



County Technical Assistance Service  
INSTITUTE *for* PUBLIC SERVICE

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# Bond Issues - Historical Notes

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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](http://www.ctas.tennessee.edu)

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# Bond Issues - Historical Notes

## **Bridges**

1. Acts of 1891, Chapter 138, constituted the legal authority for the Quarterly Court of Roane County to issue up to \$150,000 in bonds, at an interest rate not to exceed 6%, and to mature from 5 years to 30 years from the date of issue, the proceeds of which were to be used to build such bridges over the Clinch River and the Emory River and such turnpikes as might be needed to connect them, the whole system to be designed in the best interests of the county. All essentials were present in the law, including the appropriate tax levy, but all of the terms and conditions of this law had to be approved first by the people in a referendum vote.
2. Private Acts of 1915, Chapter 648, allowed the Roane County Quarterly Court, a majority of them being present, to issue \$50,000 in bonds, at a 5½% maximum interest rate, and to mature no later than 20 years from the date of issue, to build a bridge over the Emory River at Harriman, at or near the site of the present bridge, which would be constructed out of such materials as the County Court considered to be best. All the details essential to valid bond issues were included in the Act with a directive that the County Trustee would handle the funds.
3. Private Acts of 1923, Chapter 348, was the enabling Act for the Roane County Quarterly Court, a majority of the Justices being present, to issue up to \$75,000 in 5%, 30 year bonds to build a bridge at or near Kingston across the Clinch River. The interest rate was set at 5%, or less, and the maturity schedule was 30 years. All details were present including the mandatory tax levy for general obligation bonds. The entire program had to be approved first in a referendum.

## **Debts and Refunding**

1. Public Acts of 1899, Chapter 390, authorized the Quarterly Court to hold a referendum on the question of issuing \$200,000 in bonds, at an interest rate of 5%, or less, and to mature no later than 20 years from the date of issue, the proceeds of which would be used to pay off outstanding debts, and to build roads in the county. A notice of at least thirty days must precede the election, which notice would state the amount of bonds to be issued and the purpose, or purposes, for which the money would be expended. The details of the election to be held and of the form of bonds to be issued, if approved, were included in the Act. A committee of five freeholders in the county would be appointed if the residue of the money was to be spent on roads.
2. Acts of 1901, Chapter 268, allowed the Quarterly Court of Roane County to issue up to \$125,000 in 5%, 20 year bonds, to fund the present outstanding debts of the county including those debts incurred for bridges, or road work, except for the Clinch River Bridge, which debts would also encompass any judgments outstanding against the county. The money could be used for no other purpose than the ones named herein. The Trustee must keep accurate records of all the transactions hereunder.
3. Acts of 1903, Chapter 433, authorized and empowered the city of Harriman to issue its bonds for the purpose of funding or canceling certain of its existing bonds.
4. Acts of 1907, Chapter 150, permitted the Quarterly Court of Roane County to issue and sell up to \$60,000 in bonds at an interest rate of no more than 5%, the same to mature within five years from issue, to fund the outstanding and unpaid debts of the county including those incurred for the construction of the Clinch River and Emory River Bridges, whether the debts be in the form of unpaid warrants, or judgments. The form of the bonds and the details of the issue were included, as well as the mandatory tax levy. The Trustee was obligated to handle the money and keep the records. This Act was repealed in Item 5.
5. Acts of 1907, Chapter 511, amended Private Acts of 1907, Chapter 150, Item 3, above, by changing the form and date of the interest coupon which would be attached to those bonds.
6. Private Acts of 1911, Chapter 191, repealed Private Acts of 1907, Chapter 150, Item 3, above, and then allowed the Quarterly Court to issue up to \$60,000 in 5%, 20 year bonds, to pay the outstanding debts of the county except those incurred for the building of the Clinch River Bridge. All the essential details were contained in the Act.
7. Private Acts of 1913, Chapter 28, was the legal authorization for the Roane County Quarterly Court to issue \$150,000, in 5%, 20 year bonds to pay off the outstanding and floating debts of the county whether in the form of unpaid warrants, or judgments. The County Judge must keep the proper records and the Trustee would handle the funds.
8. Private Acts of 1917, Chapter 48, allowed the Quarterly Court to issue and sell up to \$210,000 in bonds at a maximum 5% interest rate, which would mature in increments up to 30 years from the

- date of issue, all of which would be devoted to the payment of outstanding debts of the county which were due and unpaid.
9. Private Acts of 1921, Chapter 544, enabled the Roane County Quarterly Court to issue no more than \$185,000 in bonds, at 6% or less, interest and to mature no later than 30 years from the issue date. The Act contained all the essential details, and required the mandatory general tax levy. These funds would be used to liquidate and discharge the outstanding debts of the county.
  10. Private Acts of 1927, Chapter 386, was the legislative authority for the Quarterly Court to issue up to \$100,000 in bonds, at an interest rate not to exceed 5%, and which were to mature on a schedule ranging from one to fifteen years after the date of issue. All essential details were included with a declaration that substantial compliance with the same would be sufficient. These funds were to be used to pay off debts incurred for school purposes, and \$50,000 for other debts.
  11. Private Acts of 1929, Chapter 79, authorized the issue and sale by the Roane County Quarterly Court of bonds in an amount not to exceed \$230,000, at 6% or less interest, to mature no later than 20 years from the date of issue, which amount would be used to pay off all authorized debts of the county as evidenced by warrants issued before the date of this Act. The County Judge must keep adequate and accurate records.
  12. Private Acts of 1931, Chapter 304, enabled the Quarterly Court to issue up to \$210,000 in 6%, 30 year bonds, to pay off and discharge the outstanding and floating debts of the county as the same were evidenced by warrants, and sundry other county papers, issued prior to the date of this law.
  13. Private Acts of 1931, Chapter 383, confirmed, ratified, and legalized the prior proceeding of the Quarterly Court, the County Judge, the County Court Clerk, and the Sheriff, heretofore taken in the connection with the issue of \$60,000 in the refunding bonds of Roane County, which were dated on June 1, 1931, at 6% interest, maturing at the rate of \$5,000 on June 1, 1934, and annually thereafter through 1945, in all respects and to the same extent as if this Act had preceded it.
  14. Private Acts of 1933, Chapter 20, authorized the Roane County Quarterly Court to borrow money at an interest rate of 6%, or less, and to pledge the credit of the county for that purpose of paying the interest on the bonded indebtedness of the county, and, further, to delegate to the county judge the power to execute suitable notes therefore in his official capacity as County Judge.
  15. Private Acts of 1935, Chapter 343, permitted the Quarterly Court of Roane County, a majority of the Justices being present, to issue and sell the coupon bonds of the county up to \$150,000, at an interest rate of no more than 6%, and which would mature according to the schedule established in the Act, which money would be used to pay the debts of the county as evidenced by warrants which were outstanding, due, and unpaid. All details in the Act must be strictly observed, but the Court could add details to the issue in the resolution to be considered and adopted by the Court. These bonds were the general obligations of the county and must be amortized each year through a general tax levy for the sinking fund.
  16. Private Acts of 1937, Chapter 21, validated a bond issue of \$245,000 at 6% interest, over a 20 year maturity period, to pay off the outstanding debts of the county. All the previous actions taken in reference to the same by the Quarterly Court and officials of Roane County were ratified, legalized, and confirmed.
  17. Private Acts of 1937, Chapter 112, ratified, validated, confirmed, and legalized all the prior activities of the Roane County Quarterly Court, and other officials, taken with reference to the issue and sale of \$496,000 in Refunding Bonds, dated June 1, 1936, which included a previous issue of \$441,000 at 5% and \$55,000 at 6%, the bonds being payable through June 1, 1956, but callable at the option of the county.
  18. Private Acts of 1941, Chapter 115, also confirmed, ratified, validated, and legalized all previous activities of the Quarterly Court and Roane County officials, and all the details contained in the resolution of the Quarterly Court, dated October 14, 1940, taken and held in connection with issue and sale of \$300,000 in Refunding Bonds, issued at 4½% interest, dated October 1, 1940, and maturing October 1, 1960. All the conditions and covenants expressed therein were confirmed and declared to be the valid and binding obligations of the county. The authority was granted to the County Court Judge, the County Court Clerk, and the County Trustee to do and perform all the acts necessary to a valid bond issue, despite any defects which might appear, or the lack of statutory authority to do so at the time the same was done.
  19. Private Acts of 1941, Chapter 122, ratified, confirmed, and validated all prior actions taken by the Quarterly Court, or other county officials, on October 14, 1940, which was the authority to issue and sell up to \$1,831,000 in Refunding Bonds to be issued at the interest rates established in the

Act and which would mature no later than October 1, 1960, all of which were declared to be the general obligations of the county for which a general tax levy must be made each year until all were paid. Specific authority for the County Judge, the County Court Clerk, and County Trustee, was granted for these officials to discharge all acts required of them in this connection.

### **Memorial**

1. Private Acts of 1951, Chapter 489, was the legal authorization for the Roane County Quarterly Court to issue and sell no more than \$21,000 in bonds, at a maximum 5% interest rate, to provide the Veterans of Foreign Wars Post, located at Harriman and Rockwood, each the sum of \$10,000 to be used in erecting a memorial building and for paying the expenses of the bond sale. The bonds would mature over a period not to exceed 20 years from the date of issue. All details over and above those included in this Act must be incorporated into the resolution adopted by the Court. No fees, or charges, would be paid to any county official for performing the duties imposed upon him by the terms of this Act.

### **Roads**

1. Private Acts of 1911, Chapter 128, stated that, within forty to seventy days after the passage of this Act, an election would be held in Roane County on the question of issuing no more than \$200,000 in bonds, at an interest rate of 5%, or less, and which would mature no later than 30 years from the date of issue, which money would be used to build turnpike roads and to pay all the expenses incidental thereto. If approved by the people, the bonds would be issued and the proceeds used to improve, or build, the 13 roads listed in the Act. These funds, records of which were to be kept by the County Judge, or Chairman, would be kept separate from all others and used only for these purposes. Five Pike Commissioners, one from each Civil District, would be elected at this election; the Chairman was to receive \$600 per year, the Secretary \$300 per year, and the other members \$100 per year. The Commissioners must be sworn, bonded, exercise the powers enumerated in the Act and serve at the pleasure of the Quarterly Court. This Act was repealed by the one following.
2. Private Acts of 1911, Chapter 628, expressly repealed Private Acts of 1911, Chapter 128, Item One, above, in its entirety.
3. Private Acts of 1911, Chapter 629, provided that an election be held in Roane County on the question of the issue and sale of \$200,000 in road bonds, the vote to be canvassed and certified to the Court by the Election Commission. The bonds would bear an interest rate not to exceed 5%, and would mature over schedules ranging from ten to thirty years. The proceeds, if approved, would be used to improve and build the 15 roads listed in the Act. Certain duties were imposed upon the different county officials to execute the purposes of this program which would be immediately supervised by a five member Road Commission appointed by the Quarterly Court who would conduct themselves within guidelines similar to those related to the Commission above.
4. Private Acts of 1913, Chapter 275, was the authority for the Roane County Quarterly Court to issue and sell no more than \$110,000 in bonds at an interest rate of 5%, and to mature no later than thirty years from the issue date, which money would be used in locating, bedding, grading, and improving roads in the county, all the road districts getting \$20,000 except the second which was granted \$30,000. The Quarterly Court must levy a tax to amortize the bonds, could employ an engineer if needed, could solicit bids and award contracts, and exercise the powers of eminent domain whenever necessary. This Act appointed S. A. Breazeale, Frank Ladd, Sr., L. H. Lowery, W. M. Brown, and E. T. Ingram, as Road Commissioners from their respective Civil Districts, who would be sworn and bonded, would select one of their number as Chairman, another as Secretary, and would be compensated as the Quarterly Court directed. These would serve until the next general county election when their successors would be chosen for two year terms. No commissioner could have any personal interest of any sort in the program.
5. Private Acts of 1921, Chapter 211, was the enabling law for the Roane County Quarterly Court to issue and sell up to \$30,000 in 6%, 30 year bonds to pay off any outstanding bonds, or debts, incurred to improve, build, or repair roads. All essential details for a valid bond issue, including the general tax levy, were present in the Act. The County Judge, or the Chairman, and the County Court Clerk were designated as a Committee to sell the above authorized bonds.
6. Private Acts of 1921, Chapter 314, recited in the preamble of the obligations of the United States, the State of Tennessee, and Roane County in connection with the building of the Dixie Highway and the Memphis-Bristol Highway. This Act was the authority for the Roane County Quarterly Court to issue up to \$225,000 in bonds, not to exceed a 6% interest rate nor a 30 year maturity period, which bond money would be used to pay Roane County's share which was one-third of the

cost of construction of the two highways named in the preamble as they passed through Roane County. All the essential details were present.

7. Private Acts of 1933, Chapter 2, validated and confirmed all the prior proceedings of the Roane County Quarterly Court with reference to the issue and sale of \$145,000 in refunding bonds, dated May 1, 1933, at 5½% interest, which would be used to pay off a like amount of Roane County Road Bonds, which were maturing on May 1, 1933, notwithstanding any lack of statutory authority to do so, or any defect appearing in the bonds.
8. Private Acts of 1947, Chapter 252, allowed the Quarterly Court of Roane County to issue and sell up to \$100,000 in bonds, at an interest rate of no more than 4%, and to mature no later than 20 years from the date of issue, which money would be used to construct, repair, and maintain primary and secondary roads and bridges in the county. These bonds, which were tax exempt, could be issued by a resolution of the court and no referendum was necessary. They were declared to be the general obligations of the county.

### **Rockwood**

1. Private Acts of 1947, Chapter 867, was enabling legislation for the city to issue \$25,000 in bonds for a hospital.
2. Private Acts of 1947, Chapter 868, allowed Rockwood to issue \$100,000 in bonds for a water and sewer system.
3. Private Acts of 1947, Chapter 869, permitted the City of Rockwood to issue and sell, and to borrow \$100,000 in bonds for improvements on the street system.

### **Schools**

1. Private Acts of 1927, Chapter 386, was the authority for a \$150,000 bond issue, at interest rates not to exceed 5%, payable over a schedule of one to fifteen years from date of issue, one-third of the proceeds to be used on roads and two-thirds to be expended on paying off the debts of the school system.
2. Private Acts of 1929 (Ex. Sess.), Chapter 69, alleged in the introduction to the Act that a resolution had been adopted by the Quarterly Court of Roane County calling the attention of the County Court to the condition of the schools in Paint Rock, Wheat, Oliver Springs, and South Harriman, which were not suitable for holding school therein. An estimate was made that \$55,000 would be needed, in addition to the \$14,000 already appropriated, and that the Quarterly Court had voted to issue the county's warrants in a sum up to \$55,000 to build, or repair, the aforementioned schools, which warrants were to draw interest at 6%. The court was now advised that it would require \$75,000, plus the \$14,000, to accomplish the desired results, which amount was added to the \$55,000 to make this Act conform. This Act confirmed, validated, and ratified all the prior events taking place in connection with the issue of the bonds and expenditure of the funds. A general tax levy was required for the sinking fund to amortize these bonds as they become due.
3. Private Acts of 1939, Chapter 12, validated, confirmed, and ratified the previous proceedings of the Roane County Quarterly Court taken in reference to the issue and sale of \$20,000 in High School Repair Bonds for the school in Harriman, at an interest rate of 4%, and maturing from 1939 through 1948. The essential details were present and the tax levy was directed.
4. Private Acts of 1945, Chapter 91, also ratified, confirmed, validated, and legalized all prior actions of the Roane County Quarterly Court held in connection with the issue and sale of \$18,000 in school bonds, dated February 1, 1945, which events occurred on January 8, 1945. These bonds would mature in annual increments through 1955, with interest at 3%.
5. Private Acts of 1951, Chapter 372, allowed the Quarterly Court of Roane County, a majority of the Justices being present, to issue up to \$100,000 in bonds, at a maximum interest rate of 6%, which were to mature no longer than 20 years from the date of issue, which money would be used to make additions and repairs to school buildings and to purchase school sites by the County Board of Education. Details of the bond form, of the bond issue, and the sale, were incorporated into this legislation.
6. Private Acts of 1957, Chapter 34, which was ratified in proper form by the Quarterly Court of Roane County, validated and legalized the action of the court in the issue and sale of \$80,000 in School Bonds, dated April 1, 1957, and maturing serially as specified in the Act. These bonds were made the general obligations of the county and were to be issued in conformity with the details contained in this Act.
7. Private Acts of 1961, Chapter 168, permitted the Quarterly Court to issue up to \$900,000 in

bonds to provide funds to purchase property for school purposes and to erect, repair, furnish, and equip school buildings in the county, and the bonds above were not authorized for any other purposes, and were to be tax exempt. The bond interest rate could not exceed 5%, nor the maturity schedule 20 years. The details of the form and issue were contained in the Act, which further provided the proceeds would be set apart and paid out according to Sections 49- 709 through 49-713, Tennessee Code Annotated. The necessity of the program has been accelerated by the establishment of the Oak Ridge Atomic Energy Project, a portion of which is located in Roane County.

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