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Bond Issues - Historical Notes

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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A listing of the acts which authorized various bond issues for Coffee County is included below for reference purposes, although these acts are no longer current.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.

Courthouse

1. Private Acts of 1949, Chapter 191, authorized a bond issue of \$500,000 for the construction of a courthouse upon approval by the voters. The maximum interest rate on these bonds was set at 4% per year, and they would mature within 30 years. This act also provided for the election of a five member Courthouse Building Committee to supervise its construction. Provision for an annual tax levy was included.

Debts

1. Private Acts of 1931, Chapter 86, authorized the County Court to borrow \$20,000 and to issue interest bearing notes for the payment of outstanding indebtedness from acquiring land for highway purposes. These notes were to bear interest of not more than 6% per year and were to mature within 3 years. Provision for a tax levy was included.
2. Private Acts of 1939, Chapter 215, authorized the Coffee County Quarterly Court to issue coupon funding bonds in the amount of \$65,000 for the payment of past indebtedness. The interest rate and maturity date of these bonds were to be determined by the County Court, but the interest rate was limited to 4% per annum. Provision for an annual tax levy was included.
3. Private Acts of 1943, Chapter 359, authorized a bond issue for outstanding floating indebtedness in an amount of not more than \$50,000 with a maximum interest rate of 4% and a maturity date within thirty years from the date of issuance. Provisions for an annual tax levy were included.
4. Private Acts of 1943, Chapter 360, provided that all warrants which are evidences of indebtedness against Coffee County shall bear interest at the rate of 6% per annum from the date of their registration or from the date on which this Act becomes effective, whichever is the latter date. This Act was both retroactive and prospective in its application.

Parks

1. Private Acts of 1937, Chapter 731, authorized a bond issue of up to \$35,000 to be issued for acquiring park lands, with a maximum interest rate of 5%. A tax levy was required.

Roads

1. Private Acts of 1907, Chapter 321, provided for an election to determine if road bonds of \$150,000 should be issued with a maximum interest rate of 5% per annum, payable \$50,000 in 15 years; \$50,000 in 25 years and \$50,000 in 35 years from the date of issuance. A tax levy was mandated to create a sinking fund. The Act further provided for an additional issuance of \$100,000 in bonds to mature \$50,000 in 20 years and \$50,000 in 30 years. This issue was also subject to the results of a referendum. This Act was repealed by Private Acts of 1909, Chapter 4.
2. Private Acts of 1941, Chapter 409, authorized a bond issuance of \$30,000 for the purchase of rights-of-way for highways, with a maximum interest rate of 3% per annum, to mature within twenty years. Provisions for a tax levy were included.
3. Private Acts of 1949, Chapter 130, authorized the Coffee County Quarterly Court to issue interest bearing coupon bonds of up to \$250,000 for constructing, building, maintaining, and repairing primary and secondary roads and bridges, upon approval by a majority of the qualified voters. These bonds were exempted from taxation by the State or any County or municipality of this State. The interest was limited to 4% per annum and they must mature within 20 years of the date of issuance.
4. Private Acts of 1951, Chapter 273, authorized a general obligation bond issue of up to \$50,000 for purchasing rights-of-way for State and County Highways in Coffee County. These bonds could mature either serially or all at once, as determined by the Quarterly County Court, and were to have a maximum interest rate of 4%, and a maturity limited to 30 years. Provision for a tax levy was included.

Schools

1. Private Acts of 1921, Chapter 685, authorized Coffee County to issue bonds in an amount up to \$50,000 to retire past due school warrants and other past due school indebtedness of the County. The bonds had a maximum interest rate of 6% per annum and were to mature within 5

years from the date of issuance. Provisions for a tax levy were included.

2. Private Acts of 1937, Chapter 730, authorized a bond issue of \$100,000 for constructing school buildings. These bonds were be issued in denominations of \$1,000 each with the interest rate limited to 5% per annum and the maturity date limited to 20 years. The Court was empowered to borrow up to \$100,000 and then issue these bonds pledging the credit of the county. A tax levy was mandated.
3. Private Acts of 1951, Chapter 274, authorized a general obligation bond issue of up to \$75,000 for the payment of floating indebtedness incurred in the operation of the schools. These bonds were to mature within thirty years with a maximum interest rate of 4%. Provision for a tax levy was included.

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