



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

March 31, 2025

Chapter III - Bond Issues

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,

The University of Tennessee
County Technical Assistance Service
226 Anne Dallas Dudley Boulevard, Suite 400
Nashville, Tennessee 37219
615.532.3555 phone
615.532.3699 fax
www.ctas.tennessee.edu

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Chapter III - Bond Issues

Bond Issues - Historical Notes

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authorized various bond issues for Wilson County is included below for reference purposes, although these acts are no longer current.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

Debts

1. Private Acts of 1929, Chapter 392, was the authority for the Wilson County Quarterly Court to borrow in its corporate capacity for the use of the County sums of money, the aggregate principal of which could not at any time exceed \$300,000, which would be used to pay off existing indebtedness and to meet current operational expenses in anticipation of current revenues. The note or notes evidencing the indebtedness shall bear interest at a rate not exceeding 6% and would mature when the county has sufficient tax revenue to pay off the same. The Quarterly Court must declare the necessity for the same and authorize the issue by Resolution of the Court.
2. Private Acts of 1929, Chapter 690, was the enabling legislation for the Quarterly Court of Wilson County, a majority being present and in favor, to issue and sell up to \$300,000 in coupon bonds, at an interest rate not to exceed 5%, and to mature no later than 30 years from the date of issue, the proceeds of which would be used to pay off the floating indebtedness of the county, plus interest, which were evidenced by warrants on the County, heretofore issued and otherwise due and unpaid. All the essential details would be contained in the Resolution to be adopted by the Court. A special tax levy was required to be levied which would amortize the bonds over the prescribed maturity period.
3. Private Acts of 1933, Chapter 68, authorized the Wilson County Quarterly Court to settle and pay off the outstanding indebtedness of the County, both principal and interest, as were evidenced by county warrants, for which purposes coupon bonds could be issued and sold in an aggregate amount not to exceed \$100,000. The interest rate on the bonds could not be greater than 5½%, nor the maturity period longer than 30 years from the issue. All details could be incorporated into a Resolution and the Quarterly Court must levy a tax to pay off the bonds

Hospital

1. Private Acts of 1929, Chapter 826, authorized the Quarterly Court of Wilson County to issue and sell coupon bonds in an amount not to exceed \$100,000, at an interest rate of up to 6%, the proceeds of which would be used to purchase land, erect, repair, maintain, equip, and improve a County Hospital Building. The Court must adopt a Resolution fixing all the essential details and the people must approve the proposition in a referendum to be held for that specific purpose. A tax levy was authorized to amortize the bonds.

Roads

1. Private Acts of 1925, Chapter 334, authorized the Wilson County Quarterly Court to issue and sell warrants or bonds up to \$150,000, at an interest rate of 6%, or less, and to mature no later than 10 years from the date of issue, with which to purchase turnpikes or toll roads and bridges, and to establish a system of free public highways. These bond issues were conditioned upon the State Highway Department appropriating a specific sum of money for the construction or improvement of the turnpikes and the amount to be borrowed by the County could not exceed double the amount the State agrees to spend. The amount of bonds outstanding could not exceed 5% of the value of the taxable property in the County. A tax levy to amortize the bonds was required.
2. Private Acts of 1949, Chapter 830, was the authority for the Wilson County Quarterly Court to issue up to \$300,000 in road bonds at a 4% interest rate, or less, and to mature within 20 years from the date of issue, the proceeds of which would be used for road purposes. The money would go into a special road fund to be kept separately by the Trustee and applied exclusively to the construction, maintenance, and repair of county roads and bridges by the County Road Commission, created under Private Acts of 1949, Chapter 239. The Commission was also granted the authority to apply for and receive any available State and Federal funds for roads. This Act was repealed by Private Acts of 1951, Chapter 404.

Schools - Mount Juliet School District

1. Private Acts of 1935, Chapter 575, was the authority for the Mount Juliet Special School District to issue and sell up to \$15,000 in coupon bonds in order to pay off \$5,000 in present debts which were incurred in school construction and, further, to make additions and improvements to the

school buildings. The maximum allowable interest rate was 5% and the bonds could mature no later than 30 years after date of issue. A referendum must be held in the District to approve the bond issue before the issue and sale could take place. A special tax of 10 cents per \$100 property valuation was levied each year until the bonds were amortized.

2. Private Acts of 1935 (Ex. Sess.), Chapter 134, amended Private Acts of 1935, Chapter 575, by repealing the ten cents per \$100 property valuation tax levy as provided in that act and granting to the Wilson County Quarterly Court the authority to levy a tax in the said School District in an amount sufficient to pay the principal and interest on the bonds.

Schools - Tenth Special Schools District

1. Private Acts of 1925, Chapter 188, invested the Directors of the Tenth School District in Wilson County with the power to issue coupon bonds in the amount of \$120,000 which would be used to pay and retire the warrants and the interest thereon issued in payment of school buildings and improvements under Private Acts of 1923, Chapter 476. The interest rate would be 5½%, and the bonds would mature according to the schedule included in the Act. The Act fixed the primary details of the issue and authorized a special property tax levy in the school district of 20 cents per \$100 which was to be devoted to those purposes stated in the act, which taxes would constitute an enforceable lien on property.
2. Private Acts of 1927, Chapter 321, permitted the Directors of the Tenth School District in Wilson County to issue and sell their coupon bonds in the amount of \$108,000, which would be used to pay and retire the interest-bearing warrants issued under the authority of Private Acts of 1923, Chapter 476. The interest rate was fixed at 5%, and the bonds would come due as provided by the schedule in the act. The act stated that these bonds would be issued and sold by Earl Hancock, Chairman, L. L. Burns, Secretary, and Julian H. Campbell, the Directors of the Tenth School District in conformity with those directions contained in the act. Provisions for a special tax levy of 20 cents per \$100 property valuation in the District to amortize the bonds was made.
3. Private Acts of 1937, Chapter 734, was the enabling legislation for the Tenth School District of Wilson County to issue and sell its coupon bonds in an amount not to exceed \$15,000 to pay off certain specified debts and to build and remodel the elementary school for colored children, and to improve and beautify school grounds. The interest rate could not exceed 5% and the maturity dates could be no longer than 15 years from the date of issue. All the essential details of the issue could be incorporated into a Resolution of the Quarterly Court but all of the above hinged on the successful outcome of the proposal in a referendum election to be held in the District. The Quarterly Court was empowered to levy a special tax to amortize the bonds.
4. Private Acts of 1949, Chapter 923, was the authority for the Tenth School District of Wilson County to issue and sell no more than \$110,000 in coupon bonds, at an interest rate of 3%, or less, and to mature no later than 20 years from the date of issue, but nothing was to happen until the entire proposal had been approved by the people of the District in a referendum. The proceeds would be used to repair, remodel, enlarge, improve, and extend such school buildings in the District as the Directors selected. A general tax levy of 20 cents per \$100 was mandated.
5. Private Acts of 1951, Chapter 59, authorized the Tenth School District of Wilson County, subject to prior approval by the people in a referendum election, to issue up to \$300,000 in coupon bonds, at an interest rate of 3%, or less, and maturing no later than 20 years from the date of issue. A general property tax of 50 cents per \$100 would be levied in the District each year until the bonds were paid. The proceeds would be used to build, repair, remodel, enlarge, and improve school buildings in the District. Chapter 88 of the Private Acts of 1987 amended the tax rate to 34 cents per \$100 for the fiscal year ending June 30, 1987 and 40 cents for the fiscal year beginning July 1, 1987 and thereafter. Chapter 134 of the Private Acts of 1988 further amends Chapter 59 of the Private Acts of 1951 by correcting an unintentional mistake as to the period of the tax levy. As amended, the tax rate levy is \$.34 for the calendar year beginning January 1, 1987; and \$.40 for the calendar year beginning January 1, 1988 and for each calendar year, thereafter.
6. Private Acts of 1959, Chapter 32, authorized the Tenth School District to issue no more than \$400,000 in coupon bonds, at an interest rate not to exceed 5%, and to mature within 25 years from the date of issue. The tax authorized by Private Acts of 1951, Chapter 59, would continue to be levied until those bonds were amortized. The bond issuance was subject to approval in a referendum election. The proceeds were to be used to build new school buildings, or to add to, repair, renovate, and remodel existing buildings.
7. Private Acts of 1963, Chapter 99, enabled the Tenth School District to issue and sell up to \$250,000 in coupon bonds, at an interest rate of no more than 5%, and to become due no longer than 25 years from the date of issue. All this was subject to prior approval by the people of the

District in a referendum. The tax authorized by Private Acts of 1951, Chapter 59, was continued until the bonds were amortized.

8. Private Acts of 1967-68, Chapter 249, allowed the Tenth School District of Wilson County to issue up to \$400,000, in 5% or less coupon bonds, to mature no later than 25 years from the date of issue, provided prior approval of the people was obtained by referendum vote. The 50 cents per \$100 property valuation levied under Private Acts of 1951, Chapter 59, would continue in full force and effect until the bonds were paid off with interest. The funds were to be used to build, repair, improve, remodel, equip, or enlarge new or existing school buildings. This Act was not acted on by local authorities and consequently never became effective law.
9. Private Acts of 1967-68, Chapter 282, was enabling legislation for the Tenth School District of Wilson County to issue up to \$600,000 in coupon bonds at an interest rate not to exceed 5%, and to mature within 25 years from the date of issue. The issue was subject to prior approval in a referendum vote in the District, which could be held a second time after 180 days, if initially defeated. A special tax levy of 30 cents per \$100 would be imposed which would be in addition to all other taxes levied and in force in the said district. The money was to be used to build, repair, improve, enlarge and equip the District's school buildings.
10. Private Acts of 1969, Chapter 33, authorized the issuance and sale of up to \$600,000 in coupon bonds in the Tenth School District of Wilson County provided the same had prior approval from the people in a referendum election which could be held again after 180 days if the same were defeated. The allowable interest rate could not be more than 6%, and the maturity period was limited to 25 years. The tax levy of 50 cents per \$100 property valuation authorized by Private Acts of 1951, Chapter 59, would be continued each year until the bonds, plus interest, were paid. This Act was properly ratified. Chapter 88 of the Private Acts of 1987 and Chapter 134 of the Private Acts of 1988 amended Chapter 59 of the Private Acts of 1951.
11. Private Acts of 1970, Chapter 212, subject to a favorable outcome in a referendum held for that purpose, the Tenth School District was allowed to issue and sell up to \$600,000 in coupon bonds, at an interest rate not to exceed 8%, and to mature within 30 years of issuance. The 50 cents per \$100 (amended by Chapter 88 of the Private Acts of 1987 and Chapter 134 of the Private Acts of 1988) of property valuation tax authorized under Private Acts of 1951, Chapter 59, would continue in force and effect until the bonds were paid.
12. Private Acts of 1970, Chapter 213, was almost identical in terms to Private Acts of 1970, Chapter 212, except that a special tax levy of 30 cents per \$100 property valuation was authorized in addition to all other existing taxes.
13. Private Acts of 1972, Chapter 247, permitted, subject to prior approval by the people in a referendum, the Tenth School District of Wilson County to issue up to \$1,000,000 in coupon bonds, at a maturity schedule not to exceed 30 years, and at an interest rate of 8%, or less. The 50 cents property tax rate authorized by Private Acts of 1951, Chapter 59, would continue in effect each year until the bonds were paid.
14. Private Acts of 1977, Chapter 94, was the enabling legislation for the Tenth School District to issue \$500,000 in coupon bonds, at an interest rate of 8% or less, and which would mature no later than 30 years from the date of issue. The effectiveness of this Act was dependent upon the approval of the people in the District in a referendum election. The tax authorized by Private Acts of 1951, Chapter 59, would continue until the bonds were amortized. The bond funds were to be used to build, alter, repair, enlarge, or equip schools located in the District. This Act was not approved locally and never took effect.

Schools - Watertown Special School District.

1. Private Acts of 1979, Chapter 20, authorized the Watertown Special School District to issue up to \$1,300,000 in coupon bonds with a maximum maturity schedule of 30 years. The bond issue would not take place until approved by a majority vote in a special referendum election. The interest rate must not exceed 8% and an annual tax rate of \$3.75 per \$100 property valuation was included. The proceeds would be used to build new school buildings or to repair, improve, enlarge or equip existing buildings. This Act was repealed by Private Acts of 1979, Chapter 91.
2. Private Acts of 1979, Chapter 87, contained terms similar to Private Acts of 1979, Chapter 20. This Act did not receive local approval and did not become effective.

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