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Private Acts of 1996 Chapter 180

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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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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 (\$.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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