



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

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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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Bond Issues - Historical Notes

A listing of the acts which authorized various bond issues for Anderson County is included below for reference purposes, although these acts are no longer current.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 1915, Chapter 127, allowed the quarterly court of Anderson County to issue and sell up to \$75,000 in bonds, at an interest rate not to exceed 5%, and to mature no less than 10 nor more than 30 years from issue, to locate and build three bridges across the Clinch River in Anderson County. One of the bridges would be near the ferry on the Clinton-Andersonville Road known as Moore's Ferry, one at or near the ferry at Edgemore, and one in the city of Clinton near the ferry. All the essential details for a valid bond law were present, the general tax levy for the sinking fund was required to amortize the bonds, and the county trustee was directed to handle the money and keep proper records of all transaction.
2. Private Acts of 1915, Chapter 404, amended Private Acts of 1915, Chapter 127, above, to add another bridge to the three mentioned in the amended act which would be located at or near the Massengill Ferry. The three bridges named first in the act would be completed from the funds provided in the original act before this bridge would even be started and any funds which might remain after that could be devoted to the fourth bridge.
3. Private Acts of 1929, Chapter 559, was the enabling legislation for the quarterly court of Anderson County to issue up to \$50,000 in bonds, at an interest rate of 6%, or less, and to mature from ten to thirty years after issue, the proceeds of which would be used to locate, build, or repair bridges and to construct, or improve, their approaches in Anderson County. All details were present, the tax levy was mandated and the county judge was charged with keeping the records.
4. Private Acts of 1929, Chapter 608, validated, confirmed, ratified, and in all respects legalized all the prior proceedings that the quarterly court had in connection with the issue and sale of \$60,000 in bridge bonds, dated April 1, 1929, with an annual interest rate of 5 ¼%, payable in ten year increments of \$2,000 annually and \$4,000 annually. These bonds were declared to be the legal and binding obligations of the county despite any defect or lack of statutory authority. All the details of the form of the bonds and the method of issue were contained in the resolution adopted by the court. This act required the quarterly court to levy a tax to repay the bonds as long as any of them were outstanding.
5. Private Acts of 1931, Chapter 128, validated and confirmed all the prior actions of the quarterly court of Anderson County taken in connection with the issue of \$60,000 in bridge and jail bonds, dated January 1, 1931, and due in increments of \$5,000 from January 1, 1945, through January 1, 1956, at 5 ½% interest. The actions were legalized notwithstanding any defects of commission or omission, or of any lack of lawful authority at the time. They were declared to be general obligation bonds of the county and binding in all phases. The quarterly court was placed under the duty of levying a tax each year as long as any of their bonds were outstanding in order to redeem them when due.
6. Private Acts of 1931, Chapter 291, amended Private Acts of 1929, Chapter 559, above, so as to provide for the expenditure of \$24,600 in funds which remained unspent under the authority of that act. \$21,400 would be devoted to the construction and improvement of a road from the Morgan County line along a route described in the Act to Coal Creek. The remainder would be spent in graveling and grading a road starting at the bridge near Donovan, east of Oliver Springs, running up to Briceville by way of Laurel Grove. Work would begin no later than April 1, 1931, and be thereafter completed as soon as possible.

Courthouse

1. Public Acts of 1889, Chapter 208, permitted the Anderson County Quarterly Court to issue and sell up to \$25,000 in bonds at an interest rate not to exceed 6% and to mature at no less than three nor more than ten years, the proceeds of which would be used to erect a courthouse and jail. Interest coupons were to be attached to the bond forms as described in the Act and the quarterly court must levy a tax each year until all were repaid. The county trustee would collect the tax for which he must account as he would any other tax.

Debts

1. Public Acts of 1866-67, Chapter 41, Section 2, gave Hawkins County the authority to issue coupon

bonds, upon the approval by two-thirds of the justices, for the amount of the indebtedness of the county but no debt could be paid with these funds which was incurred during the Civil War. Section 2 of this act extended the same privilege, terms, and conditions of the act to the counties of Grainger, Claiborne, Campbell, Anderson, and Union.

2. Private Acts of 1897, Chapter 305, was the legal authority, subject to approval by the people in a referendum vote at time to be fixed by the court, to issue bonds to fund the outstanding debts of the county which would include some of both interest bearing and non-interest bearing warrants which were outstanding, due, and unpaid. The interest rate could not exceed 6%. The maturity period was set to 20 years but the bonds could be called in after ten years. Details were present, and the tax levy required. The county trustee was given authority to redeem any of the bonds before the ten year limitation provided funds were available to do so.
3. Private Acts of 1933, Chapter 345, allowed the quarterly court of Anderson County to issue up to \$60,000 in bonds to fund, pay off, and retire a like amount of its present outstanding warrants issued by the board of education. The interest rate was limited to 6% and the maturity schedule to 30 years. The bonds were made tax exempt from other governmental levels. The bonds could be used only for the purpose stated, must conform to the details of the issue stated in the act, and must be amortized according to the schedule stipulated.
4. Private Acts of 1939, Chapter 64, validated, ratified, and confirmed all the actions of the Anderson County Quarterly Court had in reference to the issue of \$84,000 in funding bonds, at an interest rate of three and three-quarters percent, dated February 1, 1939, and maturing in full no later than 1953. All the essential ingredients of a valid bond issue were present in the act or the ratified resolution.

Jail

1. Public Acts of 1891, Chapter 99, was the authority for the quarterly court of Anderson County to issue coupon bonds not to exceed \$10,000, at 6%, or less, interest, payable in 20 years, but redeemable in ten years, the proceeds of which would be used to build a jail. All the essential details were present, the tax levy was required for the general obligation bonds, and they could not be sold for less than par value.

Roads

1. Public Acts of 1901, Chapter 369, authorized the Anderson County Quarterly Court to conduct a referendum on the question of issuing \$100,000 in bonds, at 4% interest, or less, and to mature on a schedule no longer than 30 years, the proceeds of which would be used for no other purpose than to locate and build public roads. The details of the procedure to be used to hold the election were incorporated in the act. Adequate records must be kept and a tax levy made to amortize the bonds, if issued. The court would elect three commissioners who would produce the specifications for the roads and supervise the entire program. After appointment the commissioners would organize themselves and take charge of the program immediately. The commissioners were given the authority to employ an engineer and an assistant at an annual salary not to exceed \$900 and \$400 respectively, who must be sworn and bonded.
2. Acts of 1905, Chapter 229, expressly repealed Private Acts of 1901, Chapter 369, above, in its entirety.
3. Acts of 1905, Chapter 295, permitted the quarterly court to issue up to \$100,000 in 5% bonds, to mature on a schedule ranging from 7 through 30 years, the proceeds of which would be used to locate and build public roads in the county. Four roads which were to be built, or improved, were specified in this act with the requirement that work begin at each terminus and proceed towards the other. The county court would select three commissioners to supervise all phases of the program who would be paid the sum of \$400 for the chairman, \$300 for the secretary, and \$100 for the other members. All three must be sworn, bonded, could open, close, and change roads under certain conditions, must keep sufficient records, could execute contracts, and employ an engineer to assist them in the performance of their duties. Commissioners were to serve two years from their appointment.
4. Acts of 1907, Chapter 408, enabled the quarterly court of Anderson County to issue up to \$100,000 in bonds at an interest rate not to exceed 5%, and to mature between 10 to 30 years from the date of issue. The funds would be used to locate and build macadamized roads in the county with special attention being paid to the list of seven roads appearing in this act. \$5,000 was to be spent in Clinton, and \$1,500 in Oliver Springs. The county judge would keep the records and the county trustee disburse the money. The court would also appoint three commissioners and fix their compensation who would be sworn, bonded, and responsible for supervision of the program including all the contracts made in reference to it.

5. Acts of 1909, Chapter 287, authorized the quarterly court to issue up to \$100,000 in bonds, at a maximum 4 ½% interest rate, and over a maturity schedule of 20 to 30 years from the date of issue which would be used in building, repairing, improving and maintaining the roster of seventeen different roads prescribed in the act and on the sections of road mentioned. All the details requisite to valid bond law were incorporated and the essential tax levy required. The county court must appoint a road superintendent at a salary not to exceed \$1,200 per annum to supervise the project. The supervisor had the authority to hire an engineer at an annual salary of \$1,200, or less, who would be in charge of technical details, such as specification writing, soliciting bids and awarding contracts. The superintendent was charged with record keeping as well and could be removed for misfeasance or malfeasance in office.
6. Private Acts of 1911, Chapter 5, amended Private Acts of 1909, Chapter 287, above, so as to authorize and direct the quarterly court of Anderson County to use the unexpended funds allotted by that act to Road #8 on the roads specified in this law, thus adding these to the original road program.
7. Private Acts of 1915, Chapter 128, was the legislative authority for the Anderson County Quarterly Court to issue up to \$50,000 in 5%, twenty to thirty year bonds which would be used to locate, bed, grade, and macadamize the sections of the three roads described in the act. Funds were allowed to be used to defray all the expenses incidental to the above subject. Details of the procedures of the issue, the form of the bonds, and the mandatory general tax levy for the sinking funds were all incorporated. The act named S. T. Peters, W. B. Disney, and H. G. Dail as the road commissioners who would be in charge of selling the bonds and implementing the purposes of the issue. Peters was designated the superintendent at a rate of \$100 per month, Disney was the secretary at \$3 per day and Dail would be paid at the rate of \$2.50 per day.
8. Private Acts of 1915, Chapter 410, amended Private Acts of 1915, Chapter 128, above, by changing the wording to designate the commissioners as the pike road commission throughout the act. Section 12 was changed to keep funds separate and to be paid out only on the warrant of the county judge, or chairman, who would keep appropriate records. The claim for which any warrant was to be drawn must first be audited and approved by the road superintendent. The pike road commission was given the authority to condemn lands to acquire rights of way but must observe strictly all requirements of law.
9. Private Acts of 1917, Chapter 671, permitted the quarterly court to issue and sell up to \$50,000 in bonds, at no more than 5% interest, and to mature between ten and twenty years from issue, to repair and maintain pike roads in Anderson County. Essential details and the mandate for the sinking fund tax levy were included. The county judge would keep the records and the county trustee handle the money.
10. Private Acts of 1919, Chapter 416, was the legislative authority to allow the quarterly court of Anderson County to sell no more than \$100,000 in 5%, twenty to thirty year bonds, the proceeds of which were to be used to improve and repair the roads mentioned in the act, including the Sulphur Springs Road, and others. The county judge would do the record keeping, the county trustee would handle the funds, and the quarterly court was directed to levy a general tax as long as any of the bonds remained unpaid. The court would also elect two persons to be commissioners, who, along with the road superintendent, would constitute the commission which would have general supervision overall. All records were required to be audited quarterly.
11. Private Acts of 1920 (Ex. Sess.), Chapter 32, amended Private Acts of 1919, Chapter 416, Section 4, so as to increase the allowable maximum rate of interest to be paid on the bonds authorized by that act from 5% to 6%, all other conditions to remain the same.
12. Private Acts of 1921, Chapter 590, also was an amendment to Private Acts of 1919, Chapter 416, above. Section 6 of that act was altered to permit the use of bond funds on the Dixie Highway as that highway ran through Anderson County, and further, to allow the funds to be deposited in the sinking fund to replace other funds which were withdrawn for use on other roads which were listed in the original act.
13. Private Acts of 1921, Chapter 614, enabled the Anderson County Quarterly Court to issue and sell up to \$300,000, in the whole amount or partially as needed, at a maximum interest rate of 6%, and to mature no longer than 30 years from the date of issue, which money would be used to improve and repair old roads, and to build new roads as the court might direct. The county judge must keep records, the county trustee disburse the money, and the quarterly court levy proper tax rates to repay the bonds. The court would appoint two commissioners for two year terms to supervise the bond sale and the program. The Dixie Highway was specially mentioned and \$15,000 allocated to that portion of the Dixie Highway between Sulphur Springs and the Morgan

County line.

14. Private Acts of 1923, Chapter 646, amended Private Acts of 1921, Chapter 614, above, by deleting all of Section 11 of that act which reserved the \$15,000 for the particular segment of the Dixie Highway.
15. Private Acts of 1929, Chapter 133, amended Private Acts of 1919, Chapter 416, Section 6, by adding four more specific roads to the list to be improved and allotting the sum of \$21,000 to accomplish the same, all to be drawn from the funds originally authorized.
16. Private Acts of 1931, Chapter 472, allowed the quarterly court to issue \$65,000, with an annual interest rate of 6%, 25 year bonds to be disbursed by the county trustee in the amounts specified to be spent on each of the eleven roads catalogued in the act, all of which were to be rocked and graded, and the \$16,000 which was not allocated would be spent on roads generally in the amount and at those places to be determined by the quarterly court.
17. Private Acts of 1933, Chapter 583, was the enabling legislation for the quarterly court to adopt a resolution which would include all the essential details to issue and sell up to \$50,000 for the construction and maintenance of the roads connected with the Cove Creek Dam, but the bonds would be issued only in the event work on the dam was started, and then those roads to be changed would be selected by the Anderson County Highway Commission. The interest rate could not exceed 6%, nor the maturity period 20 years. The court was directed to lay the sinking fund tax.
18. Private Acts of 1941, Chapter 403, validated and ratified all the prior actions of the quarterly court held in connection with the issue of \$15,000 in bonds, at a 3% interest rate, payable through 1957, to purchase the essential rights of way needed for road improvements in the county. The bonds were dated on January 1, 1941, and were declared to be the uncontestable and general obligations of Anderson County.

Schools

1. Private Acts of 1935 (Ex. Sess.), Chapter 45, permitted the quarterly court to issue \$35,000 in bonds, at an interest rate of 5%, and to mature in 30 years which would be used for the improvement, construction, and equipping of school buildings either on its own or in conjunction with the federal government and the town of Coal Creek. The court was given authority to perform all deeds necessary to obtain a federal grant, and all the essential actions could be accomplished solely by resolutions of the court.
2. Private of Acts of 1941, Chapter 344, was the legal authority for the quarterly court of Anderson County, a majority being present at the time, to issue and sell \$30,000 in bonds, at an interest rate not to exceed 4%, which would be used to construct, improve, and equip school buildings in Anderson County. The bonds were general obligation bonds for the payment of which the full faith and credit of the county were pledged. The funds were to be kept in a separate account and used for no other purpose than those specified. They were declared exempt from taxation by other governments.
3. Private Acts of 1941, Chapter 423, allowed the quarterly court to issue and sell \$20,000 in bonds at 4% interest, or less, and to mature as the court might decide, to construct and equip a school building in Anderson County, to the payment of which the full faith and credit of the county were pledged. These bonds were made tax exempt and would be repaid by the general tax levy the quarterly court was directed to make each year for the sinking fund.
4. Private Acts of 1947, Chapter 182, enabled the quarterly court to issue and sell up to \$300,000 in bonds, at an interest rate of no more than 4%, and to mature no longer than 25 years from the date of issue, the proceeds of which would be kept separately and accurate records of all expenditures from them were required to be made. The money was for the purpose of building additions to, enlarge, repair, and improve schools of all classes and systems as the county board of education directed and determined. The finance committee of the court would supervise the bond sale.

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