 57, authorized the issuance of coupon bonds for \$500,000 for construction of a City-County General Hospital, at a maximum interest rate of 4%, payable at the time set by the quarterly court.

### **Debts**

1. Public Acts of 1881, Chapter 46, authorized the County Court to fund its outstanding debt by issuing bonds in the sums of \$20, \$50, \$100 and \$500 to the holders of county warrants, payable in 10 years with a maximum interest rate of 6%.
2. Private Acts of 1915, Chapter 7, authorized a bond issue of \$100,000 to discharge indebtedness for school purposes, with a maximum interest rate of 5½% per year, due within 12 years.
3. Private Acts of 1921, Chapter 86, authorized a bond issue of \$125,000 with a maximum interest rate of 6% per annum, payable in 12 years, for the sole purpose of discharging debts of the county for roads and other general purposes.
4. Private Acts of 1931, Chapter 27, validated \$20,000 negotiable interest-bearing notes with interest rate of 6% per annum, dated January 1, 1931, to mature within three years, to discharge indebtedness for the acquisition of land for highway purposes.
5. Private Acts of 1931 (2nd Ex. Sess.), Chapter 77, authorized a bond issue of \$40,000 for the sole purpose of refunding \$40,000 of the \$200,000 of negotiable coupon notes of Madison County, dated January 1, 1931 and due January 1, 1932. These refunding bonds had an interest rate of 6%.
6. Private Acts of 1933, Chapter 1, validated bonds of \$65,000 for refunding purposes, bearing interest at a rate of 6% per annum, maturing on March 1, 1934.
7. Private Acts of 1933, Chapter 509, provided for certain general bonds to be executed by the County Trustee.
8. Private Acts of 1935, Chapter 35, validated refunding bonds for \$95,000 maturing annually at \$5,000 on January 1st of each year of 1936 to 1954, inclusive, with an interest rate of 4¼% per annum.
9. Private Acts of 1935, Chapter 58, validated \$27,000 of negotiable coupon notes, maturing on April 1, 1936, with an annual interest rate of 4¼%.
10. Private Acts of 1935, Chapter 177, validated the issuance of \$45,000 bonds with an interest rate of 4¼% per annum, with \$5,000 of the bonds maturing on January 1 each year from 1941 to 1949, inclusive.
11. Private Acts of 1941, Chapter 351, validated \$100,000 refunding bonds dated January 1, 1941,

and due January 1, 1949.

12. Private Acts of 1947, Chapter 48, authorized the issuance of refunding bonds of \$271,000 with an interest rate of 4% per year, maturing not more than 20 years from date of issuance.

### **Roads - Bridges**

1. Acts of 1903, Chapter 415, as amended by Acts of 1905, Chapter 581, authorized the issuance of \$300,000 coupon bonds bearing interest not exceeding 4%, payable within 40 years of issuance, to build good roads in Madison County.
2. Acts of 1907, Chapter 491, authorized County Court to issue coupon bonds of \$200,000 with a maximum interest rate of 4% per annum, maturing within 30 years for the purpose of extending gravel roads and improving roads in existence, known as the "Good Roads" Bonds.
3. Private Acts of 1917, Chapter 47, authorized Madison County to issue notes of \$25,000 bearing interest at 5% per annum to mature within 3 years of issuance for the improvement of bridges.
4. Private Acts of 1919, Chapter 559, authorized a bond issue of \$100,000 at a maximum interest rate of 2½% per year, to mature within 12 years and to be used for the purpose of constructing and maintaining bridges.
5. Private Acts of 1921, Chapter 129, authorized a bond issue of \$300,000 at a maximum interest rate of 6% per year due in annual installments for 25 years, for the sole purpose of paying the County's pro rata share of the cost of construction of State and Federal Aid Highways.
6. Private Acts of 1921, Chapter 714, authorized the issuance of \$100,000 bonds for the purpose of repairing hard surface roads to be known as the "Madison County Road Improvement Bond of 1921" with a maximum interest rate of 6% for 10 years.
7. Private Acts of 1929, Chapter 782, authorized a bond issue of \$300,000 for road building purposes, maximum interest rate of 5% per annum, date of maturity to be set by the County Court.
8. Private Acts of 1931, Chapter 83, authorized a bond issue of \$300,000 for the purpose of building roads. These bonds had a maximum interest rate of 6% per year with the County Court to set the date of maturity.
9. Private Acts of 1945, Chapter 282, authorized bonds of \$100,000 with a maximum interest rate of 3%, for the purposes of building and maintaining county highways.
10. Private Acts of 1947, Chapter 24, authorized a bond issue of \$2,500,000 for acquiring right-of-ways and improving county roads, maximum interest rate of 3% per year.

### **Schools**

1. Private Acts of 1927, Chapter 7, validated Madison County school bonds of \$150,000 bearing interest at 4-3/4% per year, due on December 1 of each year from 1928 to 1951, inclusive.
2. Private Acts of 1935, Chapter 169, validated the issuance of \$55,000 of "1934 High School Bonds" issued by the City of Jackson.
3. Private Acts of 1945, Chapter 567, authorized issuance of coupon bonds of \$32,000 for the purpose of completing North Side High School. These bonds had a maximum interest rate of 2½% per year, to mature within 25 years.
4. Private Acts of 1947, Chapter 46, authorized bond issue of \$30,000 for the purpose of constructing a gymnasium at Denmark High School and a new elementary school at Center Grove, with a maximum interest rate of 3% per year. This act was amended by Private Acts of 1947, Chapter 227, to provide for approval of the proration of bond proceeds between the city and the county by the superintendent of the city schools as well as the county school superintendent.
5. Private Acts of 1947, Chapter 47, authorized a bond issue of \$12,100 with maximum interest rate of 3%, for the purpose of paying supplemental salaries to school bus drivers and janitors. This act specifically did not require voter approval. This act was amended by Private Acts of 1947, Chapter 226, to pledge the full faith and credit of the county and to authorize the Quarterly County Court to levy a sufficient property tax to pay the principal and interest on the bonds.
6. Private Acts of 1947, Chapter 50, authorized the County Court to issue bonds of \$67,000 with a maximum interest rate of 3%. This act specifically did not require voter approval and its purpose was to pay additional salaries to Madison County teachers.

### **Referendum - When Required**

1. Private Acts of 1972, Chapter 305, would have required a referendum before any bonds could be issued in excess of \$50,000 which were payable from ad valorem taxes, but the act was rejected

by the Quarterly County Court.

2. Private Acts of 1973, Chapter 79, provided that no bonds of Madison County in an amount over \$100,000 would be issued unless first approved by the people in a referendum election if the bonds were to be amortized through ad valorem taxes. This act was repealed by Private Acts of 1979, Chapter 7.

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