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Chapter III - Bond Issues

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authorized various bond issues for Haywood County is included below for reference purposes, although these acts are no longer current.

Athletic Field

1. Private Acts of 1951, Chapter 635, authorized the Quarterly County Court of Haywood County, subject to the successful outcome of a referendum held for that purpose to issue and sell \$30,000 in bonds, at an interest rate not to exceed 3%, and to mature at whatever schedule the court may decide, to acquire land for an athletic field and to construct thereon adequate facilities for patrons of athletic events held on such field. Details of the issue were prescribed and a tax levy mandated for the sinking fund which would be expected to amortize the bonds over the specified maturity schedule.

Courthouse

1. Private Acts of 1929, Chapter 196, allowed the Quarterly County Court of Haywood County to issue \$50,000 in 5%, or less, bonds, payable in blocks of \$5,000 a year beginning in 1934 and extending through 1943, which funds would be used to defray the cost of improving the present court house in Brownsville. All the essential details and the requirement for an additional tax levy for the sinking fund were present in the act.

Debts

1. Private Acts of 1921, Chapter 754, authorized the County Court of Haywood County to borrow money and issue notes to pay, settle, and liquidate any outstanding debts of the county at that time, or hereafter created, the amount of which could not exceed \$50,000 and the rate of interest to be paid could not be more than 6%. The details of any bond issue must be entered upon official records kept by the County Trustee. The Court was also required to levy a sinking tax fund.
2. Private Acts of 1931, Chapter 64, allowed the Quarterly County Court of Haywood County, to issue \$150,000 in 5½%, five to thirty year bonds, which would be used to fund indebtedness evidenced by warrants, notes, or otherwise, which was then outstanding or which would become due by January 1, 1932. All essential elements were incorporated into the act.

Hospital

1. Private Acts of 1953, Chapter 370, permitted the Quarterly County Court of Haywood County to issue and sell its bonds in an amount of \$35,000 or so much thereof as may be necessary, which funds would be applied to the cost of repairing, improving and decorating the Haywood County Memorial Hospital at Brownsville. The issue was limited to 4% interest, and 10 years in the maturity schedule. These bonds were declared to be tax exempt.

Railroad

1. Acts of 1869-70, Chapter 55, Section 8, allowed the County Court of Haywood County to call for an election to ascertain the will of the people thereof, when the President of the Brownsville and Ohio Railroad Company made application therefor, on whether the County should issue its bonds to buy stock in the said railroad. The maximum amount was \$200,000 to be placed on twenty year maturity schedule. The Court was further required to levy a tax to provide the funds to amortize the issue.

Roads

1. Private Acts of 1929, Chapter 474, allowed Haywood County to issue \$500,000, subject to a referendum vote in 5%, five to thirty year, bonds to construct, maintain, and repair certain roads with gravel, concrete, or asphalt. The amount to be issued would be determined by the Hard Roads Commission made up of the County Judge, as Chairman, and four citizens who would be elected by the County Court, one from each of four road districts specified in the act. Details of the issue, including the form of the bonds, and a mandate for a tax levy were contained in the act. Records of all transactions would be kept by the County Trustee. The Hard Road Commis-sioners could not hold any other office, would serve two year terms, and receive \$5 a day, the Secretary \$8, up to four days a month for their services. The Commission could hire an engineer and contract with the State or Federal Governments. Bid procedures were promulgated

which were to be strictly observed in awarding contracts. Another election could be held after 90 days if the first one was not successful.

2. Private Acts of 1953, Chapter 592, allowed a bond issue up to \$50,000 in 4½%, 20 year, bonds, which were declared to be general obligation bonds to pay for the rights of way which Haywood County might be required to obtain for the building of State, County, and Federal highways. Any funds, not expended, would go into the sinking fund.

Schools

1. Private Acts of 1915, Chapter 498, validates, legalizes, and confirms the prior action of the County Court taken pursuant to a Resolution, properly adopted, declaring the need for an addition to the high school and authorizing an issue of \$12,500 in 6% notes, and also setting a tax levy of five cents to amortize the same. All details essential to a bond issue were present.
2. Private Acts of 1927, Chapter 342, stated in the preamble that the Quarterly County Court on January 4, 1926, adopted a Resolution authorizing the issuance of \$25,000 in short term notes, or bonds to erect and equip an additional building to the Haywood County High School at an interest rate of 5%, and which would mature at \$5,000 a year for five years, and on October 4, 1926, another Resolution was adopted under the same terms and conditions as the January Resolution for an additional \$1,500 for the same purposes and all the bonds have been delivered. This act ratifies, confirms, and validates all the actions of the County Court with reference to those two Resolutions, making them the general obligations of the County.
3. Private Acts of 1935, Chapter 132, permitted a referendum to be held, of which the results would be certified to the County Court, on the question of issuing \$26,000 in 6%, 20 year bonds, the form of which is set out in the act, to erect an addition to the Haywood County High School and repair any existing buildings.

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