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## Chapter III - Bond Issues

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Sincerely,

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# Chapter III - Bond Issues

## Bond Issues - Historical Notes

A listing of the acts which authorized various bond issues for Sumner County is included below for reference purposes, although these acts are no longer current.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 1919, Chapter 439, authorized the Quarterly Court of Sumner County to issue up to \$100,000 in bonds, at an interest rate not to exceed five percent (5%), and for a maturity period of no longer than 30 years, which would be used to buy land and erect a courthouse thereon in the City of Gallatin. This Act was repealed by Private Acts of 1974, Chapter 369.
2. Private Acts of 1935 (Ex. Sess.), Chapter 163, was the enabling Act for the Quarterly Court of Sumner County to issue up to \$150,000 in bonds at an interest rate of four percent (4%), or less, and for a maturity period not to exceed 30 years, to buy land, and to erect and furnish a courthouse in Gallatin, and to build a jail. The bonds were to be general obligation bonds requiring a specific tax levy issued in conformity with the conditions of the specific law. The Quarterly Court could select three of its members who, with the Chairman of the Court, would be a Committee to supervise the incidentals of the project. This Act was repealed by Private Acts of 1974, Chapter 369.

### **Debts**

1. Acts of 1867-68, Chapter 67, allowed the Board of County Commissioners to issue coupon bonds to fund the indebtedness of the county, but the amount of bonds could not exceed the amount of debts, the same to be payable at the times and in the manner specified by the Board of County Commissioners.
2. Acts of 1868-69, Chapter 10, repealed the Section of the Act above which permitted the Board of County Commissioners to issue coupon bonds to pay the debts of the county. This Act allowed the Commissioners to issue six percent (6%), or less, bonds to meet the indebtedness of the county, but the amount was limited to \$20,000, and imposed other conditions prior to the issue.
3. Private Acts of 1929, Chapter 452, was the legal authority for the Sumner County Quarterly Court to issue up to \$50,000 in bonds, at an interest rate of five percent (5%), or less, and to mature within 29 years from the date of issue, to pay off the outstanding debts of the county. All the details essential to valid bond issue legislation were present and a tax levy was required.
4. Private Acts of 1931, Chapter 417, allowed the Quarterly Court of Sumner County to issue up to \$50,000 in six percent (6%), 10 year bonds, the proceeds of which would be used to pay debts incurred in the acquisition of rights-of-way, school property, and for all other county purposes, which were due and owing. All the essential details were incorporated in the Act, a tax levy to amortize was mandatory, and the bonds were declared to be tax exempt. This Act was repealed by Private Acts of 1974, Chapter 369.

### **Hospitals**

1. Private Acts of 1949, Chapter 873, permitted the Quarterly Court of Sumner County, subject to the approval by the people in a referendum vote, to issue up to \$300,000, in bonds, at an interest rate not to exceed four percent (4%), and for a maturity period no longer than 30 years, to purchase property, and to construct, furnish, equip, operate, and maintain a public hospital. The required details and the mandatory tax levy were incorporated.
2. Private Acts of 1957, Chapter 32, was an enabling Act for the Quarterly Court of the County to issue \$50,000 in bonds to fund the County Hospital. The county court was authorized to levy an additional tax up to twenty cents (\$.20) per \$100 property valuation. The text of this Act is published in the Section on Health in this publication.

### **Railroads**

1. Acts of 1853-54, Chapter 194, required the County Court of Sumner County to issue \$300,000 in bonds, to buy the stock of the Louisville and Nashville Railroad, provided the people approved the issue in a referendum. The interest rate could not exceed six percent (6%), nor could the maturity period be less than ten (10) nor more than thirty (30) years. All the details for the disposition of proceeds and the collection of taxes to be levied for the purpose of repaying the bonds were contained in the Act. This Act was repealed by Private Acts of 1974, Chapter 369.

2. Acts of 1865, Chapter 25, recited in the preamble that Sumner County had voted to subscribe to \$300,000 in stock in the Louisville and Nashville Railroad and has issued bonds for that purpose at six percent (6%) interest, scheduled to be paid on June 1, 1854, 1855, and 1865, all of which was properly delivered to the Railroad. This Act authorized the County Judge of Sumner County to advertise in a newspaper a request to the holders of the bonds to file them and the amount owing on them in his office whereupon he would exchange the bonds for stock and cancel the same, and pay the interest on the bonds, or the dividends on the stock, as the case might be.

### **Roads**

1. Acts of 1905, Chapter 129, permitted Sumner County to purchase any turnpike road within the county which would then become free public roads but the county would not assume any of the obligations and liabilities of the company from which the turnpike was purchased. For this purpose the county could issue up to \$100,000 in five percent (5%), thirty (30) year, bonds, in accordance with the terms and conditions stated in the Act. The county was required to levy a tax not to exceed twenty cents (\$.20) per \$100 property valuation. The court was to appoint three turnpike commissioners to be in charge of the program. The provisions of the Act were subject to the approval of the people in a referendum vote. This Act was repealed by Private Acts of 1974, Chapter 369.
2. Private Acts of 1911, Chapter 584, amended Acts of 1905, Chapter 129, above, in Section 4 by increasing the amount of bonds permitted to be sold to \$200,000 at interest of four and one-half percent (4½%), or less, to mature within thirty (30) years of the issue. Section 5 repeated the authority to levy the tax to amortize the bonds up to twenty cents (\$.20) per \$100. Section 8 was changed to permit the referendum vote to be for the increased amount of \$200,000. This act was repealed by Private Acts of 1974, Chapter 369.
3. Private Acts of 1939, Chapter 334, was the enabling Act for the Quarterly Court to issue up to \$75,000 in four percent (4%), twenty (20) year, bonds to pay for certain rights of way for roads which had been acquired or were to be acquired. All the details for these tax exempt bonds were included in the Act. This Act was repealed by Private Acts of 1974, Chapter 369.
4. Private Acts of 1941, Chapter 249, was the legal authority for the Quarterly court of Sumner County to issue up to \$150,000 in bonds, at an interest rate of four percent (4%), or less, to mature within twenty-five (25) years of the date of issue, to acquire rights of way for the roads of the county. All the essential details of a valid bond issue were incorporated in the Act. This Act was repealed by Private Acts of 1974, Chapter 369.
5. Private Acts of 1949, Chapter 394, permitted the Quarterly Court of Sumner County to issue up to \$150,000 in four percent (4%), twenty-five (25) year bonds, to pay for rights of way, already acquired, or to be acquired, which would be issued in conformity with the details specified in the Act. The tax levy to pay off the bonds was required.
6. Private Acts of 1953, Chapter 54, was the legislative authority for the Quarterly Court of Sumner County to issue up to \$200,000 in bonds at four percent (4%), or less, interest, and to mature over a schedule no longer than twenty-five (25) years from the date of issue, to pay for rights of way already acquired, or to be acquired. The bonds were general obligation bonds to be issued as detailed in the Act and to be repaid by a mandatory tax levy as long as any of them were outstanding.

### **Schools**

1. Private Acts of 1929, Chapter 476, allowed the Quarterly Court of Sumner County to issue up to \$200,000 in bonds to erect, furnish, and equip a high school building, or buildings, upon property belonging to the county located just outside the city limits of Gallatin, known as the Sumner Training School property, and to erect an elementary school on East Main Street in Gallatin on the old Howard Female College property. The maximum interest rate allowed was six percent (6%), and the length of the maturity period could not exceed thirty (30) years. All other essential details were contained in the act. This Act was repealed by Private Acts of 1974, Chapter 369.
2. Private Acts of 1929, Chapter 859, amended Chapter 476, above, by increasing the amount to be devoted to the construction of the elementary school from \$40,000 to \$50,000, and by reducing the amount allocated to the high school from \$100,000 to \$90,000. This Act was repealed by Private Acts of 1974, Chapter 369.
3. Private Acts of 1931, Chapter 418, was enabling legislation which allowed the Sumner County Quarterly Court to issue up to \$15,000 in six percent (6%), five (5) year, bonds with which to construct two school buildings, one at Westmoreland for \$10,000, and one at White House for \$5,000. All essential details, including a mandatory tax levy, were present in the Act. The

program would be supervised by a committee to be appointed by the Court. This Act was repealed by Private Acts of 1974, Chapter 369.

4. Private Acts of 1937, Chapter 143, permitted the Quarterly Court of Sumner County to issue and sell up to \$20,000 in negotiable bonds, at an interest rate not over five percent (5%), on a maturity schedule no longer than twenty (20) years, to pay the outstanding debts due on teacher's salaries, for the years 1931-32 and 1933-34, and to pay any other school debts which needed to be paid. This Act was repealed by Private Acts of 1974, Chapter 369.
5. Private Acts of 1941, Chapter 107, was the legal authority for the Sumner County Quarterly Court to issue and sell up to \$200,000 in coupon bonds, at an interest rate of four percent (4%), or less, to mature over a period no longer than thirty (30) years, to purchase sites for schools, to erect, furnish and equip the same, and repair existing buildings. All the details were contained in the Act. This Act was repealed by Private Acts of 1974, Chapter 369.
6. Private Acts of 1949, Chapter 395, was the legal authority for the Quarterly Court of Sumner County to issue and sell up to \$250,000 in bonds to purchase property for school purposes, sites for school buildings, and to erect, furnish, equip, and repair schools. Interest allowed could not exceed four percent (4%) nor could the maturity period extend beyond twentyfive (25) years from the date of issue. The details of the issue and requirements for the tax levy were included in the act.

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