



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.

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Sincerely,

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## Bond Issues - Historical Notes

A listing of the acts which authorized various bond issues for Overton County is included below for reference purposes, although these acts are no longer current.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.

### **Debts**

1. Private Acts of 1925, Chapter 702, was the enabling legislation for the quarterly court of Overton County to issue up to \$42,000 in bonds at an interest rate not to exceed 6%, and to mature over a schedule which could not exceed twenty years, to refund and pay off a like amount of bond debts maturing in December, 1925. All the essential details of valid bond law were present, a special tax levy was required for the sinking fund in order to amortize these bonds and they must recite on their face that they are refunding bonds. The original bonds were issued under the authority of Public Acts of 1887, Chapter 3, which permitted counties to buy the stock of railroads incorporated in Tennessee and to issue bonds to pay for it.
2. Private Acts of 1935, Chapter 172, ratified, validated, and confirmed all the proceedings previously held by the quarterly court of Overton County in connection with the issuance of \$100,000 in refunding bonds at 5% interest, due February 1, 1949, but optioned for a longer period. The bond issue was confirmed and legalized in all respects and they were declared to be the incontestable obligations of Overton County. The debts for which the bonds were issued were also declared to be the obligations of the county government. A tax levy for the sinking fund was a mandatory obligation of the law.
3. Private Acts of 1935, Chapter 298, also validated, confirmed, and legalized all the prior proceedings and actions of the Overton County Quarterly Court taken in connection with the issuance of \$438,000 in refunding bonds in Overton County, at an interest rate of 5%, due and callable between 1939 and February 1, 1949. The bonds are declared to be general obligation bonds of the county to whose payment the full faith and credit of the county are pledged. These bonds are to refund the debts of some road bonds issued several years before. A special tax levy must be made until these bonds are paid with interest.
4. Private Acts of 1937, Chapter 73, validated all the proceedings of the quarterly court with reference to a bond issue of \$155,000, in funding bonds, designated as Series 1936, at 4½% interest and callable at the discretion of the court. The debts to be paid by the bonds are also validated and confirmed. The mandatory tax levy was included in the law.
5. Private Acts of 1941, Chapter 86, stated that the resolution of the Overton County Quarterly Court, passed January 6, 1941, which authorized the issuance of \$145,000 in bonds, at 4% annual interest, callable serially through 1959, is hereby in all things validated, confirmed, ratified, and legalized. The quarterly court may proceed to deliver the bonds and the county officials who are required to participate in these acts are hereby fully authorized to do so

### **Roads**

1. Acts of 1909, Chapter 300, allowed the quarterly court of Overton County, subject to approval by the people in a referendum, to issue bonds up to \$100,000, due and payable within 30 years after the date of issuance, and bearing an interest rate of 4½%, or less, to build roads in the county. The sale of the bonds and the implementation of the entire project would be supervised by a five member county road commission, who would have a chairman, and a secretary, who would both be paid \$25.00 a month as the other members of the commission drew \$5.00 per month. The commission would solicit bids and award contracts in the best interests of the county and were not to have any personal interest at all in any of the program's phases. All the essential details of a valid bond issue were mentioned and a mandatory tax levy provided.
2. Private Acts of 1911, Chapter 666, permitted the Overton County Court to issue up to \$150,000 in 5%, 30 year bonds, provided approval was given by the people in a referendum, to build roads and to construct all essential bridges with proper approaches. The election would be held at county expense, and the county judge would be the exclusive arbiter of its passage. All the necessary details and the tax levy for the sinking fund were included, which could not exceed fifty cents per \$100.00 of property valuation. This act named Thomas R. Poteet, Houston Bilbrey, W. C. Fleming, Jr., W. C. Murphy, Bob Chilton, J. A. Butler, J. C. Bilbrey, E. M. Smith, J. A. Hargrove, J. N. Ray, W. H. Qualls, Irving Allred, W. Y. Keesling, and Thomas Smith to the road commission. The secretary of the commission would be in charge of the program from start to completion. This act was repealed below.

3. Private Acts of 1913, Chapter 67, specifically repeals Private Acts of 1911, Chapter 666, Item 2, above, in its entirety.
4. Private Acts of 1915, Chapter 544, was the legal authority to hold a referendum election, after giving the lawful notice, in Overton County, to decide on the issuance of \$160,000 in bonds to connect the county road system with the Dixie Highway or with other public highways in other counties so as to give the county the best possible coordinated public road patterns. These bonds, if approved, were limited to 5% interest, and the maturity period could not exceed thirty years. W. C. Crawford, W. C. Fleming, John B. McDonald, Jr., Irving Allred, and J. C. Bilbrey were appointed by the act to be the road commission who would supervise and coordinate the entire program. The commission had the authority to hire an engineer, if needed. Six county roads are listed in the act which were required to be the nucleus of the matter.
5. Private Acts of 1917, Chapter 27, amended Private Acts of 1915, Chapter 544, Item 4, above, by increasing the amount of bonds to be issued from \$160,000 to \$200,000 and by replacing commissioner W. C. Crawford with W. F. Judd; J. B. McDonald, by W. Y. Keesling; and W. C. Fleming by George W. Lee. Section 5 was deleted and a new list of roads was inserted which would have the priority of either construction or improvement. The act provided for \$10,000 to be placed in an incidental fund and the trustee was directed to keep ten separate accounts, one for the incidentals, and one for each of the nine roads listed. All state and federal funds received shall be prorated and used according to the terms of the grant.
6. Private Acts of 1917, Chapter 478, amended Private Acts of 1917, Chapter 27, immediately above, in Section 3, by changing the sections of two roads which were scheduled to be improved, the Jack Ray Grade, or Pike, and the Livingston-Byrdstown Road.
7. Private Acts of 1917, Chapter 792, also amended Private Acts of 1917, Chapter 27, by adding a provision at the end of Section 3, of the amending act, that the Good Roads Commissioners, in their discretion, could spend the \$10,000 appropriated by that section as an incidental fund on an alternate road between Livingston and Monroe, running through the seventh civil district towards Willow Grove and on the Clay County line.
8. Private Acts of 1919, Chapter 463, allowed the quarterly court of Overton County the right to issue up to \$150,000 in bonds, at an interest rate of not more than 6%, and to mature as directed by the court, but no more than ten years, which funds would be used to locate, grade, construct, and macadamize a road running east and west through Overton County so as to connect with the main public highway in the west, the road leading from Livingston to Cookeville, to the east side, connecting with the road from Byrdstown. A special tax levy was required to amortize the bonds. The state was to contribute half the cost and the state highway department would be in charge. The county trustee would handle all the money and be held accountable.
9. Private Acts of 1921, Chapter 12, amended Private Acts of 1919, Chapter 463, above, by changing some of the details in the maturity schedules of the bonds authorized to be issued in that act so as to make them callable upon agreement between the county judge, or chairman, and the county court clerk, at some point in time between 11 and 20 years from the issuing date. All the bonds not yet sold shall comply with these amendments. No bonds sold under the legal sanction of these two acts shall be contestable for want of form or from lack of statutory authority, all being hereby ratified, confirmed, and validated.
10. Private Acts of 1921, Chapter 507, expressly and entirely repealed Private Acts of 1921, Chapter 12, above. Private Acts of 1919, Chapter 463, is amended to provide that interest payments on the bonds issued by the authority of that act shall be paid semi-annually instead of annually. The calling in for payment of the bonds shall be at the option of the chairman and the county court clerk on any interest date after ten years from the date of said notes and bonds which mature 20 years after date. The act further confirms the sale of \$50,000 in these bonds to Caldwell and Company in Nashville, dated January 1, 1921.
11. Private Acts of 1921, Chapter 856, amended Private Acts of 1919, Chapter 463, by raising the total amount of bonds which were allowable under that act from \$150,000 to \$300,000 at the appropriate places in the act.
12. Private Acts of 1923, Chapter 5, recited that Overton County, under Private Acts of 1919, Chapter 463, had been allowed to issue up to \$150,000 in 6% bonds, or less, to build macadamized, or hard surfaced roads, that Private Acts of 1921, Chapter 507, had struck out the optional dates for maturity of the bonds and set up definite times for the same on which principal and interest would be paid, that Private Acts of 1921, Chapter 856, had raised the limitation on the amount of the bonds from \$150,000 to \$300,000, that the quarterly county court of Overton County, acting under these authorities had ordered the issuance of \$100,000 in bonds on January 1, 1922, which

were sold to Caldwell and Company in Nashville, Tennessee, at par value, that the proceeds of the bonds sold were made available to the state highway department who have started construction of the highway from Livingston to the Putnam County line in the direction of Cookeville, and that there now exists some doubt of the validity of the said bonds which has caused some confusion, this act ratifies, confirms, validates, and legalizes all actions in connection with the above.

13. Private Acts of 1923, Chapter 286, was the enabling law for the quarterly court of Overton County to issue up to \$300,000 in bonds to aid in the construction of hard-surfaced roads, graveled or macadamized, to extend north and south from the county line to the county line passing through Livingston so that the location of the road shall first be determined by the county court and their decision then approved by referendum of the people. The court may select the route and then appoint a five member road commission to sell bonds and to supervise the entire programs. Detailed provisions were established for the elections to be held, and details incorporating construction guidelines were adopted. Bond interest could not exceed 6%, and they would fall due at one-third in ten years, one-third in twenty years, and the rest in thirty years. The road commission must cooperate with other governments to effectuate the project while the trustee would keep all the pertinent records.
14. Private Acts of 1923, Chapter 699, amended Private Acts of 1919, Chapter 463, which is Item 8, above, by adding a provision to Section 5 to the effect that the county court of Overton County could proceed to sell the bonds authorized by the act even though the state highway department had failed to cooperate in the construction of the road. The act also amended Section 6 with the same language.
15. Private Acts of 1927, Chapter 679, was the legal authority for the Overton County Quarterly Court to issue up to \$400,000 in 5%, 40 year, bonds, redeemable as the court may direct, all of which would be used for highway purposes. The action must be approved by referendum before the issue, or the same becomes null and void. The court may issue bonds in twice the amount of any aid or assistance offered by the state highway department, and may pay over sums set by the state highway department to be used on part of the state general road system, or on roads which were to become a part of the system. The bonds were to be general obligation bonds for which the full faith and credit of the county were pledged.

### **Schools**

1. Private Acts of 1947, Chapter 237, ratified, confirmed, validated, and legalized all the prior proceedings of the quarterly court and other officers of Overton County with respect to the authorization and issuance of \$28,000 in bonds for school purposes, and the tax levy heretofore made to pay the principal and interest on the bonds is likewise ratified and approved. The bonds, delivered or not, are declared to be the general obligations of Overton County.

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