



County Technical Assistance Service
INSTITUTE for PUBLIC SERVICE

July 22, 2024

Bonds

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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Bonds

Private Acts of 1959 Chapter 141

SECTION 1. That the Oneida Independent School District in Oneida, Scott County, Tennessee, as created by Chapter 371 of the Private Acts of 1915, through its School Board members, in regular or special meeting assembled, is hereby authorized and empowered to issue its interest-bearing short term or long term notes in an aggregate principal amount not to exceed One Hundred Twenty Five Thousand Dollars (\$125,000.00) for the purpose of buying additional school land, improving school land, erecting, adding to and equipping school buildings, and to levy a tax or taxes for the payment of same. Said short term or long term notes shall bear interest at a rate of not exceeding four and one half percent (4½) per annum, and shall be in such denominations or payable according to such terms as the Oneida School Board may direct in said resolution authorizing the issuance of said notes; provided, however, that the aggregate amount of said note or notes shall mature within twelve years (12) after the date of issuance and shall be disposed of at not less than par and accrued interest and in such manner as the Oneida School Board may direct.

SECTION 2. That the said notes shall be signed by the Chairman of said Oneida Independent School District, and counter-signed by the Secretary of said School District, and such obligations as may be issued hereunder shall be incontestable obligations of the said Oneida Independent School District.

SECTION 3. That in order to provide funds with which to pay principal and interest of said obligations as may be issued hereunder, there is hereby levied a continuing annual tax upon all taxable property in said School District sufficient for that purpose, and in the sum of Ninetyfive cents (95¢) on each One Hundred Dollars (\$100.00) worth of Taxable property within the boundary of the Oneida Independent School District, beginning with the year 1959 and continuing until said notes have been paid in full as to both principal and interest; said taxes shall be annually extended and collected by the County Officials of Scott County, Tennessee in the manner provided by the general law for the extension and collection of county taxes. The taxes collected will be paid to the Treasurer of the Oneida Independent School District, who shall place the same in a separate fund which shall be used only for the purposes of paying the principal and interest on the said notes herein authorized to be issued. The said taxes so authorized under this Act shall constitute a lien on the property within said district with like force and effect as do county taxes. The Oneida Independent School District is authorized and required to apply at least one third (1/3) of the Capital outlay received yearly from the State of Tennessee, to the reduction of said notes, and the reduction of same should the tax rate of Ninety-five cents not be required to pay the yearly obligation incurred by issuance of said notes, then the tax rate shall be reduced accordingly and the county (sic) officials so notified of same.

SECTION 4. That the notes herein authorized shall be exempt from all state, county and municipal taxation in the State of Tennessee.

SECTION 5. That all laws or parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and any part of this Act held unconstitutional shall not affect the remaining parts hereof, and said remaining parts shall remain valid.

SECTION 6. That this Act shall not take effect unless the same shall have been approved by a two-thirds (2/3) vote of the Oneida School Board at a called or regular meeting of the Oneida School Board occurring more than 30 days after its approval by the Chief Executive of this State; its approval or non-approval shall be proclaimed by the Chairman of the Oneida Independent School District, Scott County, Tennessee, he being the presiding officer of the Oneida School Board, and the same shall be certified by him to the Secretary of State and upon the certification to the Secretary of State, of the approval of this Act, the same shall take effect from and after the date thereof, the public welfare requiring it.

Passed: March 6, 1959

Private Acts of 1963 Chapter 3

WHEREAS, The Oneida Independent School District in Scott County, Tennessee was recently audited by Chitwood and Coleman of Oneida, Tennessee and at the close of the fiscal year on July 1, 1962 was found to be operating under a deficit of \$35,000, and

WHEREAS, The Oneida Independent School District Board of Education has requested authority to issue bonds, the same to be retired from the proceeds of a special tax levy within such district if approved by the qualified voters within such District,

Now Therefore:

SECTION 1. That the Oneida Independent School District in Scott County, Tennessee, as created by Chapter 371 of the Private Acts of 1915, State of Tennessee, is hereby authorized from time to time to borrow money and issue its negotiable bonds therefor in the aggregate principal amount of not exceeding Thirty Thousand Dollars (\$30,000) to be known as "funding bonds" for the purposes of providing funds for the payment of its operating deficit, including debts and obligations, and the expenses incidental to the issuance of said bonds and any remaining balance to be available for general expenses of said School District. Said bonds shall bear interest at such rate or rates not exceeding five (5%) per cent per annum, payable annually or semi-annually, shall mature serially or otherwise in not exceeding twenty (20) years after date thereof and shall be subject to such terms of redemption, with or without premium, as may be provided by Resolution of the Board of said School District. Said bonds shall be in such form and of such denominations and shall be sold in such manner as the Board may provide by Resolution, but in no event shall such bonds be sold for less than par and accrued interest. The Board is authorized and empowered to do and perform all Acts which may be necessary or desirable in connection with the issuance and sale of said bonds. Said bonds shall be signed by the Chairman of the Board and attested by the Secretary of said Board and the coupons attached thereto shall be signed by the facsimile signatures of said officials.

SECTION 2. That for the purpose of paying the principal of and interest and any redemption premium on the school bonds herein authorized there is hereby levied a continuing annual tax of Fifty (50¢) Cents on each One Hundred Dollars (\$100.00) worth of taxable property in said Oneida Independent School District, beginning with the year 1963 and continuing until said bonds have been paid in full as to both principal and interest. Said taxes shall be annually extended and collected by the County Officials of Scott County in the manner provided by the general law for the extension and collection of county taxes and shall constitute a lien on the property against which they are levied with like force and effect as do county taxes. The proceeds of said taxes, as collected, shall be placed in a special fund and shall be used solely for the purpose of paying principal of and interest and redemption premiums on the school bonds herein authorized.

SECTION 3. That the bonds herein authorized shall be exempt from all State, County and Municipal taxation in the State of Tennessee.

SECTION 4. That the bonds herein authorized shall not be issued until the issuance thereof has been ordered by a majority of the qualified voters of said district voting in an election called for such purpose by the election commissioners of Scott County pursuant to the request of the Board of said District. Such election shall be held in the same manner and by the same officials as general elections are required to be held in Scott County and notice thereof shall be given at least twenty (20) days prior to the date of said election by publication of an appropriate notice not less than one time in a newspaper of general circulation in such District. At such election the ballot shall state briefly the maximum amount of bonds to be authorized and the purpose for which such bonds are to be authorized and shall contain the words "for the issuance of bonds" and "against the issuance of bonds." Opposite each of said phrases shall be a hollow square and the elector shall indicate his vote "for the issuance of bonds" or "against the issuance of bonds" by inserting a mark in the square opposite the appropriate phrase. The election commissioners of Scott County shall canvass the returns of such election and determine and declare in writing the results thereof. Such declaration shall constitute conclusive evidence of the results of said election.

SECTION 5. That said operating deficit, including debts and obligations incurred, is hereby validated and declared to be valid obligations of said Independent School District, and declared to have been incurred in the operation of the District's Schools, and necessary for the operation of said schools.

SECTION 6. That if any one or more provisions of this Act or the application thereof to any person or circumstances shall ever be held by any Court of competent jurisdiction to be invalid, the remaining provisions hereof and the application thereof to persons or circumstances other than those which it is held to be invalid shall not be affected thereby.

SECTION 7. That all laws or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

SECTION 8. That this Act shall take effect from and after its passage, the public welfare requiring it.

Passed: January 17, 1963.

Private Acts of 1990 Chapter 147

SECTION 1. The Oneida Special School District, Scott County, Tennessee, created by Chapter 371 of the Private Acts of 1915, is hereby authorized to borrow money and issue its bonds therefor in the aggregate principal amount not exceeding one million five hundred thousand dollars (\$1,500,000) for the purpose of

acquiring, constructing, improving, repairing and equipping schools and additions thereto for the school district, and acquiring all property, real and personal, appurtenant thereto or connected with such work. The bonds shall bear interest at a rate or rates not exceeding ten percent (10%) per annum, payable annually or semiannually, and shall mature serially or otherwise in not exceeding twenty (20) years after the date thereof, as may be provided by resolution of the board of education of the school district. The bonds shall be in such form and of such denominations, may be made subject to redemption prior to maturity, with or without premium, and shall be sold as a whole or in part from time to time in such manner as the board of education shall provide by resolution, but in no event shall such bonds be sold for less than par value plus accrued interest. The board of education is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the bonds. The bonds shall be signed by the chairman of the board of education and attested by the secretary of the board in such manner as the board of education shall provide by resolution.

SECTION 2. For the purpose of paying the principal of and interest and any redemption premiums on the school bonds herein authorized, there is hereby levied a continuing annual tax of seventy cents (70¢) on each one hundred dollars (\$100) worth of taxable property in the Oneida Special School District, beginning with approval of this act as provided in Section 5, and continuing until the bonds have been paid in full as to both principal and interest. The taxes shall be annually extended and collected by the county officials of Scott County in the manner provided by the general law for the extension and collection of county taxes and shall constitute a lien on the property against which they are levied with like force and effect as do county taxes. The proceeds of the taxes, as collected, shall be placed in a special fund and shall be used solely for the purpose of paying principal of and interest and any redemption premiums on the school bonds herein authorized.

SECTION 3. The bonds herein authorized shall be exempt from all state, county and municipal taxation in the State of Tennessee.

SECTION 4. Before any bonds are issued and sold by the district, there shall be an election held in such district by the Scott County Election Commission. Within thirty (30) days after the school board adopts a resolution in accordance with this section, the Scott County Election Commission shall call an election for the Oneida Special School District, to be held not less than forty-five (45) days nor more than sixty (60) days from the call. All qualified voters of the Special School District and all nonresident property owners in the Special School District shall have the right to vote in the election and there shall be placed upon the ballot used in such election, the language:

For the issuance of bonds in an amount not to exceed one million five hundred thousand dollars (\$1,500,000) and for an increase of seventy cents (70¢) in the property tax rate to pay for such bonds. and the language:

"Against the issuance of bonds in an amount not to exceed one million five hundred thousand dollars (\$1,500,000) and against an increase of seventy cents (70¢) in the property tax rate to pay for such bonds.", so that the voters in such election shall vote for or against the issuance of such bonds as they may desire. It shall be the duty of the Scott County Election Commission to call and hold such election upon a resolution adopted by the Board of Education of such special school district and filed with the Election Commission. If such resolution is not adopted within ten (10) business days of the effective date of this act, then this act shall be null and void. The votes cast on the question shall be canvassed and the results proclaimed by the County Election Commission and certified by it to the Secretary of State as provided by law in the case of General Elections. The qualifications of voters voting on the question shall be the same as those required for participation in General Elections. All laws applicable to General Elections shall apply to the determination of the approval or rejection of this act. The cost of the election shall be paid by the district.

SECTION 5. In any election held under this act in which a majority of the voters voting in such election vote for the issuance of such bonds, it shall be the duty of the Special School District Board of Education to issue and sell such bonds in accordance with the provisions of this act.

SECTION 6. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.

Passed: March 12, 1990.

Private Acts of 1993 Chapter 72

SECTION 1. The Oneida Special School District is authorized to refinance the one million five hundred thousand dollars (\$1,500,000) of indebtedness authorized by and subject to the provisions of Chapter 147 of the Private Acts of 1990. Notwithstanding the provisions of such act to the contrary, the amount of the refinanced indebtedness may exceed one million five hundred thousand dollars (\$1,500,000) if the tax rate provided in Chapter 147 generates sufficient revenue to repay such indebtedness and the expenses of such refinancing.

SECTION 2. Any funds in excess of one million five hundred thousand dollars (\$1,500,000) which become available as a result of refinancing indebtedness in accordance with the provisions of Section 1 shall be expended for the construction and equipping of new facilities in such district.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

Passed: May 10, 1993.

Private Acts of 1994 Chapter 139

SECTION 1. The Oneida Special School District, Scott County, Tennessee, created by Chapter 371 of the Private Acts of 1915 and Chapter 178 of the Private Acts of 1975, acting by resolution of its board of education, is hereby authorized to borrow money and issue and sell its interest-bearing notes and/or bonds for the purpose of refinancing existing obligations and/or acquiring, constructing, improving, repairing and equipping schools, and additions thereto for the school district and acquiring all property, real and personal, appurtenant thereto or connected with such work. The maximum principal amount of bonds and/or notes authorized to be issued shall not exceed \$1,000,000 plus the amount necessary to refinance such existing obligations, plus the costs of such refinancing and the issuance and sale of the notes and/or bonds. The notes and/or bonds shall be sold for not less than ninety-eight percent (98%) of par plus accrued interest. The notes and/or bonds may be sold in one (1) or more series, may bear such date or dates, may bear interest at such rate or rates (which may vary from time to time), may be payable at such time or times, may be in such denomination or denominations, may be in such form, either coupon or registered, may be payable at such place or places, may be executed in such manner, may be payable in such medium of payment, and may be subject to such terms of redemption, with or without a premium, all as may be provided by resolution of the board of education of the school district. The notes and/or bonds may be sold in such manner either at a competitive public sale or at a private negotiated sale as the school district may direct. The Board of Education of the school district is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and a sale of the notes and/or bonds. The notes and/or bonds shall be signed by the chairman of the board of education of the school district and attested by the secretary in such manner as the Board of Education shall provide by resolution. No public referendum or election of the voters of the school district shall be necessary in order for the school district to issue and sell the notes and/or bonds authorized herein.

SECTION 2. For the purpose of paying principal on and interest and any redemption premium on the notes and/or bonds herein authorized, the school district may pledge any and all revenues, receipts, grants, gifts or other funds which may be paid to or come into the school district from time to time, unless such pledge is otherwise prohibited by law.

SECTION 3. Any notes and/or bonds issued pursuant to the provisions of this act and the income therefrom shall be exempt from all state, county and municipal taxation in the State of Tennessee, unless otherwise provided by applicable law.

SECTION 4. So long as any of the notes and/or bonds shall remain outstanding and unpaid, the tax levied by authority of Chapter 147 of the Private Acts of 1990, shall continue to be levied at the rates set forth in Section 2 of such act, to be used solely to pay principal, premium, if any, and interest on the notes and/or bonds and any other obligations of the district now outstanding or which may hereafter be issued pursuant to lawful legislative authorization. Such taxes shall continue to be collected by the Trustee of the County, as other taxes are collected, and kept in a separate account from all other funds belonging to the district to be used for the purposes set forth herein. Such taxes shall constitute a lien on the property against which they are levied with like force and effect as do county taxes. The Board of Education of the district is authorized to pledge such taxes as necessary to pay the principal, premium, if any, and interest on the notes and/or bonds.

SECTION 5. The district is further authorized to issue at any time in accordance with the terms hereof bonds and/or notes to refund any bonds and/or notes issued hereunder.

SECTION 6. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to

be severable.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.

Passed: March 9, 1994.

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