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authorized various bond issues for Lawrence County is included below for reference purposes, although these acts are no longer current.

Building

1. Private Act of 1935 (Ex. Sess.), Chapter 119, authorized Lawrence County acting through the County Judge and the Financial Agent to issue and sell up to \$75,000 in warrants, at an interest rate of no more than 5%, and to mature as might be determined by the parties for the acquisition of a site and the construction and equipping of a new County Building thereon.

Courthouse

1. Private Acts of 1905, Chapter 428, was the enabling legislation for the Quarterly Court of Lawrence County to issue bonds in an amount up to \$25,000 at an interest rate of 6%, or less, and to mature no longer than ten years from the date of issue, which bonds must be issued and sold in conformity with the regulations contained in this Act. The proceeds would be used to erect a Courthouse in Lawrenceburg. All the requirements of a valid law authorizing a bond issue were observed.

Debts

1. Private Acts of 1929 (Ex. Sess.), Chapter 55, authorized the Quarterly Court of Lawrence County to issue up to \$100,000 in bonds, at an interest rate of no more than 5 ½%, and which would mature in 25 years, or less, from the date of issue which funds were to be used to liquidate outstanding debts of the county evidenced by the school and road building programs. A majority vote of the Court would be sufficient to issue the bonds. The essential details were fixed in the Act and the Resolution to be adopted by the Court. A tax levy for the sinking fund was mandated to amortize the bonds according to schedule. Substantial compliance with these conditions would be sufficient and no irregularity in the issuance and sale of the bonds would invalidate the program.
2. Private Acts of 1933, Chapter 701, was the legal authority for the Lawrence County Quarterly Court at any of its regular, or special, sessions to issue and sell through the County Judge and the County Court Clerk its interest bearing warrants up to \$25,000, at no more than 6% interest, to provide funds in anticipation of tax revenues to pay the just and due debts of the County. The bonds would all mature no later than 5 years from the date of issue. All the requisite details of a valid bond law, including the mandatory tax levy, were present in the Act.
3. Private Acts of 1935, Chapter 808, ratified, confirmed, validated, and legalized all the prior proceedings of the Lawrence County Quarterly Court held in connection with the issue and sale of \$90,000 in bonds, at interest rate of no more than 5%, and maturing within 15 years from issue according to the schedule which would be used to fund and pay the outstanding debts of the County. The Court must levy an additional tax in every year as long as any of the bonds were outstanding and unpaid.

County Fair

1. Private Acts of 1937, Chapter 752, permitted the Quarterly Court of Lawrence County to issue no more than \$35,000 in bonds to provide funds with which the County would acquire real estate and improvements with which to establish, operate, and conduct a Fair. This Fair would be the official Lawrence County Fair which would be the locale of the exhibitions, etc., in the common manner of fairs held everywhere. The allowable rate of interest could not exceed 4%, and the Court could exercise its discretion on the question of a maturity schedule. There would be a nine member Board of Fair Directors, which would operate and supervise the Fair, composed of the County Agricultural Agent, the Home Demonstration Agent, the County Judge, the County Attorney, three members of the Quarterly Court, and two resident business men. All but the ex-officio members would be elected to two year terms. Expenditures, including a \$10.00 remuneration for the members of the Board each year, would be paid out of the Fair Fund. The Board was empowered to hire employees to operate the fair and to fix their compensation.

Roads

1. Private Acts of 1911, Chapter 289, was the enabling law for the Quarterly Court to submit to the people by referendum the question of the issue and sale of up to \$200,000 in bonds with which to build and macadamize roads, turnpikes, and bridges, and to improve other public highways. In the event the question failed to carry on the first election, it could be resubmitted later. The interest rate was pegged at 4% and the maturity schedule at 40 years. The mechanics of the issue, sale, and payment of the bonds were included, and a tax levy required for general

- obligation bonds. The County Judge must appoint, subject to confirmation by the County Court, three Commissioners who were to supervise the programs generally. The Commissioners could employ a civil engineer, and other professional people, to assist them where necessary. Maps of the changes made would be drawn and copies filed with the proper people, and with appropriate records.
2. Private Acts of 1913, Chapter 66, amended Private Acts of 1911, Chapter 289, by replacing Section One with a new Section providing for a referendum election on March 22, 1913, on the issue of \$200,000 in bonds to build and improve roads and bridges which definition of public highways would include the continuation of public roads through corporate cities. If the election failed, the Quarterly Court could set the date for another one. The maximum allowable interest rate was raised from 4% to 5% and each Civil District was guaranteed a minimum expenditure in the District of \$7,500 on roads alone.
 3. Private Acts of 1951, Chapter 32, validated all the prior proceedings of the Quarterly County Court with respect to the authorization of \$150,000 in road bonds.
 4. Private Acts of 1951, Chapter 517, ratified all the prior proceedings of the Lawrence County Quarterly Court taken in connection with the issue and sale of \$150,000 in Road Equipment Bonds. The actions of all public county officials were likewise ratified and affirmed. The proceeds would be used to provide funds with which to finance acquisition of road building and maintenance equipment for the county. The delivery of the bonds would constitute a binding and incontestable obligation of Lawrence County. The details of the issue and the tax levy decided and set in the Resolution adopted by the Court were also ratified and validated.

Schools

1. Private Acts of 1907, Chapter 584, authorized the Mayor and Councilmen of Lawrenceburg to issue bonds in an amount not over \$15,000 at a maximum interest rate of 6% and to cover a maturity schedule no longer than 20 years with which to erect and furnish school buildings for the City of Lawrenceburg. A referendum on the bond issue was required.
2. Private Acts of 1927, Chapter 828, was the authority for the Lawrence County Quarterly Court to issue bonds not to go above \$50,000 at an interest rate of 4½%, or less, which would become due and payable as the Quarterly Court decided, which money would be used to extinguish an outstanding indebtedness which was evidenced by school warrants bearing 6% interest, and for the further purpose of placing the operations of the school system on a cash basis.
3. Private Acts of 1927, Chapter 829, allowed the Lawrence County Quarterly Court to issue and sell its bonds in an amount up to \$50,000, at an interest rate of 4½%, or less, and maturing at a schedule to be determined by the Court which funds were to be used in the erection and construction of school buildings in the County. The bond form and details of the issue could be incorporated in a Resolution and adopted by the Court.
4. Private Acts of 1931, Chapter 39, was the authority for the Quarterly Court to sell \$30,000 in bonds, at 5%, or less, interest, and to mature no later than 25 years from the date of issue to construct two school buildings, one at Iron City in the First Civil District and one at West Point in the 15th Civil District. A Resolution to be adopted by the Court would be proper if it contained all the essential details of the form of the bonds and their sale and repayment. The Resolution would create a tax levy to repay the bonds and the interest. These bonds could be sold at public or private sale and were declared exempt from the taxing powers of state and local government. Private Acts of 1931, Chapter 132, seemed to be an exact duplicate of this Act.
5. Private Acts of 1931, Chapter 359, permitted the Lawrence County Quarterly Court to issue up to \$36,000 in 5%, 25 year, bonds to provide for the construction of three school houses, one at Iron City in the First Civil District, one at Ethridge in the Tenth Civil District and one at West Point in the Fifteenth Civil District. A Resolution adopted by a majority of the Court could fix the details of the bond issue, set the precise interest rate for their payment and state in detail the purposes for which they were issued. The proceeds of the issue would be paid to the County Trustee to be dispensed under the direction and control of the County Board of Education. The bonds were tax exempt and substantial compliance with the terms of this legislation would be sufficient.
6. Private Acts of 1933, Chapter 732, allowed Lawrence County to issue interest bearing warrants in payment of claims and obligations incurred in the operation of the schools for which no present funds were available but only upon condition that the amount would never exceed \$125,000, the interest rate not go beyond 6%, and all of the same be approved by a Resolution of the Court before being issued. The warrants would be redeemable as soon as the funds to pay them become available.

7. Private Acts of 1937, Chapter 103, authorized the issuance and sale by the Quarterly Court of up to \$75,000 in 3½%, 20 year, bonds to acquire the sites and to construct on them, or on presently owned sites, school buildings as they were needed. All the details of a valid bond law for general obligation bonds were set out in the Act.
8. Private Acts of 1939, Chapter 175, was the legal authority for the Quarterly Court to issue up to \$50,000 in bonds at an interest rate of no more than 3½%, and which would mature no later than 25 years from the date of issue, which would be used for the acquisition of sites and the construction thereon, or on sites already acquired, of suitable and needed school buildings. The bonds could be sold in blocks or all at once, would be tax exempt, and would conform to the standards established in this and the general law.

Water System

1. Private Acts of 1957, Chapter 7, was the legal authority for Lawrence County to construct, acquire, extend, repair, and improve water mains and lines, to furnish water facilities and fire protection to the County, or to assist and cooperate with municipal water systems in the county, for which purposes the County could issue bonds at an interest rate of no more than 5% and over a maturity period not to exceed 30 years, but the total amount of such indebtedness could not exceed \$40,000 at any one time. A Resolution fixing the essential details must be adopted. If the cities extended the system the County could assume up to 50% of the cost, not to exceed \$40,000. The bonds had to be general obligation bonds, and not revenue bonds, for which a tax levy for the sinking fund must be made generally on all property. The power and authority in this Act were in addition to and supplemental to the other powers and authority heretofore granted and to those existing under general law. This Act was properly ratified.

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