



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

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Bond Issues - Historical Notes

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

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authorized various bond issues for Jefferson County is included below for reference purposes, although these acts are no longer current.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

Bridges

1. Private Acts of 1913, Chapter 88, was the authority for the Jefferson County Quarterly Court, a majority of the Justices being present and voting therefor, to issue up to \$25,000 in bonds, at an interest rate not to exceed 5%, and which could mature no later than 20 years from the date of issue, to provide funds to construct a bridge across the French Borad River at Dandridge near the present ferry. All the details essential to a valid bond issue were contained in the act and a mandatory tax levy was required to be made as long as the bonds were due and unpaid.
2. Private Acts of 1917, Chapter 393, authorized the Quarterly Court of Jefferson County to issue no more than \$50,000 in bonds, at a maximum rate of interest of 5%, and to mature according to the schedule formed by the Court, to construct public bridges in the county as might be desirable and practical, all to be made of concrete wherever feasible. The Quarterly Court must appoint three commissioners to supervise and execute the program who could employ an engineer, execute and negotiate contracts, and solicit and award bids who were to be compensated as the Quarterly Court determined.

Courthouse

1. Private Acts of 1935, Chapter 487, allowed the Quarterly Court of Jefferson County to issue up to \$10,000 in bonds at an interest rate not to exceed 5%, and to mature no later than 20 years from the date of issue to improve the present courthouse and jail. All the essential details were present and the general tax levy to amortize the bonds according to schedule was required.

Debts

1. Private Acts of 1921, Chapter 532, gave to the Jefferson County Quarterly Court the power to use the proceeds of the \$185,000 bond issue authorized previously under Public Acts of 1919, Chapter 175, to retire outstanding bonds of the county, provided a majority of the Quarterly Court agreed to do so. (This Public Act is now codified as Section 54-801, and following, Tennessee Code Annotated.)
2. Private Acts of 1923, Chapter 564, amended Private Acts of 1921, Chapter 532, above, by broadening the purposes for which the above funds could be spent to "other outstanding interest bearing indebtedness" as well as bonds.
3. Private Acts of 1927, Chapter 482, was the enabling legislation for the Quarterly Court of Jefferson County, a majority being present and voting to so do to issue up to \$118,000 in bonds at a maximum rate of interest of 5%, which would mature no later than 15 years from the date of issue, to provide the funds with which to pay off the debts heretofore incurred by the road department, the school system, and to further share up and strengthen the sinking fund account.
4. Private Acts of 1929 (Ex. Sess.), Chapter 26, declared that under existing law taxes do not become delinquent until the year following their due date and counties were often without funds with which to pay current expenses. This Act was the authority for Jefferson County's Quarterly Court to negotiate loans and borrow money, the aggregate of which could not exceed \$100,000 which could be used to pay the current debts of the county in anticipation of the collection of taxes but the aggregate could never exceed 90% of the uncollected taxes. The interest rate could not exceed 6% nor the due date of the notes be later than six months from their execution. (This Act is superseded by Section 5-1035, T.C.A.)
5. Private Acts of 1931, Chapter 169, allowed the quarterly court to issue not over \$66,000 in bonds, at an interest rate of 5%, or less, and to mature no later than 20 years from issue to provide the funds with which to pay off and liquidate the floating indebtedness of the County School Board. The Trustee must keep the proper records, the details were incorporated and the general tax levy for the sinking fund was mandated.
6. Private Acts of 1931, Chapter 170, enabled the Quarterly Court to issue up to \$25,000, in 5%, 20 year bonds, which money would be used to refund a like amount of bonds issued pursuant to Private Acts of 1913, Chapter 88, to build bridges in the county. The Quarterly Court was allowed to set up a maturity schedule for the bonds. The Trustee was obligated to keep the records of all transactions.

7. Private Acts of 1933, Chapter 132, ratified, confirmed, and validated all the prior proceedings of the Jefferson County Quarterly Court taken in regard to the issue and sale of \$32,500 in refunding bonds set to mature in the amounts and at the times stipulated in the act, and bearing interest rates according to the times at which they would be paid but none could exceed a 5% rate. Some details were present in this confirming act which were not in the Court's Resolution and a tax levy was required to amortize the bonds in accordance with the schedule of maturity dates.
8. Private Acts of 1935 (Ex. Sess.), Chapter 145, permitted the Jefferson County Quarterly Court to issue at an interest rate not to exceed the current rate at the time, the proceeds of which would be used to pay off and retire other bonds then due and unpaid in both the road department and the school system.
9. Private Acts of 1937, Chapter 547, allowed Jefferson County, acting through the Quarterly Court, to issue and sell no more than \$60,000 in 6%, 20 year, bonds, to retire and pay the outstanding debts of the county, as evidenced by warrants and notes, or other documents of debt, all the disbursements to be by and with the consent and approval of the County Judge, or Chairman. All essential details were incorporated and the tax levy required.
10. Private Acts of 1937, Chapter 548, was the legal authority for the Jefferson County Quarterly Court to issue up to \$1,101,000 in bonds, at an interest rate of no more than 6%, which would mature no longer than 25 years from the date of issue, to retire or refund in whole or in part any of the County's outstanding funded debts, all of which were officially declared to be the legitimate debts of the county. None of the above could be issued, however, unless and until a like amount of bonds were cancelled. The bonds could be issued in the whole amount, or in blocks of a size to be determined by the Quarterly Court.
11. Private Acts of 1939, Chapter 122, provided that all the prior proceedings of the Jefferson County Quarterly Court connected with the issue and sale of \$72,000 in bonds, at an interest rate of 3 1/2%, payable semi-annually through the year 1952, were validated, confirmed, approved, and legalized in all respects. These bonds would be general obligation bonds for which the Court was required to levy a general tax to amortize. These were to be refunding bonds for older ones which were to be paid and cancelled.
12. Private Acts of 1939, Chapter 128, ratified, confirmed, validated and legalized in all respects a Resolution of the Jefferson County Quarterly Court, adopted on April 18, 1938, which authorized the issuance of \$353,500 in refunding bonds, and all other proceedings of the Court and county officials in relation thereto were likewise confirmed and validated, and declared to be legally binding on the County. No interest rate nor maturity schedule were mentioned in this act but they were undoubtedly a part of the Resolution adopted, fixing the details of the bond issue.
13. Private Acts of 1941, Chapter 391, also ratified and confirmed a Resolution adopted by the Jefferson County Quarterly Court at its adjourned session on January 13, 1941, which was the authority to issue up to \$200,000 in Refunding Bonds, and all the details incorporated therein were validated and legalized as the binding obligations of the County. A general tax was to be levied for the sinking fund in order to amortize the bonds.
14. Private Acts of 1943, Chapter 104, also ratified, confirmed, and validated all the prior proceedings of the Jefferson County Quarterly Court held in connection with the issue of \$110,000 in refunding bonds, at 2 1/2% interest, said bonds being recognized and declared to be the general obligations of the County. All proceeds were to be paid to the Trustee who would pay the principal and interest of those bonds to be retired.

Jail

1. Private Acts of 1929, Chapter 554, was the legal authority for the Jefferson County Quarterly Court, without having to hold a referendum, to issue and sell up to \$40,000 in bonds at 5% interest, or less, and to mature no later than 20 years from the date of issue, to construct a county jail for the county. Details could be fixed by Resolution of the Quarterly Court in accordance with this Act. A building committee would be selected by the Quarterly Court to supervise the program, making interim reports on the status of the same.
2. Private Acts of 1935, Chapter 83, validated and approved all the proceedings of the Quarterly Court of Jefferson County taken in relation to the issue and sale of \$4,000 in bonds, at a 6% interest rate, payable semi-annually on January 1 and July 1 at the office of the Trustee in Dandridge, running through 1943. All of the bonds were made the general obligations of the county for which a tax must be levied until they were paid. All acts in conflict with this one were repealed. The funds were to be used to repair the county jail.

Roads

1. Private Acts of 1891, Chapter 145, authorized the Quarterly Court of Jefferson County to issue bonds at such times and places as might be deemed proper at an interest rate not to exceed 4% and the aggregate amount of which had to be \$100,000, or less, which money would be used exclusively to construct public highways and bridges across the streams of the County. None could be issued without being approved in a referendum vote of the people. All the details of a valid bond issue were included and a tax levy was ordered for the sinking fund.
2. Private Acts of 1901, Chapter 244, was enabling legislation for the Quarterly Court to submit to the voters of Jefferson County at a time to be set by the Court the question of issuing and selling bonds up to \$300,000, to lay out, grade, build, and macadamize public roads in the county. Upon approval by two-thirds of the voters, the bonds would be issued according to the details publicized and accepted. They would mature in specified blocks at five year intervals beginning after ten years from the date of issue. The interest rate to be paid would be decided by the Quarterly Court. Three county citizens would be selected by the Court as Pike Commissioners who would supervise the program. All the essential details were incorporated.
3. Private Acts of 1903, Chapter 7, amended Chapter 244, Private Acts of 1901, above, by changing the requirement that the proposed bond issue be approved by a two-thirds vote of the people to approval by a simple majority of the voters.
4. Private Acts of 1905, Chapter 225, was the enabling act for the Jefferson County Quarterly Court to issue up to \$20,000 in 5%, 20 year bonds, in order to macadamize a road leading from Dandridge to Jefferson City, which bonds would be issued according to the directional details in the act. The Court was obligated to levy a tax for the sinking fund and the county court clerk to keep adequate records of all the transactions. The project would be overseen by the county chairman and two citizens to be appointed, one from Dandridge, and one from Jefferson City.
5. Private Acts of 1909, Chapter 184, allowed the Quarterly Court to issue bonds not to exceed \$100,000, at an interest rate of 5%, or less, and to mature no later than 30 years from issue, to build, grade, and macadamize county roads, the six roads mentioned in the act to have priority over others. The act named W. R. Manard, S. Harris, and A. C. Parrott, as commissioners, to supervise the program, to employ an engineer, and to otherwise exercise all the powers granted in the act. The Quarterly Court would set the compensation to be paid to the commissioners.
6. Private Acts of 1909, Chapter 233, permitted the issue of bonds in Jefferson County not to exceed \$75,000, at 5% interest, or less, and to mature within 30 years from the date of issue, with all the essential details contained therein, to build, grade, or macadamize the list of sections on 17 roads in the county. The same commissioners named in the above act were renominated in this one. Their powers were the same except the power to condemn land was added in this act. The commission was to solicit bids and award contracts.
7. Private Acts of 1913, Chapter 94, enabled the Jefferson County Quarterly Court, a majority being present and voting for it, to issue and sell up to \$125,000 in bonds, at 5% interest, or less, to mature no longer than 30 years from the issue date, to macadamize the public roads of the county which were graded. Any money in hand from former bond issues could be used in this program, also. A general road tax of 30 cents per \$100 property valuation was to be levied by the court and collected by the Trustee. Arthur Holtsinger, S. H. Rankin, and A. C. Parrott, were designated as commissioners to oversee the program, employ an engineer and other people who might be needed, and be compensated by the quarterly court.
8. Private Acts of 1915, Chapter 689, was the authority for a bond issue in Jefferson County up to \$15,000, at an interest rate not to exceed 6%, and to mature as the Quarterly Court directed, to grade and macadamize a road beginning at the pike near Professor J. I. McDaniel's and running substantially with the River Road by way of the Henderson Farm to Harrison's Ferry, the route to be laid off by the Pike Commissioners. All the details were present and the tax levy required.
9. Private Acts of 1917, Chapter 286, allowed the Jefferson County Quarterly Court, a majority being present and approving the same, to issue and sell no more than \$200,000 in 5%, 30 year bonds, to macadamize the graded roads, and the new roads being built in the county, and to improve and repair roads already built. The bonds would be sold by the Pike Commissioners, Arthur Holtsinger, S. H. Rankin, and J. B. Hill who were to be in charge of the project, who could acquire rights of way by condemnation, and be paid as the Court directed. Some 30 projects were listed involving several different county roads. Anything left over after completion could be devoted to other road projects.
10. Private Acts of 1921, Chapter 217, was the enabling act for the Quarterly Court, a majority being present and approving, to issue the interest bearing warrants of the county up to \$10,000 to grade all or any part of a road beginning at the pike near the residence of what was formerly

known as the Sam Ferguson farm thence by the steel bridge over Muddy Creek, thence by Ailey's Chapel, and then over the most practical route to intersect the River Pike near the James Gaddis' farm which route would be laid out by the Pike Commissioners. These funds could be used for no other purpose and the warrants would be issued as were other warrants. The interest rate would be determined by the Quarterly Court.

11. Private Acts of 1921, Chapter 384, allowed the Quarterly Court of Jefferson County to issue its interest bearing warrants in amounts not to exceed \$5,000 with which to grade a road beginning at the end of the pike at the Thula Fox farm by way of the James McMahan farm to the Sevier County line. These warrants were to be issued as other warrants at an interest rate to be decided by the Court. A tax could be levied, if necessary, to repay them.
12. Private Acts of 1921, Chapter 395, permitted the Quarterly Court of the county to negotiate its interest bearing warrants up to \$10,000 to grade and macadamize a road starting at the Pike near Hill's Store, running substantially with the old dirt road known as Indian Creek Road to intersect the Dandridge-Chestnut Hill Pike at or near the V.M. Gaddis' farm, the exact route of the said road to be decided by the Pike Commissioners. Warrants would be issued in the normal way at interest rates decided by the Court. A tax was authorized to be levied if needed to pay the warrants.
13. Private Acts of 1921, Chapter 511, enabled the Quarterly Court to issue up to \$10,000 in 5% bonds, or less, to mature no later than 25 years from issue, to grade, macadamize, and build a road from the Dandridge and Newport road which crosses the river at Hays Ferry near the Ferry at the most convenient point, running through Beaver Dam to the Newport and Dandridge Road which passes over the French Broad River at Elliott's Ferry. The Court would appoint a three member Road Commission to supervise this work.
14. Private Acts of 1921, Chapter 529, was the legal authority for the Jefferson County Quarterly Court to issue interest bearing warrants in an amount up to \$15,000, at an interest rate determined by the court, to grade and macadamize two roads, one beginning at Reynold's Ferry and running via a point near William Arnold's and the Pleasant Grove Church to the New Market and Nance's Ferry Pike, and the other running by way of Fielder's Store to Millspring, both of which would be laid out by three citizens from the 7th Civil District to be named by the Court.
15. Private Acts of 1923, Chapter 567, permitted the Quarterly Court to issue its interest bearing warrants up to \$15,000 to grade and macadamize the road which was the dividing line between the Seventh Civil District and the Fourth Civil District which began at the underpass of the Southern Railroad in New Market and to finish the grading and paving to Millspring and from Millspring to Will Arnold's, a point in the Reynold's Ferry Road. The warrants would be issued in the normal manner at an interest rate determined by the court.
16. Private Acts of 1931, Chapter 205, enabled the Quarterly Court to issue and sell up to \$95,600 in bonds, at an interest rate of 5%, or less, to mature no later than 20 years from the date of issue, to provide funds with which to grade and macadamize 36 sections of roads as the same were enumerated in the Act. The County Trustee would be responsible for keeping the records.
17. Private Acts of 1947, Chapter 214, was the authority for a bond issue not to exceed \$60,000 in highway bonds to purchase rights of way and other incidentals in connection with the construction of a section of State Highway #34 running through Jefferson County in cooperation with the State and Federal Governments. These were to be tax exempt general obligation bonds, issued at an interest rate no greater than 3%, over a maturity schedule no longer than 40 years from the issue date. The Budget Committee of the Quarterly Court would see to the sale of the bonds. All essential details were incorporated.
18. Private Acts of 1947, Chapter 215, ratified, confirmed, validated, and legalized all the previous actions of the Quarterly Court taken in relation to the issue and sale of \$30,000 in bonds to acquire rights of way for the construction of a section of State Highway #34 in Jefferson County. Interest was at 1 3/4%, and the maturity schedule ran through 1956. These were tax exempt, general obligation bonds for which a tax levy must be made every year until paid.

Schools

1. Private Acts of 1919, Chapter 299, authorized Jefferson County to issue up to \$30,000 in bonds, at an interest rate of 6%, or less, maturing as the Quarterly Court directed, to enlarge the existing high school, or to build a new one. The issue was subject to approval in a referendum to be held under the general election laws and the requirements of this Act. A tax levy must be made to liquidate the bonds according to schedule if they were issued.
2. Private Acts of 1921, Chapter 385, was the enabling legislation for the Jefferson County Quarterly Court to issue no more than \$200,000 in bonds, at 6% interest, or less, maturing no later than 25

- years from the date of issue, to be used for the erection of Elementary and High Schools. The Act appointed A. R. Swann, R. C. Bell, Arthur Holtsinger, J. B. Hill, A. C. Parrott, A. J. Huggins, and Dr. D.J. McCarter, as a Building Committee to superintend the overall program along with the Board of Education. High Schools were to be located at Dandridge, White Pine, Jefferson City, and, New Market.
3. Private Acts of 1925, Chapter 128, amended Chapter 533, Private Acts of 1921, to allow the County Court of Jefferson County to use any funds not spent in the bond issue authorized by that act for High School purposes. These funds, if any, would be transferred by the Trustee to the credit of the High School Building Account.
 4. Private Acts of 1925, Chapter 501, authorized the Quarterly Court to issue no more than \$165,000 in bonds, at 5%, or less, interest, and to mature over a period not to exceed 25 years, in order to return the principal and interest on school bonds which had been expended on roads. The bonds were to be called the "Jefferson County High School Bonds", and involved schools to be located in the four cities named in the Act above. All essential details were recorded and the tax levy ordered.
 5. Private Acts of 1925, Chapter 792, allowed the city of Dandridge to issue \$15,000 in bonds to aid the Jefferson County Board of Education in erecting school buildings in Dandridge. The bonds were not to exceed 6% in interest rates, nor mature longer than 20 years from the issue date. All this was subject to approval by the people in a referendum election in Dandridge.
 6. Private Acts of 1935, Chapter 82, validated the actions of the Jefferson County Quarterly Court taken in connection with the issue and sale of \$6,000 in School Bonds, dated October 15, 1934, at 6% interest and maturing semi-annually on January 1 and July 1 of each year through 1946, all being declared as the legal and binding obligations of the County. A general tax for the sinking fund must be levied until all the bonds were paid.
 7. Private Acts of 1935, Chapter 486, permitted the issuance by the Jefferson County Quarterly Court of up to \$30,000 in bonds, at 5% interest, or less, maturing over a period not to exceed 25 years, to improve schools at Strawberry Plains, New Market, Jefferson City, and White Pine, at Dandridge, Talbott, Chestnut Hill, and such other schools as the court might direct. The Finance Committee would sell the bonds, the Trustee would keep the records, and the Board of Education would supervise the work.
 8. Private Acts of 1941, Chapter 544, authorized the County Court to issue no more than \$100,000 in bonds with which to set up vocational and educational schools in cooperation with the National Defense Training Program to train men and women for work therein. \$10,000 would be used for the building and quarters and \$100,000 for the machinery and the equipment. No referendum would be necessary prior to the issue of these bonds.
 9. Private Acts of 1947, Chapter 331, was the enabling legislation for the Quarterly court to issue and sell up to \$300,000 in bonds, at an interest rate not to exceed 3%, over a maturity schedule no longer than 40 years from the date of issue, to repair, improve, or build elementary and high schools in Jefferson County, and to furnish and equip the same. The bonds were to be general obligation bonds with the mandatory tax levy for the sinking fund and the proceeds could be mingled with those from the State and Federal Governments. All the essential details could be embodied in a Resolution to be adopted by the Court, and the County could join with a city to effectuate the program

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