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## Chapter III - Bond Issues

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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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# Chapter III - Bond Issues

## Bond Issues - Historical Notes

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authorized various bond issues for Dickson County is included below for reference purposes, although these acts are no longer current.

### **Courthouse**

1. Private Acts of 1927, Chapter 830, was the legal authority for the Quarterly Court of Dickson County to issue and sell coupon bonds up to \$50,000 for the purpose of repairing or building a new Courthouse at a cost of \$35,000, or less, in the town of Dickson to be used in place of the dilapidated structure now serving as such, and \$15,000 would be used to repair, or build, an addition to the Courthouse at Charlotte. The interest rate could not exceed 5%, and the bonds would mature at the rate of \$2500 per annum beginning on July 1, 1928. All the details essential to a valid bond issue were included in the Act, and a tax levy for the sinking fund was required. These bonds would be sold for cash by the County Judge, County Court Clerk, and County Trustee. The County Judge must keep all the necessary records.

### **Debts**

1. Private Acts of 1931, Chapter 2, declared in the preamble that Dickson County had outstanding debts due in the amount of \$200,000 incurred for various county purposes, as schools, roads, a Courthouse, and bridges, which debts were bearing interest at a greater rate that the county could negotiate its bonds for, and to retire these debts at a lower rate of interest could certainly be in the best interest of the County, therefore, this act allowed the County Judge and the County Court Clerk to issue bonds up to \$200,000, so as to retire and pay off a like amount of the above mentioned obligations of the County, at an interest rate of 5 1/2%, or less, and maturing according to the schedule mentioned in this law. All the details were present and a tax levy for the sinking fund was mandated.
2. Private Acts of 1931, Chapter 425, authorized Dickson County acting in its corporate capacity and through its Quarterly Court to borrow for the same the use of the County sums of money whose sum total could not exceed 2/3 of the total revenue of the county during the preceding year. Loans could be negotiated in anticipation of revenue, which would be used for general county purposes and the payment of outstanding debts. Loans could be made by Resolution of the court, the proceeds of the same being delivered to the County Trustee and dispensed according to the directions of the Court and the County Judge.
3. Private Acts of 1935, Chapter 45, noted in this introduction the existence of interest bearing notes due and owed by Dickson County in the amount of \$27,000 or more, for the payment of which no provisions had been made. This Act was the enabling legislation for the Quarterly Court to issue and sell up to \$30,000 in bonds in order to pay off the above debts and to place any surplus into the general fund. The interest rate could be no more than 5% and the bonds would mature in accordance with the schedule stipulated in the Act. These bonds were made tax exempt from other levels of government. All details and the tax levy were set out in this statute.
4. Private Acts of 1937, Chapter 145, permitted the Quarterly Court of Dickson County to issue and sell bonds, at an interest rate of no more than 5%, and to mature no later than 30 years from the date of issue, which money would be used to pay off outstanding debts, unpaid bills, and other commercial papers negotiated by the County. The details were present and the tax levy required.
5. Private Acts of 1939, Chapter 42, ratified, confirmed, validated, and legalized all the prior proceedings of the Quarterly Court of Dickson County and county officials taken in connection with the issue and sale of \$15,000 in bonds, at an interest rate of 4%, and which would mature from one to thirty years from the date of issue. In addition, all the debts to be paid were ratified, all notwithstanding the lack of any statutory authority at the time. The details were not spelled out but the tax levy was mandated until the bonds were amortized.

### **Dickson**

1. Private Acts of 1931, Chapter 26, also ratified and confirmed all the actions of the Mayor and Aldermen of the town of Dickson in connection with the issue and sale of \$10,000 in bonds, at an interest rate of five and three-quarter percent, to be applied on the payment of debts of the city, or to refund bonds heretofore issued by the city.

### **Jails**

1. Private Acts of 1947, Chapter 311, allowed the Quarterly Court of Dickson County to issue up to \$50,000 in bonds, which would mature no later than 30 years after their issue and bear an interest rate which would be determined by the court. All the details of genuine bond laws were present and a tax levy was mandated in order to amortize the bonds. The proceeds would be used to construct and equip a county jail.

### **Poor**

1. Acts of 1875, Chapter 56, mentioned in the preamble the dire poverty when then existed in many counties of Tennessee which was causing the poor and indigent people to suffer tremendously, this act was the enabling law for the Quarterly Courts of Stewart County, Montgomery County, Houston County, Dickson County, Cheatham County, Humphreys County, and Benton County, to issue and sell bonds, not to exceed \$10,000 in amount at any time, bearing interest of 6%, or less, which money would be used to alleviate the suffering of the poor. Essential details and the tax levy were included in the law. The Quarterly Courts were to supervise the expenditure of the funds and disobedience or fraud in connection with the program was a felony which could lead to as much as five years confinement.

### **Roads**

1. Private Acts of 1903, Chapter 541, allowed the Dickson County Quarterly Court at its first term after the passage of this Act to submit to the people at a time selected by the Court the question of whether to issue or not \$100,000 in bonds to build highways and to macadamize roads as the commission named in the Act might direct. The ballot would be marked simply "For" or "Against" and all residents of the county were qualified to vote. The interest rate could not exceed 4%, nor the maturity period go beyond 30 years from issue. All essential details and the tax levy were included. The Court was instructed to appoint three Commissioners to supervise and manage the road program.
2. Private Acts of 1913, Chapter 169, was the legal authority for the voters of Dickson County to vote on the issue of \$250,000 in 30 year coupon bonds which amount would be expended on the establishment and improvement of the 22 highways listed in the act. The allocated interest rate could not exceed 5%, and all other details were present in the act. The Court would select five commissioners to plan and supervise the program for a period of two years. The Commission could hire an engineer and other technical people to assist them. No person could be a commissioner who had an interest in any part of the business of the program or a contract connected with it.
3. Private Acts of 1915, Chapter 50, amended Private Acts of 1913, Chapter 169, above, by adding a provision at the end of Section 7 which allowed the commissioners to go across county lines when building roads if a better road could be obtained thereby but the beginning and the terminus of the various roads must remain as they were spec in the earlier act.
4. Private Acts of 1915, Chapter 339, was the second amendment to Private Acts of 1913, Chapter 169, Item 2, above, which authorized the issuance of bonds for road purposes, by removing Highway #13 out of Section One of the Act and substituting another portion of Highway #13 in its place beginning near the toll gate on the pike leading from Dickson to Charlotte and run down Jones Creek on the most suitable route in the discretion of the Commission.
5. Private Acts of 1915, Chapter 548, authorized the voters of Dickson County to vote on the question of issuing \$250,000 in interest bearing bonds which would mature in 30 years after the date of issue, at a maximum interest rate of 5%, which funds were to be expended on 28 different portions of highway as they were enumerated in the Act. The election would occur on August 14, 1915, as the Act required. The details of the bond form, the sale of the bonds, and the manner of their redemption were all contained in this law. Six commissioners were to be elected, three from the northern portion of the County and three from the southern portion, who were to exercise the powers granted under the Act and have general supervision over the entire program. The Commission could condemn property in the name of the County and employ an engineer to assist them.

### **Schools**

1. Private Acts of 1919, Chapter 609, allowed the Mayor and City Council of Dickson to issue \$8,250 in bonds, in addition to the bonds authorized by Acts of 1903, Chapter 291, which amount would permit the city to pay for one-half of the property of Dickson College located in that city. It was understood that Dickson County would supply the other one-half of the funds and the property would be used for a high school in Dickson.
2. Private Acts of 1929, Chapter 716, ratified, confirmed, legalized, and validated the actions of the

Mayor and City Council of Dickson, Tennessee, taken in connection with the issue and sale of \$28,000 in school bonds for the said city, at a maximum interest rate of 6% which bonds would be paid in full by June 1, 1953. All details were included as well as a tax levy.

3. Private Acts of 1937 (Ex. Sess.), Chapter 24, enabled the Quarterly Court of Dickson County to sell \$15,000 worth of bonds which would be used to pay the outstanding debts against the High School account and the High School Transportation Account, all of the debts having been made for legitimate county purposes. Among all the essential details were the requirements that the interest rate could not exceed 4%, nor the maturity schedule go beyond fifteen years. The proceeds would go to the Trustee who would pay off the debts.
4. Private Acts of 1949, Chapter 428, provided that, in Dickson County it would be lawful to contract with incorporated cities and towns located within the said county for the county to assume the payments of principal and interest in whole, or in part, on school building bonds issued by the city since June 1, 1947, wherein the said bonds were the direct obligations of the cities. The cities could request the counties to assume the obligations through their governing body, all of which could be accomplished through a Resolution of the Court. This Act would in no wise relieve towns from paying any obligation incurred by them in connection with other bond issues, or debts.

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