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Bond Issues - Historical Notes

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,

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A listing of the acts which authorized various bond issues for Stewart County is included below for reference purposes, although these acts are no longer current.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. Public Acts of 1868-69, Chapter 10, permitted the quarterly court of Stewart County to issue up to \$20,000 in bonds to rebuild the courthouse which was destroyed by fire in the fall of 1862 during the Civil War. These bonds would bear such interest as the court might designate and mature in ten year, or less, all the mechanics of the sale to be under the supervision of the court.

Debts

1. Private Acts of 1927, Chapter 611, was the enabling legislation for the quarterly court of Stewart County to issue and sell by resolution of the court up to \$5,000 in bonds, to redeem outstanding warrants heretofore issued, or which may hereafter be issued, by the duly constituted county authorities. The interest rate could not exceed 6%, nor the maturity schedule go past five years. All the details essential to a valid bond issue were incorporated into the law including a mandatory special tax levy for the sinking fund as long as any of these bonds were outstanding and unpaid. No compensation was to be paid to any county official for any service rendered in connection herewith.
2. Private Acts of 1933, Chapter 230, was the authority for the quarterly court of Stewart County to borrow up to \$20,000 by resolution of the court, and to issue interest bearing notes, or bonds, for the same amount borrowed which money would be used to redeem and pay any outstanding warrants previously issued by county officers. The interest rate could not exceed 6%, but the notes, or bonds, could mature as the court might direct. All essential details including the mandatory tax levy were present in the act. The county judge would issue the warrants to pay the debts as they came due and no county officer would be compensated for their services in the matter.

Ferries

1. Private Acts of 1915, Chapter 308, allowed the mayor and city council of the city of Dover to issue up to \$10,000 in bonds, at an interest rate of 5%, or less, and which would mature over a period of 20 years, to purchase and install a free ferry within its limits. Series A for the bonds were for the ferry, and Series B was allocated to the light plant.

Jails

1. Private Acts of 1897, Chapter 320, permitted the Stewart County Quarterly Court to issue up to \$8,000 in 6%, ten year, general obligation bonds to build a jail for the county, provided three-fourths of the justices of the peace were present when the court made the decision to issue the bonds. All the details including the interest coupons to be attached were present in the text of the bill. The quarterly court must levy a special tax to amortize the bonds as long as they were due and unpaid.

Poor House

1. Public Acts of 1875, Chapter 56, recited in its preamble that destitution now exists in many of the counties of Tennessee and there is a scarcity of money plus a general crop failure has just occurred. This law was the legal authority for the counties of Stewart, Montgomery, Houston, Dickson, Cheatham, Humphreys, and Benton to issue bonds whereby the wants of needy citizens might be supplied. The amount of bonds for this purpose could not be more than \$10,000, nor the interest rate go above 6%. These bonds could not be sold for less than par.
2. Private Acts of 1935, Chapter 495, stated that the quarterly court of Stewart County, without the necessity of holding a referendum on the issue, had the legal authority to issue no more than \$40,000 in 6%, 20 year, bonds to provide a poor farm and a poor house for the indigent people of Stewart County. This action may be accomplished by resolution of the court containing all the essential details. The act further grants to the court the power to purchase the land and erect the building, appointing all the necessary committees to accomplish the desired result.

Roads

1. Acts of 1907, Chapter 218, granted to the quarterly court, of Stewart County, the authority and power to issue and sell up to \$25,000 in 5% bonds, from time to time as needed, the whole amount at no time to exceed \$50,000, which bonds were to mature according to a schedule

devised by the quarterly court between five and thirty years, the funds to be used to locate, grade, bed, drain, and macadamize such public roads in Stewart County as the court may select. The roads to be worked would be chosen and published and then a referendum would be held before any further action was to be taken. The act provided for the county court to appoint a three member commission, who would pick a chairman and secretary from themselves and set the compensation for them. The commission would keep records of the work and the county judge would be responsible for the bond records. All funds must be kept in a separate account.

Schools

1. Private Acts of 1939, Chapter 472, allowed, subject to the successful outcome of a referendum election held for that purpose, the quarterly court of Stewart County to issue up to \$150,000 in 6%, or less, bonds, which would mature no later than 30 years from issue, to acquire the necessary land and property and to construct, repair, furnish, and equip various schools in Stewart County. The referendum would be conducted under the general election laws of the state, and, if the vote should be against the issue, the proposal may be resubmitted any time after six months have passed. The board of education was authorized to enter into contracts with federal agencies in order to obtain financial assistance, or for aid in other ways.
2. Private Acts of 1947, Chapter 73, was the authority for the Stewart County Quarterly Court, a majority being present at the time, to issue its negotiable interest bearing coupon bonds up to \$200,000 to purchase the necessary land and to build a high school at Dover, to furnish and to equip the said school, and to pledge the full faith and credit of Stewart County in all the premises. The bond interest rate could not exceed 6%, nor the maturity period go beyond 40 years from the date of issue. All essential details were contained in the legislation, and all the actions of the court taken in connection with these purposes prior to this act are all ratified, confirmed, and made lawful notwithstanding any apparent deficiency

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