



July 22, 2024

Sinking Fund Commission

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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Sinking Fund Commission

Private Acts of 1935 Chapter 555

SECTION 1. That a Sinking Fund Commission is hereby created for Sullivan County, Tennessee, and from and after the passage of this Act, the County Judge or Chairman of the County Court of Sullivan County, shall constitute one member of said Commission and A.D. Bockman, Cashier of the First National Bank of Kingsport, and C.H. Massengill, Cashier of the Farmer Bank of Sullivan County at Blountsville, and W. Fulton Smith, Cashier of the First National Bank of Bristol, shall constitute the other three members of the Sinking Fund Commission for Sullivan County, and said Commission shall have full charge, custody, control investing and handling of the Sinking funds of Sullivan County.

SECTION 2. That the compensation of the members of the Sinking Fund Commission shall be the sum of \$1.00 per year, payable from the general fund as other ordinary expenses of the County are paid, and each member of the Commission, except the County Judge or Chairman shall, before entering upon their duties, take oath of office in substantially the same form and way as is required for elective county officials, and the members except the County Judge or Chairman shall hold office at the pleasure of the Quarterly County Court of Sullivan County.

SECTION 3. That all cash on hand and in banks, or investments, securities, mortgages, notes, bonds and choses in action and any and all other assets belonging to the sinking fund of Sullivan County, or any Department thereof shall be promptly turned over to the Sinking Fund Commission herein provided for and said Commission shall thereafter be responsible for its deposit, investment and safeguarding. Provided, further, that the written approval of at least three members of the Commission shall be required to authorize and support any action taken by the Commission.

SECTION 4. That all funds accruing to the Sinking Fund shall be invested in bonds of the United States or the State of Tennessee, of the County of Sullivan, or other States, municipalities, or counties or (of*) the State of Tennessee, on the best obtainable terms. Provided, however, that no bonds of any State or political subdivision thereof which shall have defaulted in the payment on either the principal or interest on the payment of its bonds within the last twelve months, except the bonds of Sullivan County, Tennessee, may be purchased for the investment of the sinking funds of Sullivan County. No Sinking funds of Sullivan County shall be invested in the notes, debenture bonds or stocks or persons, firms or private corporations, nor in real estate mortgages. The Commission may exchange any bonds belonging to the sinking fund for bonds of Sullivan County whenever such exchange may be advantageous to the County; they may sell the securities belonging to such sinking fund, or any part of them, at any time, on the best obtainable terms.

SECTION 5. That if the amount of any sinking fund with the interest or revenue thereof computed to the maturity of the County Bonds, shall be sufficient to pay at maturity all of the bonds for which it is held, and interest thereon, the tax levy for the sinking fund of such bond issue may then be omitted, but if, by reason of decrease of interest, or depreciation of investment or any other cause, said funds shall not be sufficient to meet the maturing obligations, a tax levy shall be resumed by the Quarterly County Court upon request of the Sinking Fund Commission, and in event there are any monies remaining in the hands of the Sinking Fund Commission after payment of the entire bonded indebtedness for which it was accumulated, same shall be paid into the general fund of the County.

SECTION 6. That all funds collected by the County Trustee from Sinking fund revenues shall be delivered by the County Trustee to the Sinking Fund Commission, monthly or quarterly as the Commission may require.

SECTION 7. That prior to a period of ten days before the maturity date of any bond issue of Sullivan County, the Commission shall pay over to the County Trustee the amount required to meet such payment and the County Judge or Chairman of the County Court shall issue his warrant on the County Trustee together with whatever charge is made by the redemption agency for receiving and handling the payment and canceling the bond or bonds, and such canceled bonds and coupons shall be preserved by the Sinking Fund Commission for inspection by the Auditor of the County and the County Revenue Commission.

SECTION 8. That the Sinking Fund Commission shall make a report of the standing of the sinking fund of the County at each session of the Quarterly County Court which shall be spread on the Minutes of the Court.

SECTION 9. That each member of the Sinking Fund Commission, except the County Judge or Chairman, before entering upon their duties shall give a good solvent [solvent*] bond in the sum of \$5,000 to be approved by the County Judge or Chairman, conditional for the faithful performance of their duties under

the provisions of this Act, and handling, paying, and accounting for all the Sinking Funds coming into their hand, and the County Judge or Chairman will serve under his official bond, and is excused (excused*) from giving any other bond as a member of the Sinking Fund Commission. Provided further, that the premium on each \$5,000 bond given by the other members of the Commission, shall be paid by Sullivan County, out of the general fund as other ordinary expenses of the County are paid.

SECTION 10. That all laws and parts of laws in conflict with the provisions of this Act, be and the same are hereby repealed insofar as such conflict extends.

SECTION 11. That if any section or part of this Act shall be held to be unconstitutional or invalid, such holding shall not impair the validity of the remaining sections or parts of this Act.

SECTION 12. That this Act take effect from and after its passage, the public welfare requiring it.
Passed: April 17, 1935.

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