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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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A listing of the acts which authorized various bond issues for Bedford County is included below for reference purposes, although these acts are no longer current.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. Private Acts of 1867-68, Chapter 71, authorized the Bedford County Quarterly Court to issue \$50,000 in bonds to rebuild the county courthouse which was destroyed by fire in 1863 (during the Civil War). No mention is made of a maximum rate of interest allowed but there is a maturity period of ten years specified.
2. Private Acts of 1935, Chapter 312, allowed the quarterly county court of Bedford County to issue \$170,000 in 5%, thirty year bonds with which to erect and furnish a courthouse in the city of Shelbyville. All the essential details are included for a valid general obligation bond issue as well as the requirement of a tax to be levied for the sinking fund to amortize the bonds.

Debts

1. Public Acts of 1866-67, Chapter 41, Section 3, permitted Hawkins County to issue coupon bonds for the amount of its debts, provided that two-thirds of the quarterly court vote to do so and also that no debt be paid which was incurred in aid of the rebellion. Section 3 extended the same privilege under the same conditions to Bedford and Marshall counties.

Hospital

1. Private Acts of 1919, Chapter 177, authorized the quarterly county court to issue \$25,000 in 5% bonds, with a permissible maturity schedule running from five to fifteen years, with all the essential details of the issue incorporated, to build, equip, and maintain a hospital in Shelbyville. The act created a board of control whose members would be elected by the county court for staggered terms of two, four, and five years, and who would be governed by such rules as may be from time to time promulgated by the court. The county judge, or chairman, would be a member of the board, and the county court clerk would serve as the clerk. The hospital would be built in memory of those who lost their lives during the World War I, and those veterans who were still living were entitled to free medical service and attention at this hospital.
2. Private Acts of 1947, Chapter 255, allowed the quarterly court of Bedford County to issue \$250,000 in bonds which would mature no later than thirty years, at an undisclosed rate of interest to acquire a site for, and to erect and equip a hospital in conjunction with neighboring counties, the city of Shelbyville, or any other agency of government which might have funding available. The bonds were declared to be general obligation bonds which would be exempt from taxation by other governments. All essential details were present in this act.

Roads

1. Private Acts of 1925, Chapter 678, recited that a \$200,000 bond issue had been sold in Bedford County to build certain roads, one of which had been built under the program, and now the remainder of the work on the other two was to be done by the state and there was a large unexpended surplus in the bond issue which under the law, could not be used except for the purposes stated in the enabling legislation. This act allowed the county court to spend the remainder of the funds to acquire turnpike companies, and, should any be left when this was done, to expend it on the other county roads.
2. Private Acts of 1941, Chapter 506, permitted the issuance by the quarterly county court of \$100,000 in bonds, at an interest rate not to exceed 3%, and to mature upon a schedule to be established by the quarterly court which would be used to purchase and acquire rights of way for any and all roads to be built in the county. The trustee would handle the money and be accountable therefor.

Schools

1. Private Acts of 1929, Chapter 717, recited in the preamble that the general assembly had authorized a Junior College of Middle Tennessee to be located in Shelbyville on the condition that the city would contribute \$50,000 to the program. It now appears that the whole project needs additional funds and that the same would be of great benefit to the people of Tennessee and of Bedford County. Therefore, the quarterly county court of Bedford County is authorized to issue and sell \$300,000 in 6%, thirty year bonds, to furnish the funds with which to acquire lands, buildings, and equipment for education, manual arts, agricultural and home economic studies. All

the details were fixed and the tax levy required.

2. Private Acts of 1939, Chapter 277, validated and legalized all the prior actions of the quarterly court of Bedford County taken in connection with the issuance of \$45,000 in school bonds, dated February 1, 1939, with interest at 2½%, payable semi-annually through 1955. The decisions of the court were ratified even though no authority existed at the time the action was taken. The full faith and credit of Bedford County were pledged towards their payment.

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