



April 02, 2025

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authorized various bond issues for Benton County is included below for reference purposes, although these acts are no longer current.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 1915, Chapter 376, permitted the Quarterly County Court of Benton County to issue \$30,000 in bonds, at an interest rate which could not exceed 5%, and payable at the rate of \$3,000 per year for the next ten years, to build and equip and furnish a new Courthouse for the county. All the essential details to make a bond issue valid were incorporated into the act, including a mandatory tax levy for the sinking fund. The County Judge was charged with keeping records of all transactions and the County Trustee with handling the money.

Debts

1. Private Acts of 1937, Chapter 237, validated and legalized all the prior actions taken by the Quarterly County Court of Benton County on January 16, 1937, and by the County Judge and County Court Clerk subsequently, in the issuance of \$65,000 in the bonds which had already been contracted at an interest rate of 2 3/4%, the bonds being due semi-annually until amortized. The form of the bond notes was incorporated into the law. The details were present, and the tax levy was ordered and the General Assembly stated that this law should settle and put all legal questions to rest. 2. Private Acts of 1949, Chapter 906, recited in the preamble that the Quarterly County Court of Benton County did on October 4, 1948, authorize the issuance of five notes adding up to \$24,000, at an interest rate of 2 3/4%, which were payable over the next six years, and that the court had no authority to do this at the time, therefore, this act ratifies, confirms, and renders lawful, and, in so doing, declares these notes to be the valid and bonding general obligations of the county. The court was instructed to advertise and sell these bonds to the highest and best bidder. The Trustee will apportion the money to those county accounts from which the \$24,000 was originally taken.

General

1. Public Acts of 1875, Chapter 56, declared that, due to the general scarcity of money, widespread crop failure, and acute destitution throughout, the poor people cannot be cared for. This act authorized the counties of Stewart, Montgomery, Houston, Dickson, Cheatham, Humphreys, and Benton, acting by and through their respective county courts to issue bonds, or to borrow money whereby to supply the wants and the needs of their citizens. The bonds, or loans could not exceed \$10,000, and the interest rate had to be 6%, or less, for which they could levy a tax. This act would expire in 1876, and the authority granted hereunder terminated. Anyone misappropriating funds was guilty of a felony and subject to imprisonment from two to five years, and a fine, as the court may direct.

Jail and Workhouse

1. Private Acts of 1947, Chapter 598, allowed the Quarterly Court of Benton County to issue \$25,000 in 3%, 30 year bonds, to erect, equip, and to furnish a county jail, or workhouse. All the details of the issue were specified and a tax levy to amortize the bonds was made mandatory.

Roads

1. Private Acts of 1913, Chapter 72, authorized the County Court to issue bonds in blocks of \$50,000, up to \$200,000, to locate, grade, bed, drain, and macadamize such public roads as may be designated by the County Court. Interest rates were not to exceed 5%, and the maturity schedule could extend from ten to thirty years. The efficacy of the law was subject to a referendum vote but a list of the roads to be repaired must be completed and published before the vote on the issue. If the referendum were in the affirmative, then the details and tax levy would be as stated in the act. The County Court would appoint three Highway Commissioners, one of whom could be designated Chairman, whose duties are enumerated in the act as to supervising and managing the projects, and coordinating them with other programs.

Schools

1. Private Acts of 1931, Chapter 60, authorized the Quarterly County Court of Benton County to issue \$60,000 in 6% bonds with which to acquire the lands and erect a central high school, at or near Camden. The County Court would establish the maturity schedule for the bonds but it could not exceed thirty years. A building committee was organized composed of the County Judge, the Chairman of the Board of Education, two members of the Board of Education selected by the

- others, and three from the County Court chosen by the other members. The details and tax levy were attended to in ordinary fashion.
2. Private Acts of 1931, Chapter 288, was the authority for the County Court to issue \$20,000 in 6% bonds to acquire the land, erect and equip a high school thereon at or near Big Sandy in Benton County. The County Court could fix the maturity schedule which could not exceed 30 years. A building committee composed as in the act above was provided, as well as the essential details and mandatory tax levy.
 3. Private Acts of 1931, Chapter 292, further permitted the issuance by the Quarterly County Court of Benton County of \$4,000 in 6% bonds, to erect on land now owned, or to be acquired, by the school system, and to equip and furnish a high school building near Eva in the 10th Civil District. The court could establish a bond maturity schedule up to five years in duration. The essential details and the tax levy were mentioned. The building committee would be made up of the Superintendent of Education, J. G. Fry, W. M. Pafford, and Laymon Cuff.
 4. Private Acts of 1931 (2nd Ex. Sess.), Chapter 18, allowed the Quarterly Court to issue by proper Resolution \$50,000 in bonds to pay off the outstanding school debts now due and owing and to pledge the full faith and credit of the county to the transaction. A finance committee of S. L. Peeler, H. H. Fray, and D. B. Thomas were named in the Bill. The bonds could bear interest at 6%, or less, and would mature at the rate of \$2,000 on July 1, 1933, and \$2,000 on July 1 every year following until paid. Adequate records were required of both the Finance Committee, the County Judge, and the Trustee.
 5. Private Acts of 1935, Chapter 372, allowed Benton County to borrow \$50,000 to be used exclusively for the construction of a public school building or buildings. The court could act by Resolution and could pay up to 5% interest, and establish any maturity schedule as would best suit the convenience of the county.
 6. Private Acts of 1935 (Ex. Sess.), Chapter 28, allowed the County Court by Resolution to issue \$5,500 in 5% bonds to construct a public school building in the town of Holladay, and the court shall prescribe therein the form, the details, and the maturity schedule for the bonds. These funds were strictly prohibited from being used for any other purpose.
 7. Private Acts of 1935 (Ex. Sess.), Chapter 39, stated that Benton County, acting in its corporate capacity and through its County Court, could issue \$7,500 in bonds, or interest bearing notes, to pay on the indebtedness still owing on the school buildings recently constructed in the town of Big Sandy, and to equip said structures. The interest rate could not exceed 5%, and the court could fix the maturity schedule and the form of the bonds by Resolution.
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