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Chapter III - Bond Issues

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which authorized various bond issues for Clay County is included below for reference purposes, although these acts are no longer current. Also referenced below is an act which repeals prior law without providing new substantive provisions.

General

1. Private Acts of 1923, Chapter 615, made it unlawful for the County Court of Clay County to issue bonds for any purpose whatsoever until the question had been submitted to the vote of the electorate, and approved by a majority provided, also, that authority existed for the proposed bond issue. Elections under this act would be held in accordance with general election laws.

Debts

1. Private Acts of 1929 (Ex. Sess.), Chapter 49, authorized the Quarterly County Court of Clay County to issue \$50,000 in 6%, 25 year bonds to discharge and pay off the outstanding debts of the county as they were evidenced by warrants issued prior to the act. The forms and details of the bonds were written in the act and provision made for the tax levy for the sinking fund.
2. Private Acts of 1935, Chapter 779, allowed the County Court to issue \$25,000 in 5% bonds with no maturity schedule being specified to pay the outstanding indebtedness of the County including general county warrants, school warrants, accounts, and votes. Details of the issue were fairly well stated and sinking fund tax levy provided.
3. Private Acts of 1937, Chapter 322, permitted a bond issue of \$65,000 in 5%, 20 year bonds by the Quarterly County court which would be used to retire and redeem valid obligations of the county for general county and school purposes. The details were to be supplied by Resolution of the Court and a Committee composed of the County Judge, the County Court Clerk, and G. B. Johnson would advertise and sell the bonds.
4. Private Acts of 1941, Chapter 379, validates all the prior proceedings of the County Court in passing a Resolution which authorized the sale of \$123,000 in bonds on April 4, 1938. No other details are furnished other than those mentioned here except the validation language is repeated twice.
5. Private Acts of 1941, Chapter 514, recites that in order to place the fiscal affairs of Clay County on a cash basis, the County Court is authorized to issue at one time or from time to time, in order to fund any and all warrants, judgments, or other debts of the county, including those of the Highway Department, bonds not to exceed \$50,000 at one time with maximums of 6% interest, and 30 year maturity periods. The details of the issue, the tax levy required, and the requirement that accurate records be kept are all stated in the Act.

Roads

1. Private Acts of 1909, Chapter 552, stated that subject to the successful outcome of a referendum election which could be initiated by a petition from citizens representing \$100,000 in property, the Quarterly County Court could issue up to \$100,000 in bonds to build turnpikes or otherwise improve public roads. A schedule of maturity dates for 5 to 25 years, and of interest rates of 4% of 5%, plus the details essential to the issue are all written out in the act. Three Commissioners from the County Court would be the "County Turnpike Commission" whose duties and compensation were specified. The roads to be built or repaired would radiate from Celina.
2. Private Acts of 1917, Chapter 688, declared that on petition of 100 taxpayers, an election would be held within two years on whether to issue up to \$98,000 in bonds to improve, drain, macadamize, change, build, and maintain public roads and bridges as specified in the law. The people would vote "For Good Roads" or "Against Good Roads." A Court Committee of three members would sell the bonds at 6% or under and for 30 years or under. Then a "Good Roads Commission" would be organized consisting of nine members from the various civil districts, two each, and one at large. Lafayette Birdwell, Benton McMillen, Jr., M. J. Kyle, W. Clay Hall, E. S. Young, Sam Keisling, Champ William, M. R. Hargrove, and W. L. Brown were on the first

committee. A list of roads to be improved or built was contained in one section of the law.

3. Private Acts of 1921, Chapter 901, amended the act above, Chapter 688, Acts of 1917, in Section 18 by repealing the paragraph in that Section which required a pro rata allocation of bond money to the roads approved for improvement with State and Federal Assistance when compared to the total miles of roads listed in the law.

Schools

1. Private Acts of 1951, Chapter 563, allowed the County Court to issue \$250,000 in 4% bonds, or less, with no maturity schedule, to erect, repair, or otherwise maintain school buildings. The Trustee would receive $\frac{1}{4}$ of one percent commission for bonding the money. All details are written into the act and an additional tax levy required to replenish the sinking fund.

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