



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

November 22, 2024

Bonds

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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Bonds

Private Acts of 1965 Chapter 3

SECTION 1. That Hollow Rock-Bruceton Special School District in Carroll County, Tennessee, as created by Chapter 317 of the 1927 Private Acts of Tennessee, is hereby authorized to borrow money and issue its negotiable bonds therefor in the principal amount of not exceeding Two Hundred Twenty-three Thousand Dollars (\$223,000) for the purpose of refunding the outstanding School Bonds of said district dated March 1, 1960 and paying the necessary redemption premiums thereon. Said bonds shall bear interest at such rate or rates not exceeding six per cent (6%) per annum, payable annually or semi-annually, shall mature serially or otherwise in not exceeding thirty (30) years after date thereof and shall be subject to such terms of redemption, with or without premium, as may be provided by resolution of the Board of Education of said school district. Said bonds shall be in such form and of such denomination and shall be sold in such manner as the district Board of Education may provide by resolution, but in no event shall such bonds be sold for less than par and accrued interest. The district Board of Education is authorized and empowered to do and perform all acts which may be necessary or desirable in connection with the issuance and sale of said bonds. Said bonds shall be signed by the Chairman of said Board of Education and attested by the Secretary of said board and the coupons attached thereto shall be signed by the facsimile signatures of said officials. The proceeds derived from the sale of said bonds shall be deposited in a fund separate and apart from all other funds of said special school district and shall be used for no purpose other than the payment of principal of and redemption premiums on said outstanding School Bonds dated March 1, 1960, and the payment of incidental expenses incurred in connection with the issuance of said refunding bonds.

SECTION 2. That for the purpose of paying the principal of and interest and any redemption premiums on the refunding bonds herein authorized, there is hereby levied a continuing annual tax of One and ten-hundredths Dollars (\$1.10) on each One Hundred Dollars (\$100) worth of taxable property in said Hollow Rock-Bruceton Special School District, beginning with the year 1965 and continuing until said bonds have been paid in full as to both principal and interest. Said taxes shall be annually extended and collected by the county officials of Carroll County in the manner provided by the general law for the extension and collection of county taxes and shall constitute a lien on the property against which they are levied with like force and effect as do county taxes. The proceeds of said taxes, as collected, shall be placed in a special fund and shall be used solely for the purpose of paying principal of and interest and redemption premiums on the refunding bonds herein authorized.

As amended by: Private Acts of 1965, Chapter 32

SECTION 3. That the bonds herein authorized shall be exempt from all state, county and municipal taxation in the State of Tennessee.

SECTION 4. That if any one or more provisions of this Act or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid, the remaining provisions hereof and the application thereof to persons or circumstances other than those to which it is held to be invalid shall not be affected thereby.

SECTION 5. That all laws or parts thereof in conflict herewith are to the extent of such conflict hereby repealed.

SECTION 6. That this Act shall take effect from and upon its passage, the public welfare requiring it.

Adopted: January 27, 1965.

Private Acts of 1967-68 Chapter 318

SECTION 1. That Hollow Rock-Bruceton Special School District in Carroll County, Tennessee, as created by Chapter 317 of the 1927 Private Acts of Tennessee, is hereby authorized from time to time to borrow money and issue its negotiable bonds therefor in the aggregate principal amount of not exceeding two hundred thousand dollars (\$200,000.00) for the purpose of constructing, improving and equipping school buildings and additions thereto for said School District, together with the purchase of necessary sites in connection therewith. Said bonds shall bear interest at such rate or rates not exceeding six per cent (6%) per annum, payable annually or semiannually, shall mature serially or otherwise in not exceeding thirty (30) years after date thereof and shall be subject to such terms of redemption with or without premium, as may be provided by Resolution of the members of the Special School District Board. Said bonds shall be in such form and of such denominations and shall be sold in such manner as the members of said

Special School District Board may provide by Resolution, but in no event shall such bonds be sold for less than par and accrued interest. The Special School District Board is authorized and empowered to do and perform all acts which may be necessary or desirable in connection with the issuance and sale of said bonds. Said bonds shall be signed by the Chairman of said Special School District Board and attested by the Secretary of said Board, and the coupons attached thereto shall be signed by the facsimile signature of said officials.

SECTION 2. That for the purpose of paying the principal of and interest and any redemption premium on the school bonds herein authorized there is hereby levied a continuing tax of seventy-five cents (75¢) on each one hundred dollars (\$100.00) worth of taxable property in said Hollow Rock-Bruceton Special School District, beginning with the year 1968 and continuing until said bonds have been paid in full as to both principal and interest. Said taxes shall be annually extended and collected by the County officials of Carroll County in the manner provided by the general law for the extension and collection of county taxes and shall constitute a lien on the property against which they are levied with like force and effect as do county taxes. The proceeds of said taxes, as collected, shall be placed in a special fund and shall be used solely for the purpose of paying principal of and interest and redemption premiums on the school bonds herein authorized.

SECTION 3. That the bonds herein authorized shall be exempt from all state, county and municipal taxation in the State of Tennessee.

SECTION 4. That the bonds herein authorized shall not be issued until the issuance thereof has been ordered by a majority of the qualified voters of said district voting in an election called for such purpose by the Election Commissioners of Carroll County. The Election shall be held at the same time that the August, 1968 General Election is held for the County of Carroll, or in the event there is a general election held in Carroll County, Tennessee, prior to the August, 1968 general election, then the election may be held at this time, in either event, such election shall be held in the same manner and by the same officials as general elections are required to be held in Carroll County and notice thereof shall be given at least twenty (20) days prior to the date of said election by publication of an appropriate notice not less than one time in a newspaper of general circulation in such district. At such election the ballot shall state briefly the maximum amount of bonds to be authorized and the purpose for which such bonds are to be authorized and shall contain the words "for the issuance of bonds" and "against the issuance of bonds". Opposite each of said phrases shall be a hollow square and the elector shall indicate his vote "for the issuance of bonds" or "against the issuance of bonds" by inserting a mark in the square opposite the appropriate phrase. The Election Commission of Carroll County shall canvass the returns of such election and determine and declare in writing the results thereof. Such declaration shall constitute conclusive evidence of the results of said election. This Act shall have no effect unless the proposition to issue said bonds shall have been approved by a simple majority of the voters residing in the area embraced within the Hollow Rock-Bruceton Special School District voting in said election. But upon such approval of said proposition, this Act shall be deemed to have been approved by said voters and shall be in full force and effect. The Election Commission of Carroll County shall certify the approval or non-approval of this Act to the Secretary of State and to the Board of Education of the Hollow Rock-Bruceton Special School District. The qualification of voters shall be that as provided by the general election laws of this State.

SECTION 5. That all laws or parts thereof in conflict herewith are to the extent of such conflict hereby repealed.

SECTION 6. That the provisions of this Act are hereby declared to be severable. If any of its sections, provisions, exceptions, sentences, clauses, phrases or parts be held unconstitutional or void, the remainder of this Act shall continue in full force and effect it being the legislative intention now hereby expressed and declared, that this Act would have been adopted even if such unconstitutional or void matter had not been included therein.

SECTION 7. That this Act shall take effect upon its passage, the public welfare requiring it.

Passed: February 26, 1968.

Private Acts of 1969 Chapter 4

SECTION 1. Any and all actions and proceedings heretofore taken by the electors and the Board of Education of Hollow Rock-Bruceton Special School District in Carroll County, Tennessee, relating to the authorization and sale of not exceeding \$200,000 school bonds of said District authorized by Chapter 318 of the 1968 Private Acts of Tennessee, including without limitation the approval of the issuance of said bonds at a bond referendum held within said District on August 1, 1968, are hereby in all respects validated, ratified and approved notwithstanding any irregularities or defects of notice or such bond

referendum nor any other irregularities or defects whatsoever.

SECTION 2. That said school bonds to the amount of \$200,000 when issued and delivered in compliance with the proceedings heretofore taken and hereinabove in Section 1 validated, shall constitute the valid and binding obligations of Hollow Rock-Bruceton Special School District in accordance with their terms.

SECTION 3. That all laws or parts of laws in conflict herewith be and the same are hereby repealed, and that this Act shall take effect from and after its passage, the public welfare requiring it.

Passed: February 27, 1969.

Private Acts of 1977 Chapter 30

COMPILER'S NOTE: Unlike previous acts, the district is referred to throughout this act as "Hollow Rock Bruceton Special School District" without the use of a hyphen.

SECTION 1. Hollow Rock Bruceton Special School District in Carroll County as created by Chapter 317 of the Private Acts of Tennessee of 1927, as amended, is hereby authorized from time to time to borrow money and issue its negotiable bonds therefor in the aggregate principal amount of not exceeding one million one hundred thousand dollars (\$1,100,000.00) for the purpose of constructing, improving and equipping school buildings and additions thereto for said School District. These bonds shall bear interest at such rate or rates not exceeding six and one half percent (6 1/2%) per annum, payable annually or semi-annually, shall mature serially or otherwise in not exceeding thirty (30) years after date thereof, and shall be subject to such terms of redemption with or without premium, as may be provided by resolution of the members of the Special School District Board. The bonds shall be in such form and of such denominations and shall be sold in such manner as the members of the Special School District Board may provide by resolution, but in no event shall such bonds be sold for less than par and accrued interest. The Special School District Board is authorized and empowered to do and perform all acts which may be necessary or desirable in connection with the issuance and sale of said bonds. The bonds shall be signed by the chairman of the Special School District Board and attested by the Secretary of the Board, and the coupons attached thereto shall be signed by the facsimile signature of both officials.

SECTION 2. For the purpose of paying the principal of and interest and any redemption premium on the school bonds herein authorized, there is hereby levied a continuing tax of one dollar and eighty-five cents (\$1.85) on each one hundred dollars (\$100.00) worth of taxable property in the Hollow Rock Bruceton Special School District, beginning with the year 1977 and continuing until these bonds have been paid in full as to both principal and interest. The taxes shall be annually extended and collected by the county officials of Carroll County in the manner provided by and the general law for the extension and collection of county taxes and shall constitute a lien on the property against which they are levied with like force and effect as do county taxes. The proceeds of these taxes, as collected, shall be placed in a special fund and shall be used solely for the purpose of paying principal of and interest and redemption premium on the school bonds herein authorized.

SECTION 3. The bonds herein authorized shall be exempt from all state, county, and municipal taxation in Tennessee.

SECTION 4. The bonds herein authorized shall not be issued until the issuance thereof has been ordered by a simple majority of the qualified voters of the special school district voting in an election called for that purpose by the County Election Commission of Carroll County. Such election shall be held in the same manner and by the same officials as general elections are required to be held in Carroll County. Within thirty (30) days after this Act becomes a law, the County Election Commission of Carroll County shall call an election. Notice thereof shall be given not less than twenty (20) days, nor more than thirty (30) days, prior to that date of the election by publication of an appropriate notice not less than one (1) time in a newspaper of general circulation in the district. At the election the ballot shall state briefly the maximum amount of bonds to be authorized and the purpose for which such bonds are to be authorized and shall contain the provisions "For the issuance of bonds" and "Against the issuance of bonds". Opposite each of these provisions shall be a hollow square and the elector shall indicate his vote "For the issuance of bonds" or "Against the issuance of bonds" by a inserting a mark in the square opposite the appropriate provision. The County Election Commission of Carroll County shall canvass the returns of the election and determine and declare in writing the results thereof. This declaration shall constitute conclusive evidence of the election. This Act shall have no effect unless the proposition to issue the bonds shall have been approved by a simple majority of the voters residing in the area embraced within the Hollow Rock Bruceton Special School District voting in the election. Upon approval of the proposition, this Act shall be deemed to have been approved by the voters and shall be in full force and effect. The County Election Commission of Carroll County shall certify the approval or non-approval of this Act to the Secretary of State and to the Board of Education of the Hollow Rock Bruceton Special School District. The qualification

of voters shall be that as provided by the General Election Laws of Tennessee. All laws applicable to general elections shall apply to the determination of the approval or rejection of this Act. The cost of the election shall be paid by the Hollow Rock Bruceton Special School District.

SECTION 5. All laws or parts thereof in conflict herewith are to the extent of such conflict hereby repealed.

SECTION 6. The provisions of this Act are hereby declared to be severable. If any of its sections, provisions, exceptions, sentences, clauses, phrases or parts be held unconstitutional or void, the remainder of this Act shall continue in full force and effect, it being the legislative intention now hereby expressed and declared, that this Act would have been adopted even if such unconstitutional or void matter had not been included therein.

SECTION 7. For the purpose of approving this Act as provided in Section 4, it shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, it shall take effect upon being approved as provided in Section 4.

Passed: April 6, 1977.

Private Acts of 1996 Chapter 180

SECTION 1. Hollow Rock-Bruceton Special School District, located in Carroll County, Tennessee (the "District"), created by Chapter 317 of the Private Acts of 1927, as amended by Chapter 917 of the Private Acts of 1929, Chapter 56 of the Private Acts of 1941, Chapter 696 of the Private Acts of 1951, Chapter 195 of the Private Acts of 1955, Chapter 294 of the Private Acts of 1963, Chapter 125 of the Private Acts of 1963, Chapter 242 of the Private Acts of 1972, Chapter 128 of the Private Acts of 1975, Chapter 50 of the Private Acts of 1983, and Chapter 58 of the Private Acts of 1994, and all other Acts amendatory thereto, if any, (the "Act of Incorporation") is hereby authorized and empowered to issue and sell, by resolution of the Board of Education of the District, bonds in the aggregate principal amount of not to exceed five million seven hundred fifty thousand dollars (\$5,750,000) for the purpose of providing funds (i) for the construction, improvement, renovation, expansion, furnishing, fixturing and equipping of school buildings and facilities, and additions thereto, in and for the District, including the purchase of all property, real and personal, or interests therein, necessary in connection with said work; (ii) for the funding of all accounts and funds necessary and proper in connection with the issuance and sale of the Bonds as the Board of Education of the District shall determine; (iii) for the payment of interest on the Bonds during the period of construction and for six (6) months thereafter; and (iv) for the payment of all legal, fiscal, administrative, architectural, engineering, accounting and similar professional and other costs incident thereto and to the issuance and sale of the Bonds.

SECTION 2. The Bonds may be sold in one (1) or more series, may bear such date or dates, shall mature at such time or times, not exceeding thirty (30) years from their respective dated dates, may bear interest at a zero (0) rate or at such other rate or rates (which may vary from time to time), may be payable at such time or times, may be in such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium and may provide for the replacement of mutilated, destroyed or lost bonds, all as may be provided by resolution of the District's Board of Education. The Bonds shall be sold as a whole or in part from time to time in such manner as shall be provided by resolution of the District's Board of Education, but in no event shall the Bonds be sold for less than ninety-eight percent (98%) of par plus accrued interest (or, if all or any part of such Bonds is to be sold at a zero (0) rate of interest or at an original issue discount, such Bonds may be sold at not less than ninety-eight percent (98%) of the original reoffering price of such Bonds, plus accrued interest). The Board of Education of the District is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the Bonds and delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the Board of Education shall deem necessary and desirable.

SECTION 3. The Bonds shall be issued in fully registered form and shall be signed and sealed as provided in the Tennessee Public Obligations Registration Act and in the resolution adopted by the District's Board of Education authorizing the Bonds.

SECTION 4. So long as any of the Bonds shall remain outstanding and unpaid, the tax levied by authority of Chapter 30 of the Private Acts of 1977, as amended, shall continue to be levied at a rate which shall be hereby fixed at ninety-four cents (\$0.94) per one hundred dollars (\$100) of assessed value of real and personal property located within the District, effective as to said rate on January 1, 1996, for the 1996 tax year and each tax year thereafter. The rate hereinabove established may be adjusted from

time to time in accordance with the procedure set forth in Section 67-5-1704, Tennessee Code Annotated, relating to county-wide reappraisal. In addition, in the event the total assessed value of all property subject to the tax hereinabove described declines by more than ten percent (10%) from January 1 of any year to January 1 of the next succeeding year or declines by more than fifteen percent (15%) from January 1 of any year to January 1 of the second succeeding year thereafter, at the request of the Board of Education, the county assessor of property shall certify to the county trustee and the Board of Education of the District the total assessed value of taxable property within the District and furnish the county trustee and the Board of Education an estimate of the total assessed value of all new construction and improvements not included on the assessment roll of the base year and all deletions from the assessment roll of the base year. Upon receipt of said information and certifications, the county trustee shall adjust the tax rate established herein to an adjusted rate which is estimated to provide to the District the same tax revenue as was provided by said tax in the base year, exclusive of such new construction, improvements and deletions, in accordance with policies established by the State Board of Equalization pursuant to Section 67-5-1701(b), Tennessee Code Annotated, or any successor thereto. Said taxes shall be used exclusively to pay principal of and interest on the Bonds authorized herein and any other indebtedness of the District as they come due and to maintain debt service fund balances. The Board of Education is hereby authorized to pledge such taxes to pay the principal of and interest and any redemption premiums on the Bonds and any other indebtedness of the District. The taxes shall be annually extended and collected by the County Trustee of Carroll County in the manner provided by general law for the extension and collection of County taxes and shall constitute a lien on the property against which they are levied with the like force and effect as do County taxes. The proceeds of said taxes, when collected, shall be deposited to a debt service fund to be established and maintained by the District. The debt service fund is established for the specific purpose of receiving the taxes authorized herein and any other funds which may from time to time be pledged to the payment of indebtedness of the District. The debt service fund and the funds therein shall be maintained and accounted for until payment in full of all outstanding obligations of the District and shall be used for the purpose of paying principal of and premium, if any, and interest on the Bonds and any other indebtedness of the District. In the event property taxes and such other funds as shall be pledged to the payment of the indebtedness of the District are not sufficient to pay principal thereof and interest thereon when due, the District shall apply funds from operations or other available funds of the District to the payment thereof. So much of the surplus arising from the tax hereinabove described and not required for the payment of debt service on outstanding obligations of the District may be used, at the discretion of the Board of Education of the District, for the construction, improvement, renovation, expansion, furnishing, fixturing and equipping of school buildings and facilities, and additions thereto, in and for the District, including the purchase of all property, real and personal, or interests therein, necessary in connection with said work.

SECTION 5. The Board of Education is authorized to pledge to the payment of the Bonds all or a portion of (a) any funds received by the District under the Tennessee Basic Education Program available to be used for capital outlay expenditures, as set forth in Section 49-3-351 et seq., Tennessee Code Annotated, and related sections; (b) its share of the Local Option Sales and Use Tax now or hereafter levied and collected in Carroll County, Tennessee, pursuant to Section 67-6-712, Tennessee Code Annotated; and (c) any other funds received from the State of Tennessee, or any of its authorities, agencies or instrumentalities, for school purposes and available to be used for capital outlay expenditures.

SECTION 6. The Bonds, and all income therefrom, shall be exempt from all state, county and municipal taxation in the State of Tennessee, except inheritance, transfer and estate taxes and except as otherwise provided by applicable law.

SECTION 7. The District is further authorized, by resolution of the Board of Education, to borrow money and issue its bonds for the purpose of refunding the Bonds authorized herein, at or prior to maturity, in whole or in part, at any time, in accordance with the terms hereof.

SECTION 8. The District is further authorized, by resolution of the Board of Education, to issue and sell notes of the District in anticipation of the issuance of the Bonds authorized herein. The notes may be sold in one (1) or more series, may bear such date or dates, shall mature at such time or times, not exceeding three (3) years from their respective dated dates, may bear interest at such rate or rates (which may vary from time to time), may be payable at such time or times, may be in such denominations, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment at such place or places, may be subject to such terms of redemption, with or without premium, and may provide for the replacement of mutilated, destroyed or lost notes, all as may be provided by resolution of the Board of Education. The notes shall be sold as a whole or in part from time to time in such manner as shall be provided by resolution of the Board of Education. The Board of Education of the District is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the notes

and delegate the power to consummate all such acts and execute and implement all such agreements on its behalf as the Board of Education shall deem necessary or desirable.

SECTION 9. If any provision(s) of this Act or the application thereof shall be held by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Act and the application of such provisions shall not be affected thereby, shall be enforced to the greatest extent permitted by law and are declared to be severable.

SECTION 10. This Act shall take effect upon becoming a law, the public welfare requiring it.

Passed: April 18, 1996.

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