



County Technical Assistance Service
INSTITUTE *for* PUBLIC SERVICE

May 19, 2024

Chapter III - Bond Issues

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

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

Table of Contents

| | |
|---|----------|
| Chapter III - Bond Issues | 3 |
| Bond Issues - Historical Notes | 3 |

Chapter III - Bond Issues

Bond Issues - Historical Notes

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authorized various bond issues for Monroe County is included below for reference purposes, although these acts are no longer current.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

Bridges

1. Private Acts of 1919, Chapter 528, authorized the counties of Monroe, Loudon and Knox, when it became necessary to build bridges across any river or stream in their counties so as to connect state highways, to issue interest bearing warrants, or bonds, to the extent of \$1 in bonds for every \$100 of property in the counties which matured no later than 20 years from the date of the issue. All warrants or bonds were considered as valid obligations and claims against the county issuing them.
2. Private Acts of 1925, Chapter 730, allowed the quarterly court of Monroe County to issue interest bearing county warrants up to \$100,000 to be used in the construction of bridges and their approaches in the county which matured at the rate of \$5,000 annually after two years from issue. Interest rates did not exceed 6% and the notes were payable at such places as the court determined. One place mentioned for a bridge was across the Little Tennessee River. A committee of three free-holders were elected by the court to supervise the sale of the bonds and the construction of the bridge. Tolls to be charged for use of the bridge were set up by the quarterly court. The levy of a tax to assist in amortizing the notes was also allowed.

Debts

1. Public Acts of 1866-67, Chapter 41, Section 6, was the legal power for the county court of Hawkins County, by a two-thirds vote of the court, to issue coupon bonds drawn on the county to pay off the indebtedness of the county. None of the funds produced were allowed to be used to pay any debt incurred in aid of the Confederacy during the Civil War. Section 6, extended the benefits of this act to Monroe, Greene, White, Franklin, Dyer and Smith counties.
2. Private Acts of 1927, Chapter 616, authorized the quarterly county court of Monroe County to issue and sell coupon bonds in an amount which did not exceed \$50,000 to pay off the indebtedness of said county which consisted of all outstanding warrants, judgments and all other indebtedness. The act also provided a sinking fund for the payment of the principal and interest of said bonds.
3. Private Acts of 1931, Chapter 390, was the enabling legislation for the quarterly court of Monroe County, a majority of the justices being present, to issue up to \$75,000 in 5%, or less, bonds, which matured from ten to twenty years after issue, to be used to pay off the outstanding floating debts of the county as they were represented by warrants, notes and judgments. These bonds were general obligation bonds for which a tax levy was made.
4. Private Acts of 1939, Chapter 520, authorized Monroe County to issue and sell interestbearing coupon bonds in the principal sum of \$100,000 for the purpose of paying off the outstanding indebtedness of the county and provided for the levy of a special tax to pay said bonds and the interest thereon.
5. Private Acts of 1941, Chapter 158, ratified, confirmed and validated all the prior actions of the Monroe County Quarterly Court taken in connection with the issue of \$80,000 in refunding bonds at an interest rate of two and three-quarters percent and payable semiannually through 1956. These bonds were declared to be the general and uncontestable obligations of the county for which a special tax levy was added to the sinking fund each year until the bonds were paid.
6. Private Acts of 1943, Chapter 189, validated \$75,000 in funding bonds for Monroe County, the indebtedness which was funded thereby, and the proceedings of the quarterly county court and other officers of said county in connection therewith.

Roads

1. Private Acts of 1901, Chapter 429, was the legal authority for the quarterly court of Monroe County, a majority of the justices being present, to issue up to \$100,000 in bonds, at an interest rate of 5%, or less, and to mature from 25 years to 30 years after date of issue to build the ten pike roads named and specified in the act. The court appointed three commissioners to organize and supervise the program who had the right to employ engineers and other professionals to

- assist them in indexing and classifying the roads in the county and to provide other needed technical assistance. The commission was required to write reports, maps, charts, prepare specifications and cost estimates and file all with the quarterly court who were required to vote on each separate item. This act was repealed by Acts of 1903, Chapter 90.
2. Acts of 1909, Chapter 82, was the legislative sanction for the quarterly court of Monroe County to hold a referendum election on the question of issuing \$100,000 in bonds to be used to locate, build and improve pike roads. If approved by the people, the court would then proceed to issue the bonds observing all the detailed requirements of the act. A tax levy was required to amortize the bonds over the scheduled maturity period of the bonds which the trustee was obligated to collect and attend to otherwise. The county judge appointed three pike commissioners to supervise the program, exercise all the powers granted in the act and submit periodic reports to the court on the status of the program. A list of 18 sections of roads were set up in the act on which the bond funds were proposed to be spent.
 3. Private Act of 1911, Chapter 484, authorized the county court of Monroe County to issue and sell and provide for the payment of county bonds for the purpose of locating, building and improving certain public or pike roads in said county. This act was amended by Private Acts of 1913, Chapter 84, by adding to Section 7, the provision that \$5,000 of the money could be expended within the corporate limits of Sweetwater under the supervision of the pike road commission and \$5,000 be spent within the city limits of Tellico Plains under the supervision of the mayor and aldermen. Private Acts of 1913, Chapter 305, further amended Private Acts of 1911, Chapter 484, by adding to Subsection 15, Section 7, a provision that the road commissioners construct the said road from Tellico Plains to Ball Play by way of Belltown if the route was considered by them to be more practical and desirable. Section 18 was changed to read "from Vonore to the proposed bridge near Dawson's Springs and thence up the Tennessee River to within one mile of the Citico Creek, a distance of about nine miles."
 4. Private Acts of 1917, Chapter 660, allowed the quarterly court of Monroe County to call an election on the question of issuing \$30,000 in bonds which were used exclusively by the pike road commissioners to lay out, grade and rock two sets of roads which were enumerated in the act, \$15,000 were spent on each group. The details of the issue conformed to and coincided with Private Acts of 1911, Chapter 484, above, except that the maturity limit on these bonds could go up to 25 years. All the duties and obligations imposed in Private Acts of 1911, Chapter 484, were carried over into this act.
 5. Private Acts of 1919, Chapter 107, authorized the pike road commissioners of Monroe County to carry out an order made by the county court at its July, 1917, term which instructed said commissioners to abandon the road from Ballards to Christianburg and grade a road from McSpadden's farm on the Athen road to Christianburg.
 6. Private Acts of 1919, Chapter 119, gave the Monroe County Quarterly Court, a majority of the justices being present, the authority to issue up to \$30,000 in bonds, at an interest rate not to exceed 6%, and on a maturity schedule no longer than 12 years, to lay out, improve, grade and macadamize the two roads described in the act, running from Madisonville to Pavo, about 12 miles, and from Sloan's store on the Ball Play Road to Tom White's place on the Niles Ferry Road. The act named G. L. Henderson, Jr., W. W. Carson, and G. M. Cagle as commissioners to carry out the terms and provisions of this act. The commission was required to keep proper records and submit reports on the status of the projects. The roads were to meet the standards established in the act. The commissioners were paid \$60 annually.
 7. Private Acts of 1919, Chapter 125, was the legislative authority of the quarterly court of Monroe County to issue up to \$7,500 in bonds, or to otherwise appropriate money to build a well graded road from the old John Rutherford farm in the eighth civil district running northwest through the lands of the individuals and the cities mentioned for a distance of six and one-half miles.
 8. Private Acts of 1919, Chapter 158, permitted the quarterly court to issue bonds, or county warrants, to grade a road beginning on the Madisonville and Tellico Road about four miles south of Madisonville, following the old Federal Road to Wilson's Station on the Athens - Tellico Road. If bonds were issued they were payable at such times and places as the quarterly court determined.
 9. Private Acts of 1921, Chapter 51, authorized Monroe County to issue up to \$18,000 in bonds, to mature no later than 20 years from date of issue, to lay out, improve and grade a road beginning about two miles south of Tellico Plains and running to the old nineteenth civil district line by way of the bridge at Conasauga Creek, Holly Springs schoolhouse, and intersecting with the old Athens and Murphy Road. G. W. Williamson, Tom Crow and W. W. Williamson were appointed as commissioners who, after being sworn and bonded, supervised the program within the guidelines

provided in the act, and existing laws, which included the exercise of eminent domain, the solicitation of bids and award of contracts. The commissioners were paid \$50 each a year. The road specified herein was to be completed within three years from the date of this act at which time the authority granted to the commission ceased and supervision of the road came under the road department.

10. Private Acts of 1921, Chapter 68, authorized Monroe County to issue up to \$10,000 in bonds, payable at such times and places as the quarterly court should decide, which were used to grade the road beginning at or near the Oak Grove Baptist Church on the Madisonville- Morganton Road so as to connect with the Sweetwater-Vonore Pike, at or near the Burton Place, by way of Acorn Gap and across the bridge over Bat Creek near Henly Bridge.
11. Private Acts of 1921, Chapter 90, authorized Monroe County to issue bonds up to \$1500, at 6%, or less, interest, maturing as the court decided, the proceeds of which were spent to grade and improve a road from the old Cross Roads in the old eighth civil district, near the Newkirk Place to and intersecting the Tellico Plains - Coker Creek Road near the Unicoi Church in the old fourteenth civil district, a distance of one and three-quarters miles.
12. Private Acts of 1921, Chapter 220, enabled the quarterly court of Monroe County to issue up to \$7,000 in bonds to upgrade, or build, the road running through the lands of Luther Harris, Georgia Stakely, Charlie Harris, John Daily, John Toony, Tom Moses, Walter Smith, Hugh Toony, John Avens, Andy Moses, O. G. Moses, John Saffles, Berry Belcher and Ike Isbell, a distance of about seven miles. The court could appoint a commission if it desired.
13. Private Acts of 1921, Chapter 221, authorized Monroe County to issue bonds of up to \$12,000 by the quarterly court, to be spent on building three roads as they were described in the act, one being the Jalapa and Ivy Road. The act named W. E. Lee, W. M. Hamby and Wiley Gay as commissioners who supervised the program.
14. Private Acts of 1921, Chapter 222, authorized the quarterly court of Monroe County to issue up to \$50,000 in bonds to macadamize the road leading from Madisonville to Ball Play by way of Hensley's Store.
15. Private Acts of 1921, Chapter 232, authorized Monroe County to issue bonds up to \$4,500 by the quarterly court to build a road starting at the home of D. C. Smith in the eighteenth civil district near where the bridge crosses Conasauga Creek to the J. A. Tate property and store intersecting with the Dry Creek and Mecca Road, a distance of about eight miles. Dave Smith, James Cale and W. W. Williams were named commissioners of this program.
16. Private Acts of 1921, Chapter 233, authorized Monroe County to issue \$45,000 in bonds on a maturity schedule not to exceed 24 years. The purpose of the bonds were to lay out, improve, grade and macadamize two roads which were described in the act, one running from Hensley's Store in the thirteenth civil district to R. H. Stephens on Ball Play Road, and the other starting at Lou Hunt's crossing on Madisonville - Tellico Pike to a point near the Fairview schoolhouse, a distance of about two miles. The act appointed W. C. Irlus, Charlie Dye and R. T. Ghormley as commissioners.
17. Private Acts of 1921, Chapter 279, authorized the quarterly court of Monroe County to issue up to \$6,500 in bonds, at an interest rate not to exceed 6%, and to mature no longer than 30 years from the date of issue, to build a well graded road in the old ninth civil district which started at the old abandoned right of way of the L. & N. Railroad on the Tom Roger's farm on Island Creek, running west by way of Walnut Grove Methodist Church to the Oak Grove Baptist Church on the Madisonville-Morganton graded road.
18. Private Acts of 1921, Chapter 287, allowed the Monroe County Quarterly Court, a majority of the justices being present, to issue up to \$100,000 in bonds to lay out, improve, grade and macadamize the road from Walter Millsap's store to Colderwood, a distance of about 20 miles and to macadamize the road from Mayme Sue McGee's place to Colderwood, a distance of about 22 miles. The act named Jake Sheets, Joseph A. Razor and Ples Henry, as commissioners, who were paid \$60 a year for three years, and who operated under the administrative restrictions established in the act to accomplish the program objectives.
19. Private Acts of 1921, Chapter 475, authorized the quarterly court of Monroe County to issue up to \$35,000, or any part thereof, in bonds, at an interest rate no more than 6%, and to levy a tax for the sinking fund to amortize the said bonds over the maturity schedule established by the court, the proceeds of which were used to macadamize or gravel the Christianburg Road from the intersection of the Sweetwater and Madisonville and Athens Pike. Also included was another road running from the Eastonville Valley to the McMinn County line. The court could appoint commissioners for both crossroads if they desired it.

20. Private Acts of 1921, Chapter 492, stated that, subject to the approval of the people in a referendum election on the second Thursday in May, 1921, Monroe County, acting through the county judge, the county court clerk and the Good Roads Commission, could issue up to \$765,000 in bonds, at an interest rate of no more than 6%, and to mature no later than 40 years from the issue date, in accordance with the requirements detailed in this act. The act appointed Lee R. Sloan, Dr. E. J. Fonte and J. R. Cardin as commissioners, giving them the power to execute all actions essential to the accomplishment of the road program itemized in this law which consisted of 28 segments of roads and the amount to be spent on each. The commissioners, whose terms lasted until the completion of the program, were paid \$5 for each day devoted to their duties. The commissioners were required to keep an office open for business in the courthouse and to solicit bids and award contracts within the limitation prescribed in the act.
21. Private Acts of 1921, Chapter 835, authorized Monroe County to issue \$7,000 in bonds, which matured no longer than 20 years after the issue date, to lay out, improve, grade and macadamize a road in Monroe County starting at or near Moody's Mill on the Pavo graded road and running southeast past the property of G. G. Webb and continuing to the ball play graded road at or near the property of J. T. Curtis, a distance of about three miles. H. L. Denton, J. T. Curtis and G. G. Webb were named commissioners to exercise the powers granted to them to complete the program set out herein.
22. Private Acts of 1927, Chapter 347, subject to approval by the people in a referendum election, would allow the quarterly court to issue no more than \$170,000 in bonds at an interest rate up to 6%, and to mature no later than 40 years, but at such intervals of time as the county judge, the county court clerk and the Good Roads Commission might agree upon. The details of the bond forms and the bond issue were contained in the act. The court elected three good road commissioners who were in overall control of the program, who hired an engineer to assist them, who acquired rights of way by purchase, or condemnation, who solicited bids and awarded contracts where proper and who hired a clerk for record keeping chores. The commissioners were to be paid \$5 per day for their services. Six roads to be improved and the amount to be spent on each one were listed in the act. This act was amended by Private Acts of 1929, Chapter 253, which added a provision that a trustee coming into the office before all the proceeds of these bonds were expended would be allowed a commission of 1% only upon the money coming into his hands and that had not come from the bond funds, but from the general funds of the county.
23. Private Acts of 1947, Chapter 165, authorized Monroe County to issue and sell \$125,000 in road bonds. This act provided for the use of the proceeds thereof and for the levy of taxes to pay the principal and interest on said bonds and validated the original indebtedness authorized to be paid from the proceeds of said bonds.

Schools

1. Private Acts of 1921, Chapter 431, allowed the Monroe County Quarterly Court to issue no more than \$200,000 in bonds, at an interest rate up to 6%, and to mature in blocks of \$50,000 after 15, 20, 25 and 30 years, the proceeds of which were used to purchase, build and remodel school houses and to build additions thereto, if needed. All details were present, a tax levy was mandated for the sinking fund, donations could be accepted and used, and the trustee handled the money at no extra compensation. Conditions were laid down for the consolidation of schools over which programs the county school board would preside.
2. Private Acts of 1927, Chapter 73, approved and made lawful a resolution and order of the quarterly county court of Monroe County to provide ways and means to purchase suitable grounds for the building and equipping of a county high school in the Town of Sweetwater. The act provided for a tax levy to provide further safeguards for the proper expenditure of the moneys provided to be raised and collected by said resolution and order.
3. Private Acts of 1929, Chapter 926, permitted the quarterly court of Monroe County to issue up to \$90,000 in 6%, 40 year bonds, \$15,000 of which was used to improve and equip a building at Vonore, and \$75,000 was devoted to the erection and equipment of a school building in or near Tellico Plains. The act appointed R. D. Brakebill, A. E. Brakebill and S. H. Tipton as a committee for the work at Vonore, and M. D. Shearer, P. C. Hambrough and Fred C. Payne to assist in the project at Tellico Plains. The act further issued \$75,000 in bonds at 6% interest for the improvement of the grounds and the erection thereon of a suitable building for a high school or an elementary school at Madisonville, naming R. C. Kefauver, Lee R. Sloan and Carl Calfee as the committee for this project. This act was repealed by Private Acts of 1931, Chapter 58.
4. Private Acts of 1937, Chapter 16, stated in the preamble that the quarterly court had passed a resolution to make an offer to the Public Works Administration whereby Monroe County paid

- \$19,000 and the PWA paid \$15,000 to build and equip a high school in Vonore for which a general tax levy of ten cents per \$100 property valuation was made through 1940. This act provided further safeguards for the proper expenditure of the moneys provided to be raised and collected by said resolution.
5. Private Acts of 1937, Chapter 244, authorized Monroe County to issue and sell interest bearing county warrants in the amount of \$13,500 which provided funds to operate the schools of said county for eight months or repair buildings; and provided for the levy and collection of a tax to retire said warrants with interest.
 6. Private Acts of 1939, Chapter 218, validated, confirmed and approved the resolution of the Monroe County Quarterly Court which authorized the board of education to replace outstanding warrants, in the amount of \$13,000, said warrants, which were known as the Vonore High School warrants were due in 1939 and 1940. They were replaced with similar warrants due in 1940 and 1941.
 7. Private Acts of 1941, Chapter 144, validated \$18,000 of Monroe County, Tennessee School Funding Warrants, dated January 1, 1941, and the proceedings of the quarterly county court which authorized said warrants and provided for the levy and collection of a tax on all taxable property in said county for the purpose of paying the principal and interest of said warrants.
 8. Private Acts of 1947, Chapter 631, was the legal authority for the quarterly court of Monroe County to issue up to \$150,000 in bonds at an interest rate not to exceed 5%, and to mature no longer than 30 years from the issue date. The proceeds of the bonds were used to purchase land, construct and equip school buildings, or repair, remodel and add to the same. The court was allowed to embody all essential details into proper resolutions to be adopted by the court. These bonds were tax exempt

Source URL: <https://www.ctas.tennessee.edu/private-acts/chapter-iii-bond-issues-64>