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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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Chapter III - Bond Issues

Funding Bonds

Private Acts of 1935 Chapter 770

COMPILER'S NOTE: This act may have been superseded by Tennessee Code Annotated, Title 9, Chapter 21.

SECTION 1. That whenever it shall be made to appear to the Quarterly County Court of Hamilton County, Tennessee, at any regular or specially called session that any outstanding bonds of said County can be funded and retired by the issuance of new bonds upon more favorable terms as to dates of maturity and interest, then and in such event, the said Quarterly County Court shall be, and is hereby, authorized and empowered to provide, by resolution, for the issuance of such funding bonds, and to fix the rate or rates of interest thereof and the date or dates of maturity thereof.

SECTION 2. That such bonds issued shall be signed by the County Judge and countersigned by the County Trustee of said County, and the interest coupons attached thereto shall bear a lithographic signature of the County Judge and County Trustee, and when so issued and signed, pursuant to authority granted by a resolution of the Quarterly County Court of said County, as hereinabove provided, said bonds shall be a valid and incontestable obligation of the said Hamilton County, Tennessee.

SECTION 3. That it shall be the duty of the Quarterly County Court during each and every year during which any bonds issued shall be outstanding to levy a tax upon all taxable property within the territorial limits of said County sufficient in amount to pay interest on such bonds, and to provide a sinking fund for their retirement at maturity.

SECTION 4. That this Act take effect from and after its passage, the public welfare requiring it.

Passed: April 20, 1935.

Bond Issues - Historical Notes

A listing of the acts which authorized various bond issues for Hamilton 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.

Bridges

1. Public Acts of 1893, Chapter 116, authorized \$150,000 with an annual interest rate of 5%, 50 year bonds, along with the grant to join and cooperate with any individual, firms, joint stock company, or corporation in the construction of a combined foot, wagon, and railroad bridge across any navigable stream in the Hamilton County.
2. Acts of 1909, Chapter 416, upon a two-thirds vote of the quarterly county court, they might issue \$100,000 with an annual interest rate of 5%, 20 year bonds, to refund so much of a previous bridge issue which would mature on October 1, 1909.
3. Acts of 1909, Chapter 418, gave the county court the authority to issue \$300,000 with an annual interest rate of 5%, 10 to 20 year bonds, to build a bridge at a feasible point between 400 feet north of West 6th Street and 19th Street on the south in Chattanooga to the opposite bank across the Tennessee River.
4. Acts of 1909, Chapter 575, allowed issuance of \$250,000 with an interest rate of 5%, 30 year bonds, to construct a bridge across the Tennessee River from Chattanooga to the north side at some point above the existing bridge from Walnut Street in Chattanooga to Hill City. Said bridge was be under the exclusive control of the county. This act was repealed by Private Acts of 1913 (Ex. Sess.), Chapter 25.
5. Private Acts of 1911, Chapter 118, upon a majority vote of the county court, \$375,000 with an annual interest rate of 5%, 30 year bonds, might be issued to build a bridge for county purposes across the Tennessee River from Market Street in Chattanooga to the north side of the river with acquisition of approaches included in the authorization. This act was repealed by Private Acts of 1913 (Ex. Sess.), Chapter 25.
6. Private Acts of 1913 (Ex. Sess.), Chapter 25, repealed Private Acts of 1911, Chapter 118 and Acts

of 1909, Chapter 575, and then authorized \$500,000 with an annual interest rate of 5%, 30 year bonds, to build a bridge for county purposes across the Tennessee River from Market or Broad Street in Chattanooga to the north side of the river.

7. Private Acts of 1913 (Ex. Sess.), Chapter 72, allowed issuance of \$125,000 with an annual interest rate of 5%, 30 year bonds, to repair the bridge across the Tennessee River at Walnut Street in Chattanooga.
8. Private Acts of 1915, Chapter 390, amended Private Acts of 1909, Chapter 418, Section 1, with authority to issue not more than \$400,000 with an annual interest rate of 5% bonds to mature in 10 to 20 years, for the same bridge.
9. Private Acts of 1929, Chapter 186, permitted the issuance of \$1,500,000 with an annual interest rate of 6%, 40 year bonds, subject to the successful outcome of a referendum for that purpose, to construct a bridge for county purposes across the Tennessee River at East Chattanooga between South Chickamauga Creek and Citico Creek to connect with roads to Hixon, Dayton, and Riverview; appoints a bridge commission to supervise all phases of this project and refers to Private Acts of 1909, Chapter 575, which had been previously repealed. This act broadens the site from which the bridge would be built.
10. Private Acts of 1929, Chapter 791, allowed a \$100,000 with an annual interest rate of 5%, 30 year maximum term, bond issue to build a bridge for county purposes across Chattanooga Creek at a point where Market Street extended would touch said creek in Chattanooga to the west side of the creek with the proviso that the bonds would not be issued unless Alton Park becomes a part of Chattanooga before January 1, 1930.

Courthouse

1. Private Acts of 1911, Chapter 194, a majority vote of the county court could issue \$400,000 with an annual interest rate of 4½%, 30 year bonds, to build a courthouse in Chattanooga for Hamilton County.

Debt and Refunding

1. Public Acts of 1895, Chapter 18, authorized the county court to issue \$150,000 with an annual interest rate of 5% bonds, due and payable in 10 years to enable Hamilton County to meet her unpaid floating indebtedness, and for no other purpose whatsoever. A tax levy was required for the sinking fund.
2. Public Acts of 1901, Chapter 401, permitted the Hamilton County Court to issue \$100,000 with an annual interest rate of 5%, 10 to 20 year bonds, to fund the county's debts which were outstanding; fixed the details and form of the bonds and permitted the trustee to call them in upon public notice being given.
3. Acts of 1905, Chapter 118, authorized \$100,000 with an annual interest rate of 4½%, 20 year bonds, to pay off the discharge floating indebtedness of the county and to refund a part of the bonded indebtedness of Public Acts of 1895, Chapter 18.
4. Acts of 1907, Chapter 35, upon a two-thirds vote of the county court could bring about a \$100,000 with an annual interest rate of 5%, 20 year term, bond issue to refund part of a \$200,000 issue for purpose of building bridges which would mature in 1909.
5. Private Acts of 1913, Chapter 99, allowed the issue of \$550,000 with an annual interest rate of 4½%, 30 year term, bonds, to be known as "Hamilton County Bonds," to pay off and liquidate the floating indebtedness of the county.
6. Private Acts of 1915, Chapter 637, was a county court authorization by legislature to issue \$54,000 with an annual interest rate of 5%, 30 year bonds, to pay off and discharge debts. Amended by Private Acts of 1917, Chapter 368.
7. Private Acts of 1917, Chapter 17, allowed the county court to issue up to \$300,000 in bonds to pay off existing debts and to defray and meet current running expenses, the interest rate, amount, and maturity dates to be determined by resolution of the court at the time.
8. Private Acts of 1917, Chapter 26, was an aggregate issue of \$790,000 with an annual interest rate of 5%, 30 year bonds, to pay off \$80,000 for the "Suck Creek Road Project," \$550,000 for the Market Street Bridge, \$100,000 for grammar school buildings, and \$60,000 for erecting new schools.
9. Private Acts of 1917, Chapter 368, amended Private Acts of 1915, Chapter 637, by naming the bonds issued thereunder as the "Hamilton County Funding Bonds."
10. Private Acts of 1923, Chapter 406, authorized Hamilton and several other named counties to

borrow money not to exceed \$400,000 to pay off existing debts, to defray and meet current expenses and to execute and deliver interest bearing notes for such. The interest was not to exceed 6% and maturity dates of the bonds would be incorporated in the resolution.

11. Private Acts of 1925, Chapter 470, was for \$400,000 with an annual interest rate of 6%, maturity dates to be determined, to pay off existing debts, defray current running expenses, and execute and deliver interest bearing notes if necessary. See Trotter v. Peterson 166 Tenn. 142, 60 S.W.2d 149 (1933).
12. Private Acts of 1927, Chapter 111, subject to a successful referendum, the county court could issue \$760,000 with an annual interest rate of 6%, 30 year bonds, \$503,000 of which would pay the debts of the school system \$242,000 would be used to refund road bonds and \$15,000 for interest payments.
13. Private Acts of 1929, Chapter 25, amended Private Acts of 1925, Chapter 470, so that the limitation on the amount of money to be borrowed by the counties was two thirds of the anticipated revenues for the coming year rather than the \$400,000 authorized by the act.
14. Private Acts of 1933, Chapter 423, contained authority to borrow up to \$30,000 from R.F.C. as that federal agency was organized to purchase teams, farming implements, tools, feed, forage, all other necessary equipment to grant relief and aid to needy persons, all to be done through a corporation to be organized for the same.
15. Private Acts of 1933, Chapter 432, authorized Hamilton County to borrow money for county purposes in anticipation of the collection of delinquent taxes for which an interest bearing note, signed by the county judge and trustee, may be executed and delivered, and the situation reviewed from time to time if the necessity therefor should occur.
16. Private Acts of 1935, Chapter 263, validated all prior proceedings by the county court in the issuance of \$800,000 with an annual interest rate of 4½% bonds, maturing semi-annually according to a schedule in the act through 1952, and according to the list of bonds to be refunded also appearing in the act.

Hospitals

1. Private Acts of 1913, Chapter 71, subject to the successful referendum vote and the concurrence of a majority of the county court \$100,000 with an annual interest rate of 5%, 30 year bonds might be issued to repair, improve, enlarge, and add to Erlanger Hospital.
2. Private Acts of 1925, Chapter 533, also subject to referendum vote, the county court could issue \$125,000 with an annual interest rate of 6%, 20 year bonds, to build and equip a children's hospital in the county jointly with the City of Chattanooga which was authorized in another act to issue a like amount.
3. Private Acts of 1927, Chapter 112, permitted \$225,000 with an annual interest rate of 6%, 30 year bond issue, subject to a referendum vote, to acquire land, erect, furnish, and equip a county hospital and workhouse.
4. Private Acts of 1935, Chapter 769, authorized Hamilton County to contract with the U.S. WPA program for funds not to exceed \$1,500,000 for the purpose of constructing and equipping a general hospital in the county to be operated as set out in the this act. This issue was also subject to a referendum vote.
5. Private Acts of 1937, Chapter 699, authorized \$750,000 with an annual interest rate of 6%, 40 year bonds, \$500,000 of which was allocated to Erlanger Hospital for improvements.
6. Private Acts of 1943, Chapter 123, provided that the county council may issue \$55,000 in bonds, or short term notes to reimburse the general funds of the county from which the Erlanger Hospital indebtedness was liquidated.

Jails

1. Private Acts of 1911, Chapter 402, allowed a majority of the county court to issue \$100,000 with an annual interest rate of 5%, 40 year bonds, to construct and equip a county jail.

Levees

1. Private Acts of 1917, Chapter 470, allowed \$250,000 with an annual interest rate of 5%, 30 year bonds to be issued to protect the environs of Chattanooga from the high waters and overflows of the Tennessee River by levees, dikes, or whatever means, and to provide for the disposal of surface drainage water in the area.

Libraries

1. Private Acts of 1929, Extra Session, Chapter 61, subject to a successful referendum, will permit

issuance of \$100,000 with an annual interest rate of 6%, 30 year bonds, for building and equipping in conjunction with Chattanooga a municipal library, same to be known as "Library Bonds of Hamilton County."

2. Private Acts of 1935, Extra Session, Chapter 143, also subject to a referendum and with reference to Private Acts of 1929, Chapter 61 above, authorizes the City of Chattanooga jointly to contract with any federal agency to equip, maintain, and operate a library in Chattanooga.

Roads

1. Acts of 1909, Chapter 417, allowed county court to issue \$65,000 with an annual interest rate of 5%, 20 year bonds for grading and building a road beginning in the old Seventh District at the Valley Road and running across Lookout Mountain above the line of the N.C. and St. L. Railroad to Lookout Station in the old Fourth Civil District. This act was amended by Acts of 1913, Chapter 272.
2. Acts of 1909, Chapter 419, allowed county court to issue \$50,000 with an annual interest rate of 4½%, 30 year bonds, to widen, rebuild, and improve on its present site the Rossville Road from the corporate limits of Chattanooga to the Georgia state line.
3. Private Acts of 1911, Chapter 130, a majority of the county court could issue \$500,000 with an annual interest rate of 4½%, 30 year bonds to construct culverts, improve and macadamize, and pave public roads and highways, has details of bonds and form fixed, and provides for a mandatory tax levy.
4. Private Acts of 1911, Chapter 193, a majority of the county court could also issue \$100,000 with an annual interest rate of 4½%, 30 year bonds, to complete the public highway commonly known as the Rossville Road from the Chattanooga city limits to the Georgia state line.
5. Private Acts of 1913, Chapter 192, was for \$25,000 with an annual interest rate of 4½%, 30 year bonds, for building a permanent street and highway from Frazier Avenue to Mississippi Avenue in the Second Civil District in North Chattanooga, to be called "Main Avenue Bonds."
6. Private Acts of 1913, Chapter 193, allowed a \$25,000 with an annual interest rate of 4½% interest, 30 year term, bond issue to buy the right of way and build a first class public road between Lauderdale and Glass Streets in the Sixth Civil District. This act was amended by Acts of 1913, Chapter 12, Extra Session.
7. Private Acts of 1913, Chapter 272, amended Acts of 1909, Chapter 417, by setting up a schedule of streets to be repaired and improved and the amount to be spent on each; also adds \$65,000 to the issue. This act was amended by Private Acts of 1915, Chapter 16 and repealed by Private Acts of 1915, Chapter 17.
8. Private Acts of 1913 (Ex. Sess.), Chapter 12, amended Private Acts of 1913, Chapter 193 above, which concerned a road from Lauderdale to Glass Streets in the Sixth Civil District by eliminating the election requirement and by changing the maximum interest rate to 4½%.
9. Private Acts of 1915, Chapter 16, amended Private Acts of 1913 (Ex. Sess.), Chapter 72, by providing that, out of any funds remaining in the said issue, \$10,000 be spent to construct an addition to Bonny Oaks Industrial School's girl department, and \$12,000 to pave McCallie Avenue to the west end of the tunnel under Missionary Ridge.
10. Private Acts of 1915, Chapter 17, repealed Private Acts of 1913, Chapter 272, and directs further that the remainder of the proceeds of bonds issued under Acts of 1909, Chapter 417, be used as directed in this act on Harrison Pike and Lookout Mountain Road.
11. Private Acts of 1915, Chapter 31, authorized the issuance of \$125,000 with an annual interest rate of 5%, 30 year bonds, for laying out, grading, and building a public road beginning in the Fourth Civil District at or near valley road and G.O. Johnson's store and thence across Lookout Mountain above the N.C. and St. L. Railroad to a point near Lookout Station in the same civil district, to be called "Wauhatchie Road Bonds."
12. Private Acts of 1915, Chapter 91, authorized the issuance of \$25,000 with an annual interest rate of 5%, 30 year bonds to buy the right of way and for building a highway between the intersection of Curtain Pole Road and the proposed Glass-Lauderdale Street highway and the intersection of First Street and Fourth Avenue at Boyce in the Sixth Civil District.
13. Private Acts of 1927, Chapter 114, subject to the outcome of a referendum, the county court could issue \$125,000 with an annual interest rate of 6%, 30 year bonds to pay the cost of constructing a road from East Chattanooga to Silverdale in Hamilton County.
14. Private Acts of 1927, Chapter 170, allowed the remainder of \$100,000 of a bond issue for a tunnel under Private Acts of 1925, Chapter 251, to be spent on a road from the city limits of

Chattanooga through Alton Park to Central Avenue in Hamilton County.

15. Private Acts of 1929, Extra Session, Chapter 42, permitted the issuance of \$150,000 with an annual interest rate of 5%, 15 year bonds to build a road from the foot of Lookout Mountain to the top of said mountain along the route now known as Johnson Pike.
16. Private Acts of 1929, Extra Session, Chapter 60, allowed a \$20,000 bond issue of 4%, 4 year bonds, for building a road from "W" on Walden's Ridge to the Fire Hall on Signal Mountain known as East Brow Road.

Schools

1. Acts of 1905, Chapter 507, authorized the county court to issue "the schoolhouse bonds of Hamilton County" in the amount of \$75,000 with an annual interest rate of 5%, 10 to 20 year bonds, to purchase school sites and erect buildings thereon exclusively.
2. Acts of 1907, Chapter 100, county court can issue \$75,000 with an annual interest rate of 5%, 20 year bonds to purchase sites, erecting and equipping one or more county high schools to be known as "Hamilton County High School Bonds."
3. Acts of 1909, Chapter 71, County Court can issue \$150,000 with an annual interest rate of 5%, 20 year bonds, \$100,000 to erect, equip, and furnish school buildings for Hamilton County and for discharging any indebtedness occasioned thereby, this is to be used primarily for grammar schools, and \$50,000 for the county board of education to use in like manner for the high schools.
4. Private Acts of 1911, Chapter 189, allowed the county court to issue \$135,000 with an annual interest rate of 5%, 30 year bonds, \$125,000 of which to be used to erect, furnish, and equip and to discharge the debts of the grammar school of county and \$10,000 for high schools to use in like manner.
5. Private Acts of 1911, Chapter 230, authorized Hamilton County to issue its 5% interest bearing bonds maturing in not more than thirty years, in an amount not to exceed \$100,000 for the purpose of aiding any local university or college, incorporated under the laws of Tennessee, subject to a mandatory referendum among other requirements.
6. Private Acts of 1913, Chapter 100, allowed the county court to issue \$200,000 with an annual interest rate of 4½%, 30 year bonds, to be called "Hamilton County Grammar School Bond," to purchase sites, erect, and furnish new school buildings as well as building additions to old ones.
7. Private Acts of 1915, Chapter 14, authorized \$228,000 with an annual interest rate of 5%, 20 year bonds, to erect, furnish, and equip school buildings which is to be used by the county board of education in charge of grammar schools.
8. Private Acts of 1917, Chapter 369, permitted \$152,750 with an annual interest rate of 5%, 30 year bonds, to erect and build additions and to furnish school buildings in Hamilton County according to the names of schools and amounts listed in the act.
9. Private Acts of 1927, Chapter 113, subject to the outcome of a referendum, the county court could issue \$800,000 to acquire land, construct, and furnish school buildings. The bonds would be limited to 6% interest and 30 years maturity.
10. Private Acts of 1929, Chapter 792, permitted \$961,500 with an annual interest rate of 6%, 30 year bonds, to pay school debts and to build, remodel, and repair existing schools in accordance with the funds allotted to schools named in the act.
11. Private Acts of 1929, Chapter 883, conditioned upon Alton Park becoming annexed to Chattanooga, the county court could issue \$95,000 with an annual interest rate of 6%, 40 year bonds, to purchase land and build a schoolhouse in that city.
12. Private Acts of 1931, Chapter 622, permitted \$200,000 with an annual interest rate of 6%, 30 year bonds, to construct and equip school buildings and to purchase necessary land in the Red Bank and Tyner-Silverdale communities.
13. Private Acts of 1935, Chapter 229, subject to approval of three-fourths of the voters in a referendum, the county court could issue \$15,000 a year to aid in defraying the cost of the operation and maintenance of the University of Chattanooga.
14. Private Acts of 1937, Chapter 699, authorized the county court to issue \$750,000 with an annual interest rate of 6%, 40 year bonds, \$50,000 for Red Bank Elementary School, \$50,000 for Central High School, \$150,000 for Tyner High School and \$500,000 for Erlanger Hospital.

Tunnels

1. Private Acts of 1907, Chapter 2, the county court was authorized to issue \$150,000 with an annual interest rate of 5% bonds, maturing anytime after ten years, to construct and extend a

free public road through Mission Ridge by means of a tunnel from McCallie Avenue on the west to Bird's Mill Road on the east.

2. Private Acts of 1917, Chapter 281, authorized the county court to refund the "Mission Ridge Tunnel Bonds" in Acts of 1907, Chapter 2 above by issuing \$150,000 with an annual interest rate of 4½%, 10 year bonds to pay off the original issue.
3. Private Acts of 1925, Chapter 251, subject to a referendum's outcome, the county court was authorized issue \$600,000 with an annual interest rate of 5½% bonds to build a tunnel through Mission Ridge at some point south of the intersection of Main Street and Dodds Avenue the same to be determined after investigation, survey, and report by the county engineer.
4. Private Acts of 1927, Chapter 525, also subject to the outcome of a referendum, authorized Hamilton County to issue \$500,000 with an annual interest rate of 5½% bonds to build tunnel through Mission Ridge between Third Street extended, at or near Olive Street as may be determined by the county engineer to acquire the right of way for approaches so that the area easterly could be opened for traffic.

Workhouse

1. Private Acts of 1927, Chapter 112, included money for a workhouse as well as a county hospital.

General

1. Private Acts of 1929, Chapter 723, empowered and authorized the county judge, the financial committee of the county court, and the county trustee to loan the proceeds of any bond issue which would tend to serve the best interests of Hamilton County.

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