



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

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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,

The University of Tennessee
County Technical Assistance Service
226 Anne Dallas Dudley Boulevard, Suite 400
Nashville, Tennessee 37219
615.532.3555 phone
615.532.3699 fax
www.ctas.tennessee.edu

Table of Contents

Bond Issues - Historical Notes	3
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Bond Issues - Historical Notes

A listing of the acts which authorized various bond issues for Scott County is included below for reference purposes, although these acts are no longer current.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 1895, Chapter 157, allowed the Quarterly County Court of Scott County to issue \$100,000 in bonds, at an interest rate not to exceed 6% and during a maturity period not to exceed 50 years, to build or repair the court house and the jail and also to build and repair public roads. All the details of the issue were prescribed in the act, a tax levy was required to be made by the Court for the sinking fund, and records of all transactions were to be made and kept by the County Judge, or Chairman. This Act was repealed by the one following.
2. Private Acts of 1897, Chapter 212, repealed Private Acts of 1895, Chapter 157.
3. Private Acts of 1903, Chapter 548, provided that the Quarterly County Court may request a referendum election to determine whether they should issue \$100,000 in bonds to build a court house and public or pike roads, using the amount shown for each purpose. If the vote was affirmative, the bonds would be issued at a 4%, or less, interest rate, and mature in 10 to 20 years, or less. A five member Pike Road Commission would be appointed to supervise that portion of the program. All the other terms were those generally found in all types of bond legislation.
4. Private Acts of 1947, Chapter 123, permitted the Quarterly County Court of Scott County to issue \$225,000 in 4%, 30 year bonds to build and equip a court house and administration building in Huntsville, Scott County, Tennessee, containing all the essential details commonly found in bond laws.

Debts

1. Private Acts of 1927, Chapter 167, called for a referendum to ascertain the will of the people on whether or not to issue \$300,000 in bonds which would be used to fund a like amount of indebtedness, including Road, Bridge, School, Pike, and county warrants, as well as judgments and decrees previously rendered which were not covered by previous bond issues. The interest rate could not exceed 5½%, nor the maturity period thirty years. All the other details and requirements were specified, if the question were approved.
2. Private Acts of 1929, Chapter 441, authorized the Quarterly County Court to issue \$250,000 in 5½%, two to fifteen year, bonds to pay the outstanding debts of the county and of the Oneida School District as the same may be evidenced by votes, warrants, or other written certificates of debt. The County Trustee would handle and account for all the funds of the issue.
3. Private Acts of 1937, Chapter 508, allowed the Quarterly Court of Scott County to issue \$175,000 in 5%, 20 year bonds to pay school warrants, and judgments against the county, and any other outstanding debt which might be just, due, and owing. These would be general obligation bonds and exempt from taxation by any other government.

General

1. Private Acts of 1939, Chapter 17, provided that no bond issues of any kind or for any purpose, including refunding and refinancing bonds, shall be issued in Scott County except upon a favorable vote of the people in an election held for that purpose. All bond issues undertaken without compliance herewith shall be null and void. The expenses of all the elections called for under this act shall be paid out of the county treasury as other expenses are normally paid. This act was repealed by the one below.
2. Private Acts of 1945, Chapter 272, repealed Private Acts of 1939, Chapter 17, in its entirety.

Hospital

1. Private Acts of 1953, Chapter 465, allowed the Scott County Quarterly Court to issue \$250,000 in bonds, at an interest rate to be determined by the court, and on a maturity schedule not to exceed 30 years, to be used to acquire lands upon which to erect, build, construct, maintain and operate a building, or buildings for a hospital which may be done in cooperation with other counties adjoining with the Oneida District, or with the State and Federal governments. The bonds were to be exempt from taxation and no service fees would be paid to any official or county officer. All essential details were present.

Jail

1. Private Acts of 1907, Chapter 568, permitted the County Court to issue \$10,000 in 6%, 20 year bonds, to be used to build a jail house in Huntsville. A five member Building Commission would be named to supervise the building and the contracts connected therewith. All the details were fixed, a tax levy required, and records were to be kept of all the transactions.

Memorial

1. Private Acts of 1947, Chapter 289, allowed the County Court to issue \$25,000 in 4%, 30 year, general obligation bonds to build and equip a memorial building in honor of all the exservice men and women in Scott County, the execution and delivery of the bonds being proof that all requirements of law had been met. All the essential details of bond legislation were present.

Roads

1. See Private Acts of 1895, Chapter 157, Private Acts of 1897, Chapter 212, and Private Acts of 1903, Chapter 548, all reported under "Courthouse" herein.
2. Private Acts of 1917, Chapter 199, recited in the preamble that pursuant to Public Acts of 1913 (Ex. Sess.), Chapter 26, the Quarterly County Court authorized and directed the issuance of \$300,000 in bonds, subject to the outcome of a referendum which took place on August 12, 1915 and resulted in an affirmative vote by a majority of the voters. This act provides for the sale of the bonds, which were to be used for roads, by validating and legalizing all the prior actions of the County Court in connection therewith so that it would not be necessary to hold another election.
3. Private Acts of 1927, Chapter 33, recited that on November 27, 1926, the voters of Scott County approved a proposed bond issue of \$150,000 to build a road from Oneida, down Buffalo Creek to the Campbell County line, therefore this act is the authority for the Court to issue that amount in 5½%, 30 year bonds to be used for the purpose stated, this act validating all prior proceedings.
4. Private Acts of 1951, Chapter 598, permitted the Quarterly Court of Scott County to issue \$300,000 in 4%, 30 year bonds to be used to build, repair, and maintain highways in the county or to purchase road building machinery for use on the highways. All the details were fixed and a tax levy for the sinking fund required.

Schools

1. Private Acts of 1921, Chapter 917, authorized the Trustees of the Huntsville School District to issue \$10,000 in bonds at 6% interest or less, one-half becoming due in 1931, and the other one-half in 1933, or whenever the Trustees wanted to call them in to construct and repair the school buildings, or acquire the land upon which to build them. Trustees named in the act were William York, Chairman, W. J. Jeffers, Secretary, A. H. Dorsy, R. J. Baker, and J. M. Griffith. A tax levy of 90 cents per \$100 property valuation in the District was laid and a lien declared on all property when tax levy went unpaid. The County Trustee would account for and handle all the money.
2. Private Acts of 1929, Chapter 441, was for \$250,000 to pay the debts of the county and the Oneida School District. See under "Debts" this Section.
3. Private Acts of 1931, Chapter 161, authorized the "Huntsville High School Building Board" to issue \$75,000 in bonds to purchase necessary and suitable lands for a school site and playgrounds and to build and equip a high school and elementary school in Huntsville. The maximum interest rate allowable was 6%, all payable out of the proceeds of a tax levy on property and privileges of twenty to thirty cents per \$100 property valuation which would be collected and disbursed by the Trustee. The first Board was composed of Earl Byrd, U. E. Jeffers, William York, E. G. Foster, and Howard H. Baker all of whom were granted the authority to accomplish the objectives for which the schools were created.
4. Private Acts of 1931, Chapter 185, authorized Scott County acting through the "Oneida Independent High School Building Board," created by this act, to issue \$25,000 in 6% bonds, or less, payable over a period to be determined by the Court and payable out of a tax levy from 5 to 10 cents per \$100 property valuation. M. E. Thompson, C. W. Wright, C. B. Hail, C. V. Smith, Emma L. Smith, W. C. Terry, and W. C. Marcum were named to the Board, and authorized to do all necessary and incidental things to the accomplishment of the purposes, such as to employ an architect, solicit bids, award all the contracts.
5. Private Acts of 1931, Chapter 186, allowed the "Norma and Straight Fork School Building Board" to issue \$10,000 in 6% bonds, or less, to purchase ground for and erect a gymnasium and additions to the existing facilities at Norma and Straight Fork in Scott County. The tax levy would be from two to four cents per \$100 tax assessment until the principal and interest are paid. The first Board members were O. Earl Byrd, D. T. Chambers, George Hatfield, William Byrd, John Jeffries and W. T. Newport with the authority granted to them to do all necessary things.

6. Private Acts of 1937, Chapter 508, is analyzed under "Debts" in this Section.
7. Private Acts of 1937, Chapter 519, permitted the County Board of Education in Scott County to issue \$8,000 in elementary school warrants, and \$2,000 in High School warrants to pay the teachers for the 8th and 9th months of school. All essential details were present.
8. Private Acts of 1939, Chapter 403, allowed the Chairman and the Secretary of the Board of Education to issue \$80,000 in 4%, 20 year bonds, the details being specified, and no referendum required, to acquire land, construct, repair, furnish and equip various schools in the county and to match any available Federal funds. The schools and the amounts to be spent on each one were named. John Lee West, Dr. Oscar Pemberton and O. E. Jeffers were named to a Committee to sell the bonds and to supervise the entire program. A tax levy was required in all the years of the amortization period to pay the tax.
9. Private Acts of 1941, Chapter 216, created the "Robbins High School Building Board" who were authorized to issue \$35,000 in bonds at an interest rate of 5%, or less, to mature as may be decided, and to be paid out of a tax levy of ten to twenty cents per \$100 property valuation to be used to purchase land for a school site, build and equip a High School at Robbins, in Scott County, Tennessee. Those named to the first Board were Arthur Robbins, W. A. Terry, County Judge John Lee West, Horace M. Hughett, and Howard H. Baker.
10. Private Acts of 1943, Chapter 141, ratified and validated all the prior actions of the Quarterly County Court of Scott County held on July 1, 1942, in connection with the issuance of \$79,000 in School Bonds and the levying of unlimited ad valorem taxes, making them the general obligations of the entire county. All the details were fixed and a tax levy required.
11. Private Acts of 1945, Chapter 336, permitted the County Court to issue \$165,000 in 4%, 30 year bonds to improve, repair, and equip an elementary school in Oneida, a high school and an elementary school in Robbins, Norma, and Straight Fork, a school in the 5th Civil District, and to purchase and repair school buses as the case may be.
12. Private Acts of 1947, Chapter 559, was the authority for the County Court to issue \$300,000 in 4%, 30 year bonds to be spent on the schools at Oneida and Robbins, and \$50,000 on the repair of all the other schools. If any remained, it could be spent to buy or repair buses as needed. The \$150,000 allotted to Oneida would be jointly supervised by the county and the Trustees of the school district.
13. Private Acts of 1949, Chapter 382, allowed the Scott County Quarterly Court to issue \$300,000 in 4%, 30 year bonds, whose proceeds will be deposited in a bank or banks in Scott County and used to build, repair, maintain, and equip the schools in Scott County.
14. Private Acts of 1957, Chapter 229, authorized bonds in the amount of \$950,000 for the purpose of devising and carrying into effect a more economical public school system. The interest rate was not to exceed 6% per annum and the bonds were to mature within 25 years.
15. Private Acts of 1959, Chapter 142, let the Scott County Quarterly Court issue \$325,000 in 5%, 25 year bonds, the proceeds of which would be paid over to the Treasurer of the Oneida Independent School District and used only for purchasing additional school land, improving school grounds, adding to, or equipping the school buildings of the District. The act contained all the essentials of a valid bond issue but was rejected and disapproved by the Quarterly Court and therefore never became an effective law.
16. Private Acts of 1959, Chapter 311, allowed the Quarterly Court to issue \$1,500,000 in 6%, 40 year bonds, \$800,000 of which would be used to build a comprehensive high school for the county, and the remainder to buy new sites, build new schools, or additions to existing schools in the various school centers in the county. A 14 member Building Commission was created and their duties set out. This Act was rejected by the Quarterly Court which rendered it null and void under the Home Rule Amendment to the State Constitution.

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