



County Technical Assistance Service  
INSTITUTE *for* PUBLIC SERVICE

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# Bond Issues - Historical Notes

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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

## **Airport**

1. Private Acts of 1947, Chapter 172, allowed the Quarterly Court of Putnam County by the adoption of a Resolution to direct the issue and sale of up to \$20,000 in bonds, at an interest rate not to exceed 4%, and to mature no later than 20 years from the date of issue, all the essential details of the bond form and mode of issue, including the mandatory tax levy to be incorporated into the Resolution. The County Judge would appoint a committee of five, including himself, to sell the bonds and to supervise the expenditures of which he was required to keep a record. The Committee was obligated to select land adjacent to the current airport site so as to enlarge and improve the same.

## **Bridges**

1. Private Acts of 1911, Chapter 589, permitted the Quarterly Courts of the Counties of Putnam, DeKalb, and Smith, a majority of the Justices being present to issue and sell up to \$6,000 each in bonds, at an interest rate not to exceed 4½%, and to mature within thirty years from issue, the proceeds of which would be used to build a bridge across the Caney Fork River at a point just above where the bridge of the Tennessee Central Railroad crosses the River, and at or near the line between Putnam and DeKalb Counties on the east side of the River, and also to secure the approaches to the bridge on each side to accommodate the traveling public. The total cost of the bridge and approaches could not exceed \$18,000.

## **Debts**

1. Private Acts of 1927, Chapter 813, recited in its preamble that a Resolution heretofore adopted by the Putnam County Quarterly Court stated that the County was overdrawn on its warrants and appropriated \$35,000 with which to pay the same and further authorized the issue of interest bearing warrants in due form of \$9,000 each, to be liquidated one each year for the next five years which would all bear interest at 6%. This Act ratified, confirmed, and made legal all the proceedings mentioned as fully as if the authority existed at the time the actions were taken.
2. Private Acts of 1929, Chapter 464, was an act to ratify and validate all the prior proceedings of the Putnam County Quarterly Court which were held in connection with the issue of \$75,000 in funding warrants, dated November 1, 1928, at an interest rate of 6% payable semiannually at the office of the County Trustee, and maturing in increments of \$5,000 each year from 1929 through 1943. A general tax levy must be made as long as the warrants were unpaid.
3. Private Acts of 1929, Chapter 648, was the authority for the Putnam County Quarterly Court to issue up to \$50,000 in 6%, 25 year bonds, the proceeds of which were to pay off and discharge the outstanding debts of the County which were evidenced by warrants issued prior to the date of this Act. A majority of the Court must agree to the issue at a meeting called for that purpose. These bonds were general obligation bonds requiring a tax levy for the sinking fund and which were themselves declared to be tax exempt from all other government levels.
4. Private Acts of 1933, Chapter 31, ratified, confirmed, and legalized all the preceding actions of the Quarterly Court in Putnam County taken in connection with the issue of \$150,000 in Funding Bonds, dated January 2, 1933, and maturing in increments of \$10,000 annually between 1945 and 1959 at an interest rate of 6%. These bonds were the general and incontestable obligations of Putnam County for which a general tax levy for the sinking fund was mandatory until the same were liquidated.

## **Roads**

1. Private Acts of 1905, Chapter 531, authorized the Quarterly Court to hold a referendum within thirty to ninety days after its July term on the question of the issue of \$100,000 in bonds to be used exclusively to build and improve public roads and bridges. The interest rate could not exceed 4%, nor the maturity schedule go beyond thirty years although the bonds could be called in after twenty years. All details of the form of the bonds and those to be observed during the issuing process were all included in this Act. The County Court could elect five Commissioners and fix their compensation who would be in charge of this program but subject to all the restrictions provided in this law. This Act was repealed by Private Acts of 1909, Chapter 112.
2. Private Acts of 1909, Chapter 112, permitted, upon the affirmative vote of the people in a referendum, the Quarterly Court of Putnam County to issue up to \$250,000 in bonds, at 4½% interest, which would mature no later than 30 years after issue date with which to build roads, bridges, and culverts in the County. Provisions to hold a second election, if necessary, after

certain conditions were met, were included in the Act. There would be two separate issues, each requiring a referendum, one of \$150,000 and the second of \$100,000. A general tax levy was required to amortize the bonds as long as any were outstanding and unpaid.

### **Schools**

1. Private Acts of 1915, Chapter 232, permitted the Quarterly Court to issue up to \$50,000 in bonds, at an interest rate not to exceed 6%, and to mature no longer than 20 years after issue date, which would be used to buy suitable grounds and to construct and equip thereon a High School, and other school buildings, as needed. All the essential details of valid bond legislation were incorporated into the law.
2. Private Acts of 1915, Chapter 470, the preamble to the Act declared that the State of Tennessee would provide a technical school to be located in Cookeville, in Putnam County, provided the county and the city would each contribute \$75,000 towards the cost. Further recitation said that the County Court had adopted a Resolution on the first Monday in April, 1915, by unanimous vote which provided for the issue and sale of \$50,000 in warrants, at 6% interest, to run from one to ten years. This Act ratified and legalized all these actions heretofore taken with reference thereto and required the court to levy a tax each year to pay these bonds, and interest, as they became due.
3. Private Acts of 1929, Chapter 756, stated in the preliminary portion that an independent school district under Private Acts of 1921, Chapter 490, had been established with authority given to issue up to \$30,000 in bonds to build and equip a building, and the bonds were subsequently sold and a building erected at Algood in Putnam County which was now under the control of the County Board of Education; that the city of Baxter had issued \$10,000 in bonds under Private Acts of 1923, Chapter 90, for a school building in that city, and added \$5,000 more to that project under Private Acts of 1925, Chapter 743. Since it is now essential that the County assume these debts and issue bonds to pay them, this Act, subject to approval in a referendum, would issue \$200,000 in bonds at 6% for 20 years, dividing \$100,000 to Cookeville, \$30,000 to Algood, \$15,000 to Baxter, \$30,000 to Monterey, an added \$5,000 for a heating plant in Baxter and \$20,000 for other rural schools in that area, to be spent as the Board directed. Provision for a tax levy was included.
4. Private Acts of 1929 (Ex. Sess.), Chapter 56, was similar in many respects to Private Acts of 1929, Chapter 756. This Act authorized a \$200,000 bond issue at 5½% interest, maturing within 20 years. If approved in a referendum, the proceeds would be expended as follows: \$100,000 to acquire suitable grounds and to erect a high school thereon in Cookeville; \$25,000 to purchase the school house at Algood; \$100,000 to purchase the school buildings and grounds at Baxter, plus \$5,000 to improve the heating plant at Baxter school; \$25,000 to complete and acquire the school at Monterey; and \$35,000 for building and repairing rural school houses. A tax levy was included.
5. Private Acts of 1931, Chapter 522, validated and confirmed the Quarterly Court's action in the issue and sale of \$100,000 in 5% bonds, payable at a semi-annual rate with \$10,000 maturing each year from the year 1943 through year 1952, all the proceeds of which would be used for school purposes.
6. Private Acts of 1931 (2nd Ex. Sess.), Chapter 6, directed the Trustee of Putnam County to pay over to the County Board of Education \$7,500, the amount of the funds arising from the sale of \$100,000 in bonds sold pursuant to a referendum election and a Resolution of the County Court. The Board of Education was directed to take up and pay off \$7,500 of the outstanding bonds of the 19th Special School District which contained the city of Algood. If the bonds could not be paid off at this time, the money would be invested at 6% interest, or more, and used to pay off the bonds when they did mature. The Board of Education would give the Trustee a receipt for the money.
7. Private Acts of 1939, Chapter 154, authorized the County Court to direct that school warranty issued by the County Board of Education to public school teachers pay interest at 6% per annum. The County Trustee was directed to pay said interest.
8. Private Acts of 1939, Chapter 288, authorized the Putnam County Quarterly Court to issue school bonds in an amount not exceeding \$117,000, bearing interest at 4% per annum, and maturing within 20 years. The proceeds would be used to assume the indebtedness incurred by the City of Cookeville (\$50,000), the town of Monterey (\$30,000), the town of Baxter (\$10,000 and \$5,000), and the Algood Special School District (\$22,500) in the construction of school buildings now the property of the County. The prior affirmative vote of the people was required prior to the issuance of the bonds.

9. Private Acts of 1947, Chapter 167, was the enabling law for the Putnam County Quarterly Court, by adoption of a Resolution, to issue up to \$100,000 in bonds, at 4%, or less, interest, and over a maturity schedule spanning twenty years, to build and furnish schools. The County Judge could appoint three citizens to serve with him as a Commission to sell the bonds and to supervise all work thereunder. The County Judge would select a committee to choose the sites and to see after the construction and equipping of the schools, who would have sole and exclusive authority to decide the number, location, and cost of new schools, and the amount to be expended on repairing other schools of their choice. A sinking fund tax must be levied.

#### **War Memorial Building**

1. Private Acts of 1947, Chapter 347, provided that in the referendum election to be held on March 12, 1947, on the question of issuing \$100,000 in bonds to build a War Memorial Building, all those who had served in World War II or who were presently serving would be entitled to vote without having to pay the poll tax.

#### **Water, Gas, Sewer**

1. Private Acts of 1957, Chapter 351, was the authority for Putnam County to construct, acquire, extend, repair, and improve water, gas, and sewer lines with the necessary fittings and appurtenances, or to assist and cooperate with municipalities engaged in said work. The Act also authorized the Court to borrow money, and execute notes, or bonds, at a maximum 5% interest, and a 30 year maturity schedule, in an amount not to exceed \$100,000, or short term certificates could be issued for five years at 5%. The bonds, if issued, must be general obligation bonds with a mandatory general tax levy to pay them off as long as any were due and unpaid. The powers specifically granted in this law were in addition to those granted by any other law.

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