



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authorized various bond issues for Bradley County is included below for reference purposes, although these acts are no longer current.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 1911, Chapter 524, was the enabling act for the Quarterly Court of Bradley County to incur the obligation to assume and pay one-half of the cost of the bridge across the Hiwassee River at Charleston for the use of passenger vehicles and pedestrians but the amount to be paid in this regard could not exceed \$16,000, up to which amount bonds could be issued at an interest rate not to exceed 5%, and to mature from five years to thirty-five years after issue. All the essential details were included and a tax levy to amortize the bonds was mandated to the County Court.

Courthouse

1. Private Acts of 1889, Chapter 216, allowed the Quarterly Court of Bradley County, a majority of the Justices being present, to issue and sell up to \$50,000 in bonds, at an interest rate not to exceed 6%, and to mature within the discretion of the Court, the proceeds of which must be used to acquire land in Cleveland for a suitable site upon which to erect a new courthouse. The County Court Clerk was directed to keep accurate records of all transactions relative to the project. All details essential to a valid bond issue were included in the act which would not become effective until approved by the people in a referendum vote.
2. Private Acts of 1893, Chapter 162, permitted the Quarterly Court, provided three-fourths of them were present at the time the issue was voted, to sell and distribute up to \$25,000 in bonds at 6% or less, interest, which would mature from one to six years, to complete the Courthouse in Cleveland and to liquidate any outstanding debts in connection with it. All details were incorporated and a tax levy required.
3. Private Acts of 1929, Chapter 214, was the legal authority for the Quarterly Court of Bradley County, a majority of the Justices being present, to issue and sell up to \$60,000 in bonds, at 5% or less, interest, and to mature no longer than thirty years after issue, which would be used to remodel, repair, rebuild, and add to, and to refurbish the same where practical, the County Courthouse located in Cleveland and to improve and beautify the grounds. The issue must be approved first in a referendum.

Debts

1. Private Acts of 1923, Chapter 223, authorized the Quarterly Court of Bradley County to issue up to \$25,000 in 6%, thirty year bonds, which would be used to refund and buy up a like amount of bonds issued in 1899 which were coming due on September 1, 1923. All the essentials were present including the tax levy. The bonds to be refunded were apparently issued for road purposes and are reported on in that section.
2. Private Acts of 1923, Chapter 577, amended Private Acts of 1923, Chapter 223, by changing the due date of the bonds to be paid off in that Act from September 1, 1923 to September 1, 1924.
3. Private Acts of 1929 (Ex. Sess.), Chapter 30, was the permissive law to allow the Quarterly Court of Bradley County, a majority of the Justices being present, to issue up to \$100,000 in bonds, at an interest rate not to exceed 5½%, and to mature no later than twenty years from issue, which would be used to fund and redeem all the floating debts of the County due now, or becoming due within the next two years. The bonds would be the general obligation bonds of the County, all the essential details of which could be incorporated into a Resolution to be adopted by the court.
4. Private Acts of 1935 (Ex. Sess.), Chapter 116, authorized the Bradley County Quarterly Court to issue up to \$28,000 in 6%, twenty year bonds which would be used to pay off and refund a like amount of the outstanding bonds of the County issued under Chapter 424, Private Acts of 1901, for road purposes. These bonds were general obligation bonds for which the full faith and credit of the county were pledged, and which were required to be amortized by a general tax levy for the sinking fund.
5. Private Acts of 1935 (Ex. Sess.), Chapter 118, permitted the Quarterly Court to issue up to \$50,000 in bonds, at an interest rate of 6%, or less, and to mature no longer than twenty years after issue, which were the general obligation bonds of the county, and which would be used to

pay off and discharge a like amount of debts which were evidenced by warrants drawn on the county funds and the Cost and Board Bill Fund which were issued prior to the date of this Act. All essential declarations of valid bond laws were incorporated.

6. Private Acts of 1937, Chapter 848, allowed the Quarterly Court to issue up to \$50,000 in 6%, 20 year, bonds, to provide the funds with which to pay off and discharge the outstanding debts of the county which were represented by warrants drawn on the County Funds and the Cost and Board Bill Fund which debts were incurred and warrants issued prior to the passage of this law. These bonds were general obligation bonds, tax exempt, and no referendum was required prior to issue.
7. Private Acts of 1939, Chapter 37, validated and confirmed all the preceding actions of the Bradley County Quarterly Court taken in connection with the issue of \$18,000 in 4% bonds, to be paid from 1940 through 1945, and which would be used to pay off the outstanding pauper warrants of the county. The Bonds were made the general obligations of the County and all the requisite details concerning their issue were contained in this law.
8. Private Acts of 1939, Chapter 480, was the enabling law for the Quarterly Court of Bradley County to issue and sell up to \$125,000 in bonds, at a maximum interest rate of 5%, and a maximum maturity schedule of 30 years, to pay off and discharge all the debts outstanding and due which were evidenced by warrants heretofore issued on the County Fund, the Cost and Board Bill Fund, the Pauper Fund, and the High School Fund. These bonds could be converted into bonds at an interest rate lower than 5% at any time the chance to do so presented itself. After the passage of this Act it was declared to be illegal for any county official to expend funds beyond the amount of the proper budget allocation. All the essential details of a valid bond issue were included.
9. Private Acts of 1945, Chapter 165, declared that all the warrants drawn on the Pauper Fund Notes in Bradley County which were due and unpaid on January 1, 1945, were validated, legalized, and confirmed as genuine and binding debts of the county. The Quarterly Court was authorized to issue the bonds of the county in an amount sufficient to pay off all these debts in full with whatever interest might be owing for all of which the full faith and credit of the county were pledged. The interest rate could not exceed 3%, nor the maturity schedule go beyond 20 years. The bonds issued pursuant to the authority granted herein would be tax exempt.
10. Private Acts of 1945, Chapter 166, validated, ratified, and confirmed all the prior actions taken by the Bradley County Quarterly Court in reference to a bond issue of \$166,000 in refunding bonds which occurred on October 5, 1942, which were to be amortized as catalogued in the act and issued in conformity with all the detailed requirements therein. No interest rate and no particular maturity schedule were mentioned. The bonds were deemed to be the general and incontestable obligations of the county.
11. Private Acts of 1947, Chapter 318, validated, confirmed, and ratified the actions of the Quarterly Court in the issue of \$87,000 in Funding Bonds, at an interest rate of two and three-quarters percent, and which were scheduled to be amortized in 1966 and 1967. These bonds would be the general obligation bonds of the County and would be incontestable debts.

Hospitals

1. Private Acts of 1947, Chapter 846, was the authority for a bond issue of \$400,000 for a hospital. Since the administrative details of the operation and construction of the hospital were included in this Act, it has been dealt with under the section on Health in this volume.

Jail and Workhouse

1. Private Acts of 1923, Chapter 289, was the legal authority for the Bradley County Quarterly Court, a majority of the Justices being present, to issue and to sell up to \$35,000 in 6%, 30 year, bonds to remodel and repair the county jail, or for the erection of a new jail and its equipment, but not until the people had approved the bond issue in a referendum held prior to the date thereof. All the requisite details for a bond issue were contained in the Act.
2. Private Acts of 1935, Chapter 136, validated and ratified all the preceding actions of the Quarterly Court taken in connection with the issue of \$25,000 in bonds, dated September 1, 1934, and maturing from 1936 through 1960, at 4% interest, which were termed and constituted the "Jail Bonds", notwithstanding any defect or lack of statutory authority at the time. The election held in regard to the bond issue was likewise ratified and made legal. This Act granted the authority to the Quarterly Court to sell the bonds in accordance with the conditions established hereunder.

Roads

1. Acts of 1897, Chapter 159, let the Quarterly Court of Bradley County, a majority being present, issue and sell up to \$50,000 in bonds, at an interest rate not to exceed 6%, and with a maturity schedule no longer than thirty years from the date of issue which funds would be used to improve

- the seven public roads as they were listed in the act. The Quarterly Court would appoint three commissioners who were permitted to employ engineering assistance while they were supervising the entire program, on which progress reports must be submitted each quarter to the court. Bids could be solicited under specified conditions and contracts awarded to the best bidder meeting all the specifications. This act was repealed in Item Three below.
2. Private Acts of 1899, Chapter 79, amended Acts of 1897, Chapter 159, so that the Quarterly Court of Bradley County was further authorized to issue \$100,000 in bonds which would be devoted to the improvement and construction of the six roads enumerated in the act. Section 3 was amended to set the maximum interest rate at 6% and to terminate any maturity schedule at 30 years. All other terms and conditions to remain as they were. This act was repealed by the one following.
 3. Private Acts of 1899, Chapter 269, was the legal authority for the Bradley County Quarterly Court to issue up to \$100,000 in bonds at an interest rate of 5%, or less, and to mature at a time determined by the court between five and thirty years after issue, the proceeds of which were to be used to improve the seven roads listed in this Act. The court was directed to appoint three commissioners who must draw up maps and detailed plans for the entire program of improving the roads and furnish cost estimates on each one. The Justices would vote on the reports which, if adopted, would become parts of the minutes of the court. The Trustee would handle these funds, keeping accurate records of all transactions. Acts of 1897, Chapter 159, and Private Acts of 1899, Chapter 79, were both repealed.
 4. Private Acts of 1901, Chapter 424, allowed the Quarterly Court, if 16 of their members should so vote to issue up to \$86,000 in bonds, at interest rates of 5%, or less, and which would mature in 35, 40, and 45 years from the issue date. The Court must elect three commissioners to supervise the whole program and the projects involving the fifteen sections of highways listed in the Act on which the proceeds would be spent to improve. The Commissioners had the authority to employ such people as might be necessary to build, or improve, the subject roads. Commissioners would be paid \$1.50 per day for each day spent on this work. The Chairman of the County Court must keep accurate records of all receipts and expenditures and report the status of the same to the Quarterly Court every three months. A special tax was required to be levied to amortize these bonds and the surplus, if any, after the completion of this program would be turned in to the ordinary road funds.
 5. Private Acts of 1907, Chapter 265, allowed the issue and sale of bonds up to \$25,000 at 5%, or less, interest, and which would mature on a schedule from ten to thirty years, which would be used to improve and repair pike roads in the county.
 6. Private Acts of 1913, Chapter 119, permitted the Quarterly Court, a majority of the Justices being present, to issue \$100,000 in 5% bonds, payable annually, to improve, repair, and extend pike roads in the county, as specified.
 7. Private Acts of 1917, Chapter 667, was lawful authority to the Quarterly Court of Bradley County to sell up to \$6,000 in bonds to improve a certain road within the said county known as the "Old Alabama Road" leading from the farm of S.M. Johnson in a southerly direction to the James County line. The maximum interest rate was 6% and the maturity period was limited to ten years. Interest coupons were to be attached, a tax levy was mandated and all essential details inserted. The Court would elect three good citizens to be the Alabama Road Commission who would have full and exclusive authority to accomplish the purposes herein stated.
 8. Private Acts of 1917, Chapter 765, was the authority for the Bradley County Quarterly Court to submit to the citizens in a referendum the question of issuing up to \$100,000, or so much thereof as might be necessary, in bonds, at an interest rate of 5%, or less, and to mature no longer than 40 years from the date of issue, which would be used to locate, build, construct, or repair public roads and bridges in the said county. The ballot would simply be marked "For" or "Against". The Quarterly Court would elect a three member Board of Commissioners to supervise the program, whose compensation would be set by the court, who were to be sworn into office and placed under bond, and who would select their own Chairman and Secretary. No County Court member could serve on this Board.
 9. Private Acts of 1919, Chapter 507, allowed the Quarterly Court, a majority being present, to sell up to \$50,000 in bonds at 5%, or less, interest, and for a maturity schedule no longer than thirty years, to be used in grading, building, repairing and improving the road beginning at Cleveland and Georgetown Pike Road at or near William Barger's place and the Mount Zion Church which run to Cleveland and Chattanooga Pike Road near McDonald, by way of the White Oak School House, True Chapel, the Moore School, and the Salem Church.

10. Private Acts of 1939, Chapter 38, ratified, confirmed, and validated all the preceding actions of the Bradley County Quarterly Court had in reference to the \$15,000 bond issue for payment of rights of way notes for the county, dated December 15, 1938, at 3% interest, and falling due in the years 1940 through 1947. The action was approved to the same extent as if all the requisites had been in existence and operating at the time.
11. Private Acts of 1947, Chapter 538, allowed the Quarterly Court to sell up to \$150,000 in bonds which were scheduled to mature no later than twenty years from the date of issue which funds were to be used to acquire rights of way in Bradley County, which could be issued partly, or all at once, by the Court. No maximum limitation was placed on the interest rate although all other details were present.
12. Private Acts of 1949, Chapter 785, was the enabling Act for the Quarterly Court to issue and sell up to \$100,000 in bonds at interest not to exceed 4%, and to mature no later than 15 years from the issue date, all of which would be used to buy equipment and construct roads in Bradley County. The money would be deposited with the County Trustee and drawn on by the County Road and Pike Superintendent.

Schools

1. Private Acts of 1913, Chapter 208, permitted the Quarterly Court, a majority of the Justices being present, to issue \$10,000 in bonds, at 6%, or less, interest, and which would mature no longer than thirty years from the issue date, which money would be used to construct and equip an industrial and reform school in Bradley County. All details were inserted into the law and the sinking fund tax levy mandated.
2. Private Acts of 1913, Chapter 214, enabled the Bradley County Quarterly Court, if a majority were present, to issue up to \$50,000 in 5%, 30 year bonds with which to purchase a site, erect, and equip a high school in the County. The funds, to be known as the "High School Building and Equipment Fund" would be kept separately and used only for the purposes stated above.
3. Private Acts of 1917, Chapter 666, permitted the Quarterly Court to sell \$20,000 in bonds, at 5%, or less, interest, and for a maturity period of 30 years, or less, to pay off and satisfy the debts of the County incurred for running and maintaining the grammar schools of the County, for paying the teachers and the expenses incidental to the operation of the school system. Details of the bond form itself, and the mode of issue were contained in the Act.
4. Private Acts of 1921, Chapter 478, allowed the Quarterly Court to issue up to \$25,000 in 6%, 25 year, bonds to build a suitable High School Building at Flint Spring in Bradley County and to equip and furnish the same. The Act provided all the essential details and regulations and required the sinking fund tax levy.
5. Private Acts of 1921, Chapter 578, was the legal authority for the Quarterly Court to sell \$50,000 in 6%, ten to thirty year, bonds to buy the sites, erect, equip, and furnish High Schools in Bradley County, plus building additions to existing High Schools, if expedient and necessary. All the essential details were contained in the Act.
6. Private Acts of 1923, Chapter 215, authorized the Bradley County Quarterly Court to issue up to \$82,000, in bonds, at 6% interest, or less, which were to mature no longer than 30 years from date, the proceeds of which would be used to pay off and satisfy the county debts which were incurred because of the operation and maintenance of the grammar schools, for paying teachers, and for expenses incidental to the educational system. All the above was subject to approval by the people in a referendum.
7. Private Acts of 1923, Chapter 216, was a companion bill to Chapter 215, incorporating the same details and conditions expressed in that Act except the amount of bonds authorized was limited to \$18,000 and the money would be used for the same purposes on high schools instead of on grammar schools. This Act was subject to referendum approval by the people, also.
8. Private Acts of 1929, Chapter 172, was the legal authority for the Quarterly Court of Bradley County to issue and sell up to \$200,000 in bonds, at an interest rate not to exceed 5½%, and for a maturity period of 30 years, or less, the funds of which would be devoted to acquiring lands on which would be built high school buildings, or additions to existing high schools could be built and for equipping and furnishing the same. The Board of Education would determine the location of the schools, estimate the cost of the proposed improvements, and report the same to the Quarterly Court, together with a request that a referendum election be held under the general election laws and the results thereof be certified to the Court. All other necessary details were included in the law.
9. Private Acts of 1935, Chapter 456, authorized the County Judge and the County Court Clerk to sell

\$25,000 in bonds, due for recall and payment in 1936, 1937, 1938, 1939, and 1940. The form of the proposed bonds, the interest coupons, and the manner of issue were stipulated in the Act. The proceeds were to go to the County Trustee who would pay the City of Cleveland its pro rated share of the money based on the scholastic population and the remainder was to be devoted to the building and furnishing of the Big Springs School in the First Civil District. Substantial compliance in the Act's terms would be enough.

10. Private Acts of 1947, Chapter 539, allowed the Bradley County Quarterly Court to issue \$200,000 in bonds, without the necessity of holding a referendum, and regardless of any debt limitation, at an interest rate of 4%, and with a maturity schedule covering 25 years, to build a high school auditorium, gymnasium, and other buildings, or additions to existing buildings, and with or without Federal Aid of any sort. These bonds were to be general obligation, incontestable bonds and were declared tax exempt from all other levels of government.
11. Private Acts of 1947, Chapter 541, was the legislation which enabled the Quarterly Court of Bradley County, without resorting to a referendum, and without regard of any debt limitation, to issue and sell up to \$150,000 in 4%, 25 year, general obligation, incontestable bonds, which were also exempted from taxation, to build, equip, furnish and repair elementary school buildings in the county with or without Federal Aid of any sort. All other details of valid bond laws were included in the Act.

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