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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,

The University of Tennessee
County Technical Assistance Service
226 Anne Dallas Dudley Boulevard, Suite 400
Nashville, Tennessee 37219
615.532.3555 phone
615.532.3699 fax
www.ctas.tennessee.edu

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authorized various bond issues for Jackson County is included below for reference purposes, although these acts are no longer current.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

Courthouse

1. Acts of 1903, Chapter 463, was the authority for the Quarterly County Court of Jackson County to issue \$17,500 in bonds, at an interest rate not to exceed 6%, and for a maturity period no longer than five years, to procure money with which to erect a new court house at Gainesboro. Interest coupons would be attached to the bonds, and all the essential details were incorporated in this Act, including the requirement of an additional tax levy to amortize the bonds. The Chairman of the County Court was required to keep the proper records.
2. Private Acts of 1927, Chapter 108, authorized the Chairman of the County Court to sell the interest-bearing warrants of the County in an amount up to \$40,000 for the purpose of building a courthouse. The warrants were at an interest rate of 6%, or less, and were payable over the next ten years at the Bank of Gainesboro. The proceeds were to be turned over to the County Trustee who would handle the funds and keep records, and be paid one half of one percent for so doing. The County Court was required to levy a special tax of six to sixteen cents per \$100 of property valuation until the warrants were paid off.

Debts

1. Private Acts of 1931, Chapter 190, stated in the preamble that Jackson County owed \$25,000 or more, in obligations, and the court deems it advisable to issue bonds in order to pay the same, this Act allows the Court to issue up to \$25,000 of the interest-bearing coupon bonds, at an interest rate not to exceed 5½%, the principal and interest being paid semi-annually at some bank in Nashville, or New York City. The form of the bonds was described in the law, the essential details and the required tax levy were also included.
2. Private Acts of 1931, Chapter 596, cited in the preamble that Jackson County owed debts up to \$25,000 for roads and other purposes, and that a Resolution was adopted by the Quarterly County Court asserting the wisdom of paying off these debts, this Act then authorized the court to issue up to \$25,000 in coupon bonds and apply the proceeds to the payment of these debts. The Trustee will disburse the funds and keep the appropriate records. The maximum rate of interest to be paid was 5½%, and the bonds would mature as the court should determine but not exceeding thirty years from date of issuance. These bonds would be the legal and binding obligations of the County for which a tax must be levied to pay.
3. Private Acts of 1933, Chapter 286, allowed the quarterly county court of Jackson County to issue up to \$20,000 in 5%, 30 year, bonds which would be redeemable after 20 years. All essential details were present, a tax levy was ordered, and the County Trustee would apply the proceeds to the payment of outstanding debts, excepting school warrants.
4. Private Acts of 1937, Chapter 157, validated, confirmed, and legalized all the prior proceedings of the Jackson County Quarterly Court which occurred at the meeting of the court on January 5, 1937, authorizing the issuance of \$25,000 in 3½% funding bonds, maturing at the rate of \$2,500 in January, 1938, and continuing annually until paid. All the debts to be paid were said to be the lawful and just debts of the county and the bonds issued hereunder to be the valid and general obligations of the county. The county chairman and the county court clerk would execute the bonds and handle all transactions. An annual tax levy was included.
5. Private Acts of 1941, Chapter 378, permitted the quarterly court of Jackson County to issue its interest bearing coupon bonds, or warrants, up to \$20,000 to provide the funds to pay any deficit existing as of April 1, 1941, in the ordinary funds, the Poor House Fund, and the Courthouse Funds. The bonds would be at 5%, or less, interest and mature no later than twelve years after. All essential details of valid bond legislation were present.

Hospital

1. Private Acts of 1947, Chapter 428, allowed the quarterly Court of Jackson County to issue up to \$150,000 in 4%, 20 year, bonds to construct and equip a hospital at or near the town of Gainesboro, all of the same being subject to the successful outcome in a public referendum held for that purpose under the general election laws of the State. If passed, the Court would then appoint a Hospital Construction Committee of five, or less, members, one of whom shall be a qualified physician. The Committee was vested with all the power and authority needed to

accomplish this purpose. After the completion of the hospital the Court would appoint a Committee of three to operate the facility, one of them being a qualified physician.

2. Private Acts of 1949, Chapter 722, ratified and confirmed all the proceedings of the quarterly county court at its regular session in January, 1949, with reference to the issuance of up to \$25,000 in bonds, to be used to supplement the \$150,000 bond issue, authorized by Private Acts of 1947, Chapter 428. This \$25,000 supplement shall be treated as part of the original bond issue and be subject to the same limitations and conditions expressed in that act.
3. Private Acts of 1951, Chapter 136, amended Private Acts of 1947, Chapter 428, to authorize the quarterly county court of Jackson County to lease the hospital for up to 15 years and thereby relieve itself of the obligation and cost of the hospital during the period of the lease.

Roads

1. Acts of 1909, Chapter 296, authorized an election after 20 days or within 10 years from the passage of this Act, upon the petition of at least 200 voters representing a minimum of \$100,000 in taxable property to ascertain the will of the people in issuing from \$60,000 to \$100,000 in interest-bearing coupon bonds, the specific amount to be stated in the petition, which would be used to locate, improve, drain, macadamize, change, and build public roads and bridges. If the outcome of the said election is favorable, the county court shall issue the bonds in accordance with the details specified in the Act, at interest rates from 4% to 6%, and for a maturity period not to exceed 30 years. There would be a five member Good Roads Commission, elected for two years, no two to be from the same Civil District, whose compensation would be fixed by the court and paid out of the bond funds. The commission would be sworn and bonded and select a chairman and secretary whose duties are specified. The county was divided into three road districts composed of whole civil districts, and not less than 25% of the money would be spent in each district.
2. Private Acts of 1911, Chapter 633, amended Acts of 1909, Chapter 296, by striking \$100,000 wherever found in the act and inserting \$150,000 in its place, so as to raise the limit on the amount of bonds which could be issued.
3. Private Acts of 1913, Chapter 158, amended Acts of 1909, Chapter 296, Section 14, by raising the maximum limit on the taxes the Quarterly Court could levy for road purposes from 35 cents to 75 cents per \$100 property valuation. The Act further amended Section 5 to confer upon the commissioners the discretionary power to employ competent foremen and to superintend the work personally to make sure the laborers and foremen perform their work in a satisfactory manner.
4. Private Acts of 1913 (Ex. Sess.), Chapter 108, authorized an election upon a petition by 500, or more, taxpayers, to see whether the court should issue up to \$100,000 in 6%, 30 year bonds, to repair, grade, build, and improve roads, the results of the election to be certified to the County Court. There would be a five member Good Roads Commission elected by the County Court for two years as was provided in the Act who shall supervise the expenditure of the funds in accordance with the allocations of percentages of funds to certain named roads. The commissioners would be sworn, bonded, and get \$1 per day, and ferriage, and the secretary would get \$50 per month. The commissioner was allowed to employ an engineer or other experts, as needed and execute essential contracts, holding 20% of total amount due until the work was completed. The commission was given the power of eminent domain and would furnish general and complete supervision.
5. Private Acts of 1915, Chapter 322, amends Private Acts of 1913 (Ex. Sess.), Chapter 108, in Section 6, by changing some of the roads specified to be improved in that Act, specifically the 2½% allocated to the sector of road lying on the north side of the Cumberland River.
6. Private Acts of 1927, Chapter 681, authorized the Jackson County Quarterly Court to issue up to \$400,000, in 5%, 40 year bonds, all subject to the successful outcome of a referendum, conferring the authority to sell and appropriate any amount which shall not exceed the doubling of any offer made by the State of Tennessee concerning the roads and bridges of Jackson County, or to satisfy the county's obligation on any agreement made with the State. The proceeds shall be deposited with the Trustee who shall keep appropriate records. An annual tax levy was authorized.

Schools

1. Private Acts of 1925, Chapter 111, called for an election to be held in Jackson County on April 25, 1925, to ascertain the will of the people concerning the issuance of \$35,000 in bonds to build a four year Central High School, the election to be held subject to the general election laws of the

State. If approved, the Court will issue the bonds immediately at a maximum interest rate of 5%, and at a maturity schedule not to exceed 30 years, redeemable in 15. The Court would decide on the best location for the school and proceed from there.

2. Private Acts of 1937, Chapter 717, allowed the Jackson County Court to sell its bonds in an amount up to \$100,000, at an interest rate of 5%, or less, to mature over a period not to exceed thirty years to purchase ground for, erect, equip, and furnish an addition to the Jackson County High School. The Board of Education was constituted as a Building Committee to organize and supervise the work.

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