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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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Bond Issues - Historical Notes

Debts

1. Private Acts of 1867-68, Chapter 102, authorized the commissioners of Shelby County to issue bonds in the amount of \$300,000, bearing an interest rate of 8%, to be used exclusively for the purpose of retiring the indebtedness of Shelby County. This act was amended by Public Acts of 1868-69, Chapter 35, which increased the amount of the bond to \$400,000. Private Acts of 1867-68, Chapter 102, was further amended by Public Acts of 1868-69, Chapter 40, Section 29, which authorized the bonds issued by Shelby County to be of the denomination of \$1,000 and to be sealed with the seal of Shelby County and to be made payable in the City of New York at such place as the board of county commissioners may designate.
2. Public Acts of 1885, Chapter 154, was a bond issue of \$60,000, with an interest rate of 6% per annum, to pay outstanding indebtedness for the courthouse, poorhouse and other county purposes.
3. Public Acts of 1893, Chapter 79, authorized coupon bonds of \$150,000 to retire indebtedness for the insane asylum, workhouse addition and other internal county improvements. These bonds were to earn interest at a rate of 6% per annum and their maturity date was to be determined by the quarterly county court.
4. Private Acts of 1901, Chapter 301, authorized a bond issue of \$60,000 to recur a loan from Bolton College. These bonds, payable within five years at an annual interest rate of 5%, were to be used for turnpike purposes.
5. Private Acts of 1901, Chapter 487, provided for a bond issue of \$60,000, with an interest rate of 4½% per year, to mature three years after issuance, for the purpose of paying off bonded indebtedness.
6. Acts of 1909, Chapter 411, authorized a bond issue of \$100,000 to pay off indebtedness of Shelby County for the construction and repair of bridges. These bonds were to have an annual interest rate of 5%, to mature within thirty years.
7. Private Acts of 1913, Chapter 203, was a bond issue of \$600,000 for the purpose of paying bonded indebtedness for the construction of bridges and roads. These bonds were to mature twelve years from their date of issuance and were to earn interest at an annual rate of 5%.
8. Private Acts of 1915, Chapter 68, authorized a bond issue of \$60,000 for the purpose of refunding the outstanding bonds known as the "Bolton College Bonds." The new bond issue had a maximum interest rate of 5% and were to mature within fifteen years.
9. Private Acts of 1921, Chapter 593, refunded the "Bolton College Bonds" with a bond issue of \$60,000 payable in fifteen years at 5%.
10. Private Acts of 1921, Chapter 667, gave the county court power to borrow money, issue revenue notes at 6% per annum for not more than one year, for the purpose of providing funds for the use of the board of commissioners or other governing bodies in the county. This was amended by Private Acts of 1925, Chapter 294, to provide that such revenue notes could not be issued in any year prior to the fixing of the tax rate for that year.
11. Private Acts of 1931, Chapter 218, was another bond issue for the purpose of paying off the bonded indebtedness of the "Bolton College Bond." The amount of this bond issue was \$60,000.
12. Private Acts of 1943, Chapter 211, authorized the board of trustees of the tuberculosis hospital to use any proceeds remaining from the sale of improvement bonds or any surplus in the payment of outstanding bonds for the benefit of the hospital.

Bridges - Roads - Harbors

1. Public Acts of 1857-58, Chapter 96, Section 2, authorized the county court of Shelby County to purchase and pay off the time bonds issued by the county, to aid in the construction of the Memphis & Ohio Railroad. The bonds were purchased through a property tax which did not exceed the sum of .30¢ on \$100 of taxable property.
2. Acts of 1905, Chapter 70, authorized a \$100,000 bond issue to be known as the "Emergency Levee Bonds." These bonds, which were to mature within twenty years with an annual interest rate of 4%, were to be used for the purpose of raising the level of Shelby County roads to protect

- them from overflow. Acts of 1907, Chapter 22, amended the original act to provide that the bridge commissioners be paid \$25 per month until they complete their work. Acts of 1907, Chapter 262, abolished the turnpike and bridge commission established by Acts of 1905, Chapter 70, and placed its duties in the county court.
3. Private Acts of 1937, Chapter 897, was a \$2,500,000 bond issue, to mature in not more than fifty years at an annual interest rate of 6%. These bonds, to be known as the Shelby County Sea-Wall Bonds, were used to build pumping stations, reservoirs, levees and sea walls.
 4. Private Acts of 1943, Chapter 260, was a bond issue of \$375,000 to be known as the "Shelby County Mississippi River Bridge Bonds." These bonds, subject to ratification by Shelby County voters, were to bear interest at the rate of 6% per annum and to mature in not more than fifty years.
 5. Private Acts of 1947, Chapter 505, authorized an additional \$500,000 issue of "Shelby County Mississippi River Bridge Bonds" to finance Shelby County's part of the cost of construction of a bridge across the Mississippi. These bonds were to mature within thirty years, with a maximum interest rate of 6% per year, but their issuance was subject to voter approval.
 6. Private Acts of 1947, Chapter 514, authorized a bond issue of \$535,000 for the purpose of financing Shelby County's part of the cost of developing a harbor and port in cooperation with the City of Memphis. These bonds were to earn interest at a rate to be determined by the quarterly county court, with a maturity date within twenty-five years after the date of issuance; they were tax-exempt and subject to voters approval.
 7. Private Acts of 1951, Chapter 389, was a bond issue of \$1,000,000 for the purpose of establishing a port and harbor in cooperation with the City of Memphis. The quarterly county court was to set the rate of interest and maturity date, which was to be within twenty-five years from date of issuance. This act was subject to voter approval.

Buildings - Memorials - Institutions

1. Public Acts of 1881, Chapter 117, authorized the county court to issue bonds of \$30,000, with an annual interest rate of 6%, to mature in five equal installments for the purpose of erecting a poor house and lunatic asylum.
2. Acts of 1905, Chapter 16, was a \$1,000,000 bond issue, due and payable in fifty years with an annual interest rate of 4%, for the purpose of building the Shelby County Courthouse. This act also created a courthouse commission to oversee its construction. Acts of 1905, Chapter 124, amended this to provide that the chairman and secretary of the courthouse commission each receive an annual salary of \$2,000; and this amendatory act also gave the commission the power of condemnation. Both of these acts were repealed by Acts of 1905, Chapter 377.
3. Acts of 1905, Chapter 377, which repealed the acts listed above in (2), authorized a \$1,000,000 bond issue, 4% annual interest rate, to mature within fifty years, for the construction of a courthouse. It created a courthouse commission of five members, two of whom were to be residents of Memphis. The commission was given the power of condemnation and the chairman and secretary of the commission were given an annual salary of \$2,000.
4. Acts of 1907, Chapter 137, authorized two more bond issues for the courthouse, one not exceeding \$150,000 for completing the building and an issue of \$350,000 worth of bonds for furnishing and outfitting the courthouse. Both of these bond issues were to mature within fifty years at an annual interest rate of 4%.
5. Private Acts of 1913, Chapter 127, authorized a bond issue of \$325,000 with an interest rate of 4½%, payable semiannually, to mature within thirty-five years, for the purpose for constructing a jail. This act authorized the county court to appoint jail commissioners to oversee the sale of the bonds and to direct the use of the proceeds. This was repealed by Private Acts of 1921, Chapter 173.
6. Private Acts of 1913 (Ex. Sess.), Chapter 78, authorized a bond issue of \$100,000 for the construction of an auditorium. These bonds were to have an annual interest rate of 6% and were to mature within thirty years.
7. Private Acts of 1917, Chapter 420, authorized a bond issue of \$375,000, contingent upon approval by the voters, to enable Shelby County to carry out the purposes of this act, which were to erect, in cooperation with the City of Memphis, an auditorium and public market. These bonds were to mature within fifty years, at an interest rate of not more than 5% per annum. Private Acts of 1925, Chapter 158, amended this act, providing for an additional bond issue of \$75,000, interest rate of 6%, to mature within fifty years.

8. Private Acts of 1919, Chapter 292, authorized Shelby County in cooperation with the City of Memphis to construct hospitals for the treatment of tuberculosis and authorized a bond issue of \$150,000, annual interest rate of 5%, due and payable within forty years, for that purpose. This was amended by Private Acts of 1919, Chapter 595, which changed the caption of the original act to make it clear that Shelby County was authorized to issue bonds and to cooperate with Memphis in building such facilities.
9. Private Acts of 1921, Chapter 115, was a bond issue of \$500,000 for the construction of a jail or a penal farm. These bonds were exempt from all taxes and were to mature within fifty years at a rate of 6% per annum. Private Acts of 1921, Chapter 457, amended Chapter 115 to change the date of the referendum on the bond issue from April 21, 1921 to May 19, 1921. Private Acts of 1923, Chapter 420, authorized an additional bond issue of \$300,000 for the purposes of Private Acts of 1925, Chapters 115 and 159, allowing an additional issue of bonds in the amount of \$100,000.
10. Private Acts of 1921, Chapter 140, was a \$250,000 bond issue, to mature within thirty years at an annual rate of 6%, for constructing exhibit buildings and other permanent improvements at the Tri-State Fair Grounds. This act also created a commission to oversee the sale of these bonds and the erection of the buildings.
11. Private Acts of 1921, Chapter 937, amended Private Acts of 1925, Chapter 115, by providing that any surplus remaining after the completion of a jail or penal farm may be used for improving either the workhouse or Home for Aged and Infirm of Shelby County.
12. Private Acts of 1923, Chapter 358, authorized a bond issue of \$100,000 with an annual interest rate of 6%, to mature within forty years. The proceeds from these bonds were to be used to construct, in cooperation with the City of Memphis, new buildings and additions to the tuberculosis hospital.
13. Private Acts of 1925, Chapter 155, authorized a \$1,500,000 bond issue, to be known as the "Shelby County Institution Bonds," with an interest rate of 6%, maturity date within fifty years and subject to the approval of Shelby County voters. This act also created the county institutions committee to oversee the sale of these bonds and the use of their proceeds to improve various county institutions. Private Acts of 1927, Chapter 488, was an amendatory act, naming members of the board of county commissioners as ex-officio members of the Shelby County Institutions Commission. Private Acts of 1935, Chapter 16 also amended the original act by adding public abattoirs and garbage disposals to the list of county institutions.
14. Private Acts of 1927, Chapter 467, was a \$100,000 bond issue to be used for the construction of new buildings at the Shelby County - City of Memphis tuberculosis hospital. These bonds were to mature within forty years at an annual interest rate not exceeding 6%. This was amended by Private Acts of 1945, Chapter 239, to provide that any excess from the proceeds of these bonds was to be used as a contribution toward the cost of a state tuberculosis hospital in Shelby County.
15. Private Acts of 1941, Chapter 83, provided for the issuance of Shelby County Institution Bonds in the amount of \$350,000, to be used especially for the improvement of the Penal Farm and the Fairgrounds Park. These bonds were tax exempt, with a 6% interest rate, to mature within fifty years, and were subject to approval by the Shelby County voters.
16. Private Acts of 1947, Chapter 504, was a bond issue of \$300,000 to be used in the construction of a tuberculosis hospital in cooperation with the City of Memphis. These bonds were tax exempt, to mature within twenty-five years at an interest rate to be determined by the quarterly county court, and were subject to voter approval.
17. Private Acts of 1947, Chapter 506, authorized a bond issue of \$75,000 to construct a Municipal Warehouse in cooperation with the City of Memphis. These bonds, subject to voter approval, were to mature within twenty-five years at an interest rate to be determined by the quarterly county court, and they were exempt from taxation.
18. Private Acts of 1947, Chapter 516, authorized Shelby County to issue \$175,000 worth of bonds for the purpose of constructing and equipping a market house in cooperation with the City of Memphis. These bonds were contingent upon voter ratification, tax exempt, and were to have a maturity date within twenty-five years from issuance at a interest rate set by the quarterly county court.
19. Private Acts of 1947, Chapter 528, was a bond issue of \$1,333,000 to construct, in cooperation with Memphis, the Mid South Fair Grounds, subject to voter approval, tax exempt, with maturity date and interest rate to be set by the quarterly county court.
20. Private Acts of 1947, Chapter 530, provided for a bond issue of \$200,000 to construct the Cossitt

Library, in cooperation with the City of Memphis. These bonds were subject to voter approval, tax exempt and the quarterly county court was to set their interest rate and maturity date.

21. Private Acts of 1947, Chapter 531, authorized a bond issue of \$280,000 to construct a new park in Shelby County, maturity date within twenty-five years with interest to be set by the quarterly county court. These bonds were tax exempt and subject to approval by the voters.
22. Private Acts of 1947, Chapter 532, was a bond issue of \$3,000,000 to be used in the construction of a memorial to veterans. The interest rate and a maturity date within twenty-five years were to be set by the quarterly county court, and the bonds were exempt from taxation.
23. Private Acts of 1947, Chapter 533, authorized, subject to voter approval, the issuance of bonds in the amount of \$338,000 for the purpose of building and equipping a "hospital and nurse's home for colored persons." These bonds were tax exempt, to mature within twenty-five years at an interest rate set by the quarterly county court.

Schools

1. Private Acts of 1911, Chapter 64, was a bond issue of \$200,000 for school building purposes, with an interest rate of 4½%, to mature thirty years from the date of issuance. This act also provided for a three-member commission to sell the bonds, to select and purchase sites for school buildings and to oversee the construction and furnishing of the buildings. The chairman and secretary of the commission were to be paid \$1,500 per year.
2. Private Acts of 1911, Chapter 88, authorized an additional bond issue of \$100,000, annual interest rate of 5%, to mature within twenty-five years, for the purpose of purchasing sites and erecting and equipping buildings for the State Normal School in Shelby County.
3. Public Acts of 1911, Chapter 60, authorized counties in the state with a population under 190,000, according to the Federal Census 1910, to issue and sell coupon bonds to purchase school property, school sites; to erect, furnish, equip, and repair school buildings.
4. Private Acts of 1913, Chapter 154, authorized the boards of education in Shelby and Davidson counties to issue bonds of \$40,000, with an interest rate of 4½% and a maturity date which was set by the boards, for the purpose of constructing new school buildings.
5. Private Acts of 1917, Chapter 295, authorized a bond issue of \$150,000, maximum interest rate of 5%, maturing as the county court might determine. The proceeds of this bond sale were to go to the trustees of Bolton College to erect new buildings. Private Acts of 1917, Chapter 479, amended this to require that if Shelby County issued the bonds then it was the duty of the county to levy a sufficient tax each year to provide for the payment of interest on the bonds.
6. Private Acts of 1917, Chapter 362, was a bond issue of \$200,000 at 5½% interest, maturing within thirty years, for no other purpose than the purchasing, building, repairing or furnishing of school buildings in the county.
7. Private Acts of 1919, Chapter 429, authorized the Shelby County Board of Education to issue school bonds in the amount of \$500,000, to mature in not less than six nor more than thirty years, at an annual interest rate of 5½%.
8. Private Acts of 1919, Chapter 437, was a bond issue of \$150,000 for the purpose of aiding Bolton College Agricultural High School. These bonds were to bear interest at 5% per year, and the school was to execute a trust deed as security for such bonds.
9. Private Acts of 1919, Chapter 467, authorized the Shelby County Court to issue school bonds of \$300,000, maximum interest rate of 5% per annum, maturing in three equal groups in ten, twenty and thirty years.
10. Private Acts of 1921, Chapter 651, authorized the Shelby County Court to borrow money and issue revenue notes for county elementary and high school purposes, in an amount not exceeding \$300,000, with interest and maturity date of such revenue notes to be determined by the county court.
11. Private Acts of 1923, Chapter 277, was a bond issue of \$600,000, with a maximum interest rate of 6%, to mature in not more than fifty years. The proceeds from these bonds were to be used for the building of a practice school in Shelby County at the West Tennessee Normal School.
12. Private Acts of 1925, Chapter 156, provided for a \$375,000 bond issue, subject to voter approval, with a maximum interest rate of 6%, to mature within fifty years. The proceeds from the sale of these bonds was to be apportioned between the elementary and high schools of Shelby County, as the board of education might determine.
13. Private Acts of 1927, Chapter 510, authorized a bond issue of \$500,000, subject to voter

approval, with a maximum interest rate of 6% and a maturity date within fifty years. The proceeds from the sale of these bonds was to be apportioned between the elementary and high schools of Shelby County.

14. Private Acts of 1947, Chapter 713, was a school bond issue in the amount of \$1,100,000, with a maximum interest rate of 6% and a maturity date within twenty-five years from the date of issuance. This bond issue was subject to voter approval, and the proceeds of their sale was to be apportioned among the Frayser, Levi, Oakville, Woodstock and White Station Schools.
15. Private Acts of 1949, Chapter 164, authorized, subject to voter approval, a bond issue of \$3,600 to be used for school buildings. These bonds had a maximum interest rate of 6% and were to mature within thirty years.
16. Private Acts of 1951, Chapter 390, was a \$3,500,000 bond issue, maximum interest rate of 6%, maturing within thirty years, to be used for school buildings. The issuance of these bonds was subject to voter approval.
17. Private Acts of 1953, Chapter 443, authorized Shelby County, through its quarterly county court, to issue \$3,500,000 for the purpose of purchasing school sites, building new school buildings, making additions to present school buildings, altering, furnishing and equipping school buildings for both elementary and high school purposes. These bonds were issued with a maximum interest rate of 6% and maturing within twenty-five years.

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