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Chapter III - Bond Issues

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,

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Bond Issues - Historical Notes

A listing of the acts which authorized various bond issues for Meigs County is included below for reference purposes, although these acts are no longer current.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 1935, Chapter 635, allowed the Quarterly County Court of Meigs County, subject to the outcome of a referendum held for that purpose, to issue \$125,000 in bonds at a maximum rate of interest of 5%, and a maturity period not to exceed 20 years, to build a bridge across the Tennessee River between Decatur and Dayton on or near present state highway #30. The court would set the details and form of the bonds and levy a tax when they were issued to be placed into the sinking fund. The construction of the bridge would be supervised by the State Department of Public Works and authority to use gasoline tax money to liquidate the bonds was also granted.

Courthouse

1. Private Acts of 1903, Chapter 15, allowed the County Court to issue \$10,000 in 6%, one to twenty year bonds, to erect a courthouse for the county. The details of the issue, the form of the bonds, and the tax levy for the sinking fund would all be handled by the Court. The Trustee would handle the money and keep the records. Chapter 89, Private Acts of 1903, was a duplicate of this Act.

Debts

1. Private Acts of 1931, Chapter 164, allowed the Quarterly County Court to issue \$50,000 in 5%, 30 year bonds which shall be used to pay the outstanding debts of the county evidenced by warrants heretofore issued. All essential details are present in the law. Many counties were compelled to borrow money to pay debts after the stock market crash of 1929.
2. Private Acts of 1931, Chapter 280, amended Chapter 164, above, by raising the maximum allowable interest rate to 6% instead of 5%.
3. Private Acts of 1933, Chapter 167, permitted the issuance by the Meigs Quarterly County Court of \$6,000 in 6%, 30 year, refunding bonds which would be used to repay a like amount of bonds issued by authority of Chapter 618, Private Acts of 1915. The County Court would decide on the form of the bonds, the interest rate and the maturity schedule. The Court would also levy a tax to repay the bonds and the Trustee would keep the funds in a separate account.
4. Private Acts of 1941, Chapter 457, allowed the Quarterly County Court of Meigs County to issue \$200,000 in 4½%, 30 year bonds which would be general obligation bonds, and which would be used to discharge and pay off outstanding floating indebtedness and to refund the present bonded debt of the county. All the required provisions on details and tax levies were present in the law.

Hospitals

1. Private Acts of 1955, Chapter 105, called for a referendum election to voice approval or disapproval of a proposed bond issue for a county hospital in Meigs County. All voters qualified to vote in the general election were eligible to vote in this election the results of which would be certified to the county court. This bill was not acted on by the Quarterly Court according to a statement in the printed volume of the 1955 Private Acts, and therefore never became effective.

Roads

1. Private Acts of 1911, Chapter 400, called for a referendum to be held on May 11, 1911, to decide whether or not the Quarterly County Court of Meigs County would issue \$100,000 in bonds to improve and build the public roads of the county. These would be 5% bonds payable \$20,000 every ten years for fifty years. The Trustee, after making suitable bond, would handle the money and keep the accounts. A Road Commission of three people would sell the bonds, employ an engineer to supervise the program, determine what roads would be built or improved, and solicit bids and award contracts, if necessary.
2. Private Acts of 1911, Chapter 624, amended Chapter 400, Private Acts of 1911, so as to change the date of the referendum election from May 11, 1911, to the first Thursday in February, 1912.
3. Private Acts of 1915, Chapter 618, subject to approval by referendum vote, Meigs County could issue through Commissioners Campbell Cartwright, A. F. Armstrong, R. L. McKenzie, John Paul, and E. W. Culvahouse, \$100,000 in 5%, 20 year bonds to layout, build, and construct public

roads. The details, tax levy, and the general specifications for the roads were fixed in the Act. The Commissioners must approve first a road running across the county and they would get two dollars daily and their expenses for their services.

4. Private Acts of 1917, Chapter 790, specified that Meigs County, acting through five Road Commissioners, L. A. Fuller, M. L. Hardin, James Henley, T. W. Cofer, and G. L. Baldwin, could issue \$100,000 in additional bonds, at 5%, and no more than 30 years maturity to complete a scheme and plan of public roads, and to lay out, build, construct, and improve others as needed. All essential details of the issue were established in the Act. The Commission would supervise the program, make reports to the Quarterly Court, hire an engineer to build roads according to the specifications in the Act and the County Trustee would handle the funds and keep the records.
5. Private Acts of 1925, Chapter 421, cited in the preamble that the Meigs County Court on January 21, 1925 passed a resolution to issue \$50,000 in highway bonds for the improvement of the road running from Hamilton County to Roane County through the city of Decatur, which was being built in conjunction with the State Highway Department. The bonds were limited to a 6% interest rate and a maturity schedule of thirty years as prescribed in the Bill. This act validated and legalized all prior proceedings held in connection with it and declared the bonds to be general obligations of the County.

Schools

1. Private Acts of 1925, Chapter 226, authorized the Quarterly County Court of Meigs County to issue \$22,000 in 6%, 20 year bonds to be used for the sole purpose of paying off the outstanding warrants issued for the erection of a Central High School building, and the accrued interest thereon. These bonds were declared exempt from taxation at any government level and the Trustee would keep all the records.
2. Private Acts of 1945, Chapter 88, validated and legalized all the prior proceedings by county officials and the county court held in connection with the issuance and sale of \$60,000 in school building and equipment bonds payable at the rate of \$5000 a year from 1950 through 1961. These bonds were made the obligations of the county.

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