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Chapter XII - Utility Districts

Dear Reader:

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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,

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

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Chapter XII - Utility Districts

Bridge District

Private Acts of 1935 (Ex. Sess.) Chapter 62

SECTION 1. That the territory and the inhabitants thereof within the territorial limits of Rhea and Meigs Counties, Tennessee, are hereby created and incorporated as the "Rhea and Meigs Special Bridge District" for the purpose of constructing, operating and maintaining a bridge across the Tennessee River at or near a point between Dayton and Decatur, Tennessee, and by that name shall sue and be sued, plea and be impleaded, and have continual succession in the manner hereinafter provided for the purposes contained in this Act.

SECTION 2. That the governing body of such District shall consist of a board of six commissioners, one of which shall be elected Chairman and one Secretary and Treasurer of said Board of Commissioners. Said commissioners and their successors in office shall constitute and the same are hereby declared to be the "Board of Commissioners of the Rhea and Meigs Special Bridge District."

The first Board of Commissioners of said Special Bridge District shall consist of the following persons: J. W. Lilliard, J. R. Coffman, W. A. Shadow, James Abel, Glenn Woodlee and Owen Wasson, and they shall serve until the next general county election in said counties at which time a new Board of Commissioners shall be elected in the following manner: Three (3) commissioners shall be elected, from resident citizens who are qualified voters in Rhea County, by the qualified voters of Rhea County, and three (3) of such commissioners shall be elected, from resident citizens who are qualified voters in Meigs County, by the qualified voters of Meigs County; and every four (4) years thereafter a Board of Commissioners shall be elected for said Special Bridge District in the same manner. In the event of the resignation, death, mental or physical disability of any member of said Board, a successor for such member shall be elected by the remainder of the Board of Commissioners to fill such vacancy until after the next election for commissioners as provided for herein.

SECTION 3. That the said Board of Commissioner or a majority thereof shall have the power to make all proper rules and by-laws, and pass resolutions not conflicting with the Constitution and laws of this State which are necessary to carry out the purposes of this Act, but for no other purpose.

SECTION 4. That said Board of Commissioners of said Special Bridge District is hereby authorized to acquire land and to construct thereon a highway bridge at or near a point between Dayton and Decatur, Tennessee, in Rhea and Meigs Counties, and to operate and maintain said bridge, and to fix rates, fees and tolls to be charged all persons availing themselves of the services afforded by such bridge.

SECTION 5. That said Special Bridge District be and is hereby authorized to borrow money and issue bonds therefor for the purpose of providing funds for the acquisition of land and construction of said bridge and for purchasing all lands, approaches and appurtenances necessary and incidental thereto; that said bonds shall bear interest at a rate of not more than six (6%) per cent per annum, payable annually or semi-annually, said interest to be payable at such place or places as the Board of Commissioners of said District shall, by Resolution, determine, be issued in one or more series, shall mature at such time or times not exceeding forty (40) years from their respective dates, and shall be in such form and amount and be sold in such manner and for such prices as the said Board of Commissioners shall, by Resolution, determine, provided, however, that in no event shall such bonds be sold for a price less than par and accrued interest. The proceeds derived from the sale of said bonds shall be paid to the Treasurer of said District to the credit of a fund to be designated "Bridge Construction Fund" and shall be used exclusively for the purposes above recited.

SECTION 6. That said bonds shall not be issued until and unless the same shall be authorized by Resolution of said Board of Commissioners of said District at any regular or call meeting of said Board.

SECTION 7. That any Resolution or Resolutions authorizing the issuance of any bonds under the provisions of this Act may contain reasonable covenants as to (a) the purpose or purposes to which the proceeds of said bonds may be applied and the use and disposition thereof; (b) the use and disposition of the revenues derived from the charges, fees or tolls collected for the services rendered by such bridge, including the creation and maintenance of proper reserves; (c) the issuance of other or additional bonds payable from the revenues derived from the operation of said bridge; (d) the operation and maintenance of said bridge; and (e) the books of account and the inspection and audit thereof.

SECTION 8. That no free service shall be rendered by such bridge, but such Board of Commissioners of said Special Bridge District shall have the power and it shall be its duty under the provisions of this Act to,

by Resolution, establish and maintain just and equitable rates, fees, tools and charges for the use of the services rendered by such bridge, to be paid by the beneficiaries of the service. Such rates, fees, tolls and charges shall be adjusted so as to provide funds which shall at all times be sufficient to provide (a) a fund for the payment of the principal of and interest on the bonds herein authorized to be issued as and when the same shall become due; (b) to provide for the proper operation, repair and maintenance of such bridge; and (c) to create any reasonable reserves which may be covenanted for in the Resolution authorizing the issuance of such bonds. Subject to the rates, fees, tolls and charges being at all times sufficient for the purposes above set out, the Board of Commissioners of said District shall have the authority to change and revise such rates, fees, tolls and charges from time to time as they may in their discretion deem necessary.

SECTION 9. That in addition to all other rights and other remedies given to the holder or holders of any outstanding bond or bonds and/or interest coupons issued under the provisions of this Act, such holder or holders shall have the following additional rights and remedies:

(1) That in case there shall be any default in the payment of the principal of or interest on any of such bonds, any Court having jurisdiction may appoint a receiver to administer and operate such bridge for the benefit of such bond holder or holders, and the Special Bridge District, such receiver shall have the power to charge and collect rates, fees, tolls and charges sufficient to provide funds for the purposes set out in Section 8 of this Act, and the purposes necessarily incidental to such receivership.

(2) By mandamus or other suit, action or proceeding at law or in equity to enforce his rights against such Special Bridge District and the Board of Commissioners of such District, including the right to require such District and such Board of Commissioners to fix and collect rates, fees, tolls and charges adequate to carry out any agreement as to or pledge of the revenues produced from such rates, fees, tolls and charges and require such District and such Board of Commissioners to carry out any other covenants and agreements with such bond holder or holders to perform its and their duties under the provisions of this Act.

(3) By action or other suit in equity to require such District to act as if it were the Trustee of an express trust for such bond holder or holders.

SECTION 10. That the Board of Commissioners of said District may, in the Resolution authorizing the issuance of any Bonds under the provisions of this Act, provide that the owners or holders of any of such bonds may register the same both as to principal and interest, or as to principal alone under such regulations and such terms as said Board of Commissioners may in such Resolution prescribe.

SECTION 11. That said bonds shall have all the qualities of negotiable instruments under the Uniform Negotiable Instruments Law of this State, and shall not be subject to taxation by the State of Tennessee or any political subdivision thereof.

SECTION 12. That the Board of Commissioners of said Special Bridge District shall have power and authority and it shall be their duty to employ all necessary personnel for the proper operation of said Bridge.

SECTION 13. That the Board of Commissioners herein provided shall serve without compensation, provided, however, that they shall be reimbursed for all expenses incurred by them in performing their duties in connection with the control and management of said Bridge and said Bridge District, but in no event shall any expense item for any one Commissioner be allowed in excess of Twenty-five (\$25.00) Dollars per year.

SECTION 14. That nothing in this Act shall in any manner be construed as giving the holder or holders of any bonds and/or interest coupons issued under the provisions of this Act the right of recourse to the taxing power of said District or the State of Tennessee, or that Rhea and Meigs Counties, but the bonds issued under the provisions of this Act shall be payable solely from the revenues derived from the rates, fees and tolls received for the services afforded by such Bridge.

SECTION 15. That after all of the outstanding bonds and interest coupons issued under the provisions of this Act for the purposes herein set out shall have been paid in full, no rates, fees or tolls shall be charged for the services rendered by such bridge, but such bridge shall thereafter be operated for the use and benefit of the general public as a free bridge.

SECTION 16. That all laws or parts of laws in conflict with this Act be and the same are hereby repealed to the extent of such conflict, and that this Act take effect from and after its passage, the public welfare requiring it.

Passed: July 26, 1935.

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