



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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Table of Contents

Bond Issues - Historical Notes	3
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Bond Issues - Historical Notes

A listing of the acts which authorized various bond issues for Hickman County is included below for reference purposes, although these acts are no longer current. Also referenced below is an act which repealed prior law without providing new substantive provisions.

Debts

1. Acts of 1909, Chapter 76, was the legal authority for the Hickman County Quarterly Court to issue and sell up to \$50,000 in bonds, at an interest rate of no more than 4½%, and which would mature no later than 20 years from the date of issue. The purpose was to provide funds to pay off the outstanding debts of the county which consisted of bridge, jail, and other warrants which had been issued and unpaid. All the essential details of valid bond legislation were included in the act with the obligations that a tax levy be made each year to amortize the bonds and that proper and adequate records be kept of all transactions.
2. Private Acts of 1911, Chapter 94, was the enabling legislation for the quarterly county court of Hickman County to issue up to \$50,000 in bonds, at an interest rate not to exceed 5%, and to mature no later than 20 years from the date of issue, to furnish the money with which outstanding debts consisting of bridge, jail and other unpaid warrants could be liquidated. All funds were to be handled by the county trustee and the county judge was mandated to keep proper records. All the essential details were included in the act.
3. Private Acts of 1915, Chapter 197, allowed the Hickman County Quarterly Court to issue up to \$15,000 in bonds, at an interest rate of 5%, or less, which were to be amortized over a maturity schedule not to exceed 30 years, to provide the funds to pay off all the debts represented by bridge warrants. All details of the form of the bonds and the method of issue and sale were contained in the act. The trustee was to handle all the funds and the county judge was to keep proper records of same. A tax levy for the sinking fund was mandated, and if there was any surplus from the sale of said bonds, the same would be kept in the sinking fund.
4. Private Acts of 1927, Chapter 518, authorized the quarterly county court of Hickman County to issue the county's negotiable bonds up to \$32,000 at an interest rate of 5½%, or less, maturing over a schedule of \$2,000 annual payments until paid off. These funds would be used to refund some 6% courthouse warrants previously issued. All the essential details to issue general obligation bonds were contained in the act.
5. Private Acts of 1927, Chapter 831, allowed Hickman County's Quarterly County Court to issue and sell bonds in an amount not to exceed \$20,000, at an interest rate of 5½%, or less, which would be liquidated at the rate of \$2,000 annually for the purpose of paying off outstanding warrants. The bonds were to be general obligation bonds, the details of which were to be incorporated within a resolution of the court. The mandatory tax levy for the sinking fund was required.
6. Private Acts of 1929, Chapter 598, permitted the Hickman County Quarterly Court to issue up to \$50,000 in bonds, at a rate not to exceed 5½%, and to mature in 25 years or less, to retire certain outstanding debts of the county, evidenced by warrants. The effectiveness of this act depended upon its approval by the people voting in a referendum. All valid bond issue details were included in the act.
7. Private Acts of 1941, Chapter 103, ratified, confirmed, validated, and approved all the prior actions of the quarterly court of Hickman County in connection with the issue and sale of \$50,000 of funding bonds, dated January 1, 1941, at 3% interest, payable semi-annually on January 1 and July 1 of each year. These bonds were declared to be the general and incontestable obligations of the county, notwithstanding any lack of statutory authority for the issuance of said bonds.
8. Private Acts of 1945, Chapter 123, authorized the Hickman County Quarterly Court to issue and sell \$75,000 in bonds at a maximum rate of interest of 4%, maturing at a schedule to be set by the court, said bonds were to be sold by a committee made up of the county judge, county trustee, and county court clerk. The use of the proceeds was not to affect the legality of the bonds.

Municipal Building - Workhouse

1. Private Acts of 1935, Chapter 191, was the enabling law for the mayor and aldermen of Centerville to issue up to \$25,000 in bonds under the conditions stipulated in the act and for the purpose of matching a like amount from Hickman County with which to erect a County-Town Municipal or Work House Building. The interest rate was pegged at 5%, or less, and the maturity schedule at 20 years. The mayor and aldermen of Centerville and the quarterly court of Hickman

County had both adopted resolutions incorporating the above pursuant to a referendum in which three-fourths of the people voting approved the same.

2. Private Acts of 1935, Chapter 192, stated in the preamble the same facts reported in Item 1, above, insofar as they related to Hickman County. This act was the authority for the county to issue up to \$25,000 in bonds at a maximum interest rate of 6%, and a maturity schedule not to exceed 20 years. This act authorized the county judge to appoint a three-member committee to supervise the bond issue for the county, and also authorized the quarterly court to levy and collect a sufficient ad valorem tax on real property and a special privilege tax on businesses to pay the interest on the bonds.

Roads

1. Acts of 1909, Chapter 537, required that an election be held in the county to determine whether or not a bond issue not to exceed \$100,000 would be made to build turnpikes and otherwise improve public roads in Hickman County. A 20 day notice of the said election must be made which would be held under the general election laws of the state. The returns must be certified to the county judge by the election commission, and, if favorable, the judge would cause the bonds to be issued under the terms and conditions specified in the act, which included a maximum interest rate of 5%, and a mandatory tax levy to amortize the bonds. The county court would select the turnpikes to be built, or improved, but all of them must radiate from Centerville. The county court would appoint three commissioners to supervise all phases of the program who would make periodic inspections of the roads and report their status to the court.
2. Private Acts of 1913, Chapter 54, was the authority, subject to approval by the people in a referendum held for that purpose, to issue and sell up to \$200,000 in bonds, at an interest rate of 5%, or less, which would mature over a schedule not to exceed 50 years from the date of issue. The referendum ballot would contain simple "For Road Bonds" or "Against Road Bonds" votes. If the vote was favorable, the bonds were to be sold under the direction of the county judge, the county trustee, the county court clerk, and J. B. Walker and Sam Whitson, who were named in this bill. The act further designated a road commission. The commissioners could appoint a secretary at \$15 a month and draw \$1.50 per day for their own services. They could also hire an civil engineer who would be paid an amount not to exceed \$2,000 annually. Several roads were listed in the act on which these funds were to be spent first, and the engineer was obligated to issue specifications for each road which were to be strictly observed.
3. Private Acts of 1913, Chapter 240, amended Private Acts of 1913, Chapter 54, Section 5 (Item 2, above), by changing the time limit within which the required referendum was to be held on the question of the bond issue, from 40 days to 120 days, and by allowing people to vote in the election without a poll tax receipt. Section 13 was amended to give the road commission the power to select the roads which were to be improved, provided the commission gave the county court clerk at least twenty days' notice of the identity of these roads by filing a list of the same with him.
4. Private Acts of 1921, Chapter 955, was the enabling act for the quarterly county court of Hickman County (identified by the use of the 1920 Federal Census figures) to appropriate for the purpose of road construction and highway improvement any county money not otherwise set aside; and, if none was available, the court was empowered to issue short term notes, or bonds in the required amount of the appropriation. The amount of money borrowed, or bonds issued, could not exceed 3% of the total property values in the county. The details of the bond form and sale were included, including a maximum interest rate allowable of 6%, and a maturity schedule which was not to exceed 40 years. All the road work would be under the supervision of the quarterly court, which could appoint from three to five of their members to be in immediate charge. The commissioners were to be compensated at a rate of \$3 per day for each day devoted to these purposes. The detailed method of letting and supervising contracts and of acquiring rights-of-way were provided.
5. Private Acts of 1923, Chapter 200, expressly and entirely repealed Private Acts of 1921, Chapter 955.
6. Private Acts of 1933, Chapter 165, recited in the preamble that Hickman County owed large sums of money on bonds which had been previously issued for road purposes. This indebtedness had contributed greatly to a rise in property taxes which were overburdening the farmers. Since the county had a good road system which could be maintained by the gasoline tax, this act authorized the county trustee to take one-half of the gasoline tax funds and apply it to the payment of any deficit, or overdraft, in the account of the Hickman County Highway Commission. When this account was paid up to date, the trustee was to continue to apply these funds to the "Special

Sinking Fund" to pay off other bonds issued in the road programs

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