



March 29, 2025

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## Chapter III - Bond Issues

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Sincerely,

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# Chapter III - Bond Issues

## Bond Issues - Historical Notes

A listing of the acts which authorized various bond issues for Franklin County is included below for reference purposes, although these acts are no longer current.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 1929, Chapter 586, authorized the Quarterly Court of Franklin County, upon approval in a direct vote of the people, to issue, on behalf of the County, coupon bonds in an amount not exceeding \$150,000 to bear interest at a rate not exceeding five percent per annum for the purpose of erecting and equipping a courthouse in the City of Winchester. The Quarterly Court was to fix the details of the issue and levy an annual tax on property and privileges, the revenue to be used to create a sinking fund. The program would be administered by a Finance and Executive Committee composed of five citizens and the County Judge. The funds were to be collected by the Trustee and the bonds designated as the "Court House Bonds."
2. Private Acts of 1935 (Ex. Sess.), Chapter 144, authorized the Quarterly County Court of Franklin County, upon approval in an election of the people and subsequent majority vote of the Quarterly County Court, to issue, on behalf of the County, coupon bonds in an amount up to \$150,000 to bear interest at a rate not exceeding four per centum per annum for the purpose of erecting and furnishing a courthouse in Winchester. The Quarterly County Court was required to fix the details of the issue and was to levy a tax on all property in the County subject to taxation and thereby create a fund to pay interest and principal as due. A Building Committee, formed by the Court and composed of four citizens and the County Judge, was authorized to contract for and supervise construction of the courthouse. The furnishing of the courthouse could be done only after the building and all expenses were paid for.

### **Debts**

1. Public Acts of 1866-67, Chapter 41, granted authority to the County Court to issue bonds for the amount of the indebtedness of the County. No debt was to be paid that was made in aid of the rebellion.
2. Private Acts of 1927, Chapter 571, authorized the County Court of Franklin County to issue interest bearing warrants as evidence of debt against the County to procure funds to meet and pay any indebtedness at any time incurred by the County.
3. Private Acts of 1955, Chapter 240, granted authority to the Quarterly County Court of Franklin County to borrow up to \$50,000 by issuing interest bearing notes and to apply the amounts so borrowed to pay or settle the claim against the County of Seth E. Giem and Associates, a partnership, and Marr and Holman, Architects. A tax levy was authorized to raise funds to pay the indebtedness created by the bond issue.

### **Roads**

1. Public Acts of 1899, Chapter 417, authorized the County Court of Franklin County at its quarterly session to appoint commissioners, and empowered the said commissioners to issue bonds of the County for the purpose of laying out, constructing, and building public roads in the County. The bonds would be in the total amount of \$100,000 with an interest rate not to exceed six per centum per annum and maturity dates within twenty years. The bond issue was required to be approved by a majority of the qualified voters at an election called by the commissioners. The County Court was required to levy a tax on property to pay for the bonds.
2. Acts of 1903, Chapter 143, named five commissioners, B. L. Wiggins, Hugh Lucas, A. J. Skidmore, W. O. Jones, and J. C. Hale, and empowered them to issue bonds on behalf of Franklin County for the purpose of laying out, constructing, and building public roads in the County. The bonds would be in the amount of \$100,000 and bear interest at a rate not exceeding five per centum per annum.
3. Acts of 1903, Chapter 588, amended Acts of 1903, Chapter 143, above, by correcting two mistakes in wording. The original act stated the bonds would be payable in "good coin" and this was changed to read "gold coin". The original act named five commissioners and then referred to them throughout as the "three commissioners". "Three" was changed to read, "five".
4. Acts of 1903, Chapter 472, amended Acts of 1903, Chapter 143, above, by striking the names of

the five commissioners and providing for the immediate appointment of five commissioners by the Governor. Once appointed, the commissioners were required to stand for election at the August, 1904, regular election. The act further provided that the Quarterly County Court of Franklin County, rather than the commissioners, would be empowered to issue the bonds on behalf of the County, but because the amending language is imprecise and lacks clear punctuation, this section of the act is ambiguous.

5. Acts of 1905, Chapter 46, repealed Acts of 1903, Chapter 143, Chapter 588, and Chapter 472, above, in their entireties.
6. Acts of 1907, Chapter 12, authorized the County of Franklin to issue bonds in an amount not exceeding \$200,000 for the purpose of improving, building, piking, or macadamizing certain named public roads in the County. The bond issue had to be approved by the majority vote of qualified electors at a special election. Upon the petition of one hundred legal voters, such an election could be held but not more than once a year. The ballots had to have printed on them: "For Good Roads" and "Against Good Roads". If approved the bonds were to bear interest at four and one-half per cent to five per cent depending on the maturity date, the maximum of which would be thirty years. The County Court was to elect five commissioners empowered to conduct the bond issue and subsequent road work. The commissioners could assess a "privilege" against teamsters operating on the roads as haulers and against delivery businesses using the roads but not against farmers. They could work prisoners from the workhouse and receive credit from the construction contractors for such work. They could also lend money received from the bond issues but only that in excess of funds needed immediately.
7. Acts of 1907, Chapter 209, amended Acts of 1907, Chapter 12, above, by making changes in the roadways to be benefitted by the bond issue and by stating that the voters in the special election held to approve or reject the bonds would consist of all males over age twenty one who had resided in the County six months and in the State twelve months and such persons could vote without registering or paying a poll tax. It also attempted to clarify the original act by stating that the bonds could be approved by a majority of the votes cast rather than by a majority vote of the electors, but the amendment contained a typographical error and is unclear.
8. Acts of 1907, Chapter 401, amended Acts of 1907, Chapter 12, above, as amended, to make changes in the list of roadways to be benefitted by the bond issue; to state that the election for approval of the bonds could be held as frequently as twice per year; and to direct that the County Court should elect the commissioners after the bond issue is approved by a special election.
9. Acts of 1909, Chapter 432, amended Acts of 1907, Chapter 12, above, as amended, to make changes in the list of roadways to be benefitted by the bond issue; to allow a majority vote of the County Court to approve the bond issue as an alternative to the public election required in the original act; and to change the ballot in the public election to read "For Bond Issue" and "Against Bond Issue". Further, the act deleted the amendment concerning qualification of voters, as set forth above, so that the law would read as originally written and the bond issue would be approved in an election of the qualified electors.
10. Private Acts of 1911, Chapter 144, repealed Acts of 1907, Chapter 12, above, along with all its amending acts, that is, Acts of 1907, Chapter 209, Acts of 1907, Chapter 401, and Acts of 1909, Chapter 432, above.
11. Private Acts of 1911, Chapter 145, authorized the County of Franklin to issue bonds in the sum of \$200,000 for the purpose of improving, building, piking, or macadamizing certain named public roads in the County. The bond issue had to be approved by the majority of votes cast by the qualified electors and no more than one election could be held on the question in each two year period. If issued the bonds would mature no later than thirty years from issuance and bear interest at the rate of four and one-half percent to five percent. Five commissioners elected by the Quarterly Court were to direct and supervise the bond issue and the subsequent road work.
12. Private Acts of 1919, Chapter 399, authorized Franklin County through its County Court to issue bonds in an amount up to \$50,000, bearing interest at a maximum rate of five per centum per annum, with maturity dates of up to twenty years for the purpose of constructing, building, grading, macadamizing, and piking the road from Winchester to the Coffee County line known as the Dixie Highway. The County Court was to levy a tax to pay the indebtedness and elect five commissioners to supervise the issuance of the bonds and subsequent road work.
13. Private Acts of 1937 (3rd Ex. Sess.), Chapter 11, authorized Franklin County to borrow up to \$7,500 using short term notes paying the best available interest at a maximum rate of five per centum per annum for the purpose of acquiring the rights-of-way in the construction project concerning the highway from Winchester to the Marion County line and to levy a tax sufficient to

pay interest and principal as they become due.

### **Schools**

1. Public Acts of 1893, Chapter 130, authorized the taxing district of Winchester to issue bonds in the amount of \$10,000, bearing interest at four percent, with maximum maturities of twenty years, to build and furnish a schoolhouse for the 22nd School District.
2. Acts of 1909, Chapter 428, authorized Franklin County in the event the State Board of Education decided to locate the State Normal School for the Middle Division of Tennessee in Winchester, to raise funds by tax levy or bond issuance to repair and remodel the Winchester Normal College, formerly the Carrick Academy, and to purchase land and erect buildings for the new school.
3. Private Acts of 1935, Chapter 789, authorized Franklin County to issue bonds in an amount not exceeding \$30,000 for the purpose of assuming the bonded indebtedness in the amount of \$20,000 of the Town of Cowan relating to bonds issued for the purpose of building and equipping a school building and the bonded indebtedness of the town of Decherd in the amount of \$10,000. The bonds were to be known as the Franklin County Funding Bonds and would bear interest at a rate not exceeding five per centum per annum and would mature no later than twenty years after issuance. A tax levy to pay the indebtedness was authorized.
4. Private Acts of 1939, Chapter 188, ratified prior proceedings of the Quarterly County Court of Franklin County during which the Court had issued bonds without statutory authorization. The bonds so ratified were then legal in all respects. The bonds were in the amount of \$50,000 with interest at 2 3/8 percent and were known as School Debt Bonds. The act authorized the County to levy a tax to retire the bonds when due and pay the interest.
5. Acts of 1947, Chapter 658, enabled the Quarterly County Court to issue and sell negotiable, interest bearing coupon bonds in an amount not exceeding \$750,000 for the purpose of constructing school buildings on land owned by the County or on land to be purchased with the proceeds of the bond issue. The bonds were to bear an interest rate of not more than three percent and the maturity dates could not extend beyond twenty years.

### **Winchester**

1. Acts of 1903, Chapter 8, permitted the taxing district of Winchester to issue coupon bonds in an amount not exceeding \$20,000 with a maturity period of up to thirty years, at a rate of interest not exceeding six percent for the purpose of completing construction of the water works and power plants then being built.

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