



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

July 03, 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 1978 Chapter 210

SECTION 1. Chapter 146 of the Private Acts of 1977 is repealed.

SECTION 2. The South Carroll County Special School District, as created by Chapter 278 of the Private Acts of 1955, is hereby authorized to issue its negotiable bonds in an aggregate principal amount not exceeding three hundred and fifty thousand dollars (\$350,000) for the purpose of constructing, repairing, improving and equipping school buildings and additions thereto for said school district, and acquiring all property, real and personal, appurtenant thereto or connected with such work. Said bonds shall bear interest at such rate or rates not exceeding eight per cent (8%) 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 Board of Education of said school district. Said bonds shall be in such form and of such denominations and shall be sold in such manner as the Board of Education may provide by resolution, but in no event shall such bonds be sold for less than par and accrued interest. The 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 the Board of Education with his manual or facsimile signature and attested by the Secretary of said board with his manual signature, and the coupons attached thereto shall be signed with the facsimile signatures of said officials. The Board of Education may by resolution provide for the official seal of said district or a facsimile thereof to be impressed or reproduced upon each of said bonds.

SECTION 3. For the purpose of paying the principal and interest and any redemption premium on the school bonds herein authorized there is hereby levied a continuing annual tax of one dollar (\$1.00) on each one hundred dollars (\$100.00) worth of taxable property in said South Carroll County Special School District, beginning with the year 1978 and continuing until said bonds have been paid in full as to both principal and interest. Said tax 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 and interest and redemption premiums on the school bonds herein authorized.

SECTION 4. The bonds herein authorized shall be exempt from all state, county, and municipal taxes.

SECTION 5. The bonds herein authorized shall not be issued until the issuance thereof has been approved by a majority of the registered voters of said district voting at an election called for such purpose by the County Election Commission of Carroll County pursuant to the request of the Board of Education of said district. 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 in the manner required by Title 2, Tennessee Code Annotated, for elections held on questions in Carroll County. At such election the proposition being submitted to the registered voters of said district shall appear in the form of a question and shall briefly state the maximum amount of bonds to be issued and the purpose for which such bonds are to be issued and shall be followed by the words "Yes" and "No" so that a voter can vote his preference by making a cross mark (X) opposite the proper word. The County 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 said election. If a majority of the registered voters of said district voting at any election vote against the issuance of the bonds herein authorized, no subsequent election may be held for such purpose within one hundred and eighty (180) days succeeding the date of such election.

SECTION 6. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this Act are declared to be severable.

SECTION 7. All laws or parts of laws in conflict herewith are, to the extent of such conflict, repealed.

SECTION 8. This Act shall take effect upon becoming a law, the public welfare requiring it.

Passed: March 6, 1978.

Private Acts of 2008 Chapter 82

SECTION 1. The South Carroll County Special School District, located in Carroll County, Tennessee (the "District"), created by Chapter 278 of the Private Acts of 1955 of the State of Tennessee, as amended, by Chapter 258 of the private Acts of 1959, by Chapter 112 of the Private Acts of 1961, by Chapter 301 of the Private Acts of 1972, by Chapter 179 of the Private Acts of 1975, by Chapter 146 of the Private Acts of 1977, by Chapter 210 of the Private Acts of 1978, by Chapter 145 of the Private Acts of 1981, by Chapter 285 of the Private Acts of 1982, by Chapter 65 of the Private Acts of 1985, by Chapter 130 of the Private Acts of 1986, Chapter 108 of the Private Acts of 1995 and by Chapter 2 of the Private Acts of 2001, and any other Acts amendatory thereto (the "Act of Incorporation"), is hereby authorized and empowered to issue and sell to the United States of America, acting through Rural Development, by resolution of the Board of Education of the District, an installment bond in the principal amount of not to exceed two million six hundred ninety-four thousand dollars (\$2,694,000) for the purpose of providing funds for the (i) construction, improvement, renovation, expansion, furnishing, fixturing and equipping of a gymnasium, in and for the District, including the purchase of all property, real and personal, or interests therein, necessary in connection with said work, (ii) funding of all accounts and funds necessary and proper in connection with the issuance and sale of the bond as the Board of Education of the District shall determine, (iii) payment of capitalized interest during the period of construction, and (iv) 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 bond.

SECTION 2. The bond shall be sold to the United States of America, acting through Rural Development, as a fully registered installment bond, without coupons, at a rate not to exceed four and one-eighth percent (4.125%) per annum and payable in four hundred fifty-six (456) consecutive monthly installments of principal and interest.

SECTION 3. The bond 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 bond.

SECTION 4. For the purpose of paying principal of and interest on the bond herein authorized and any other indebtedness of the District, there is hereby levied, in addition to any tax currently being levied within the boundaries of the District for the benefit of the District, a property tax of thirty-one cents (\$0.31) on every one hundred dollars (\$100) of real and personal proeprty located within the District, such tax to be effective for the 2008 tax year and each tax year thereafter that the bond remains outstanding. Said rate is established to provide tax revenues sufficient to pay principal of and interest on the bonds as they come due. If at the time of issuance, the annual debt service requirements on the bonds should be less than anticipated by the establishment of the tax rate herein, the tax rate levied by this Section 3 shall be reduced to a rate which will produce tax revenues in an amount sufficient to pay debt service on the bonds. The rate hereinabove established may be adjusted from time to time in accordance with the procedure set forth in Tennessee Code Annotated, Section 67-5-1704, 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 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 Tennessee Code Annotated, Section 67-5-1704(b), or any successor thereto. Said taxes shall be used exclusively to pay principal and interest on the bonds authorized herein and any other indebtedness of the District as they become due and to maintain debt service fund balances. The Board of Education is hereby authorized to pledge such tax to pay the principal of an interest 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. In the event the 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. Any surplus

arising from the tax hereinabove described and not required for the payment of debt service on outstanding obligations of the District shall first be used to fund any debt service reserve fund established by the Board of Education, and may thereafter 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, and the purchase of school buses and school transportation equipment, and all other operations and maintenance of schools in the District.

SECTION 5. The Board of Education is authorized to pledge to the payment of the bond all or a portion of (i) any funds received by the District under the Tennessee Basic Education Program available to be used for capital outlay expenditures, as set forth in Tennessee Code Annotated, Section 49-3-351, et seq., and related sections, (ii) its share of the local option sales and use tax now or hereafter levied and collected in Carroll County, Tennessee, pursuant to Tennessee Code Annotated, Section 67-6-712, and (iii) 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 bond, 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 bond or bonds for the purpose of refunding the bond 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 bond authorized herein. The notes 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 of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of his act are declared to be severable.

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

Passed: April 3, 2008.

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