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

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Bond Issues - Historical Notes

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which authorized various bond issues for Macon County is included below for reference purposes, although these acts are no longer current.

Bridges

1. Private Acts of 1935, Chapter 635, was an act that was made applicable to Macon County by the population figures quoted therein, of 13,871-13,882 and 6,127 - 6,137. However, Macon County had 13,872 people at the 1930 Census and Rhea County had 13,871 people at the 1930 Census, making the two counties within the same bounds. Because the act authorized the Quarterly County Court to issue up to \$125,000 in bonds to build a bridge across the Tennessee River, between the towns of Dayton and Decatur on Highway 30, it is very likely that the act was meant to only apply to Rhea and Meigs County.

Buildings

1. Private Acts of 1957, Chapter 242, authorized Macon County, through its Quarterly County Court, to purchase, or otherwise acquire, land located within the bounds of the county and to build, erect, or construct thereon a building, or buildings, to be used for such public purpose, or purposes, as the court may determine, all of which may be done in conjunction with the city of Lafayette, for which proper agreements may be made. The question shall be submitted to the people by referendum, and, if approved, the Quarterly County Court may issue up to \$500,000 in bonds at an interest rate of 6%, or less, to mature in thirty years, the same being the general obligation of the county for which its full faith and credit are pledged. All details of the issue would be contained in the Resolution of the court which was further required to levy an annual tax for the sinking fund in order to amortize the same. This Act was properly approved by the Macon County Quarterly Court.

Debts

1. Private Acts of 1929, Chapter 819, recited in the preamble that Macon County was considerably in debt on account of its unpaid running expenses, said debt being incurred primarily in the school system, all of which is very likely to continue, therefore, this act authorizes the County Chairman and the Clerk to issue interest bearing warrants up to \$15,000 at the legal rate of interest to meet and pay indebtedness incurred by the county, either in meeting the general expenses of the county, or in paying off and discharging outstanding debts, at an interest rate not to exceed 6%. The Trustee will pay the debts, with any interest due thereon as he would any other warrant drawn on the county. The County Court was required to levy a special tax each year to pay the warrants.
2. Private Acts of 1933, Chapter 119, authorized the Quarterly Court of Macon County to issue and sell its interest-bearing coupon bonds in an amount up to \$75,000 to pay outstanding debts and warrants issued by the county for road construction and improvements, relief of the poor, and for general county expenses. The interest rate could not exceed 6%, nor the maturity period go beyond twenty years. All the essential details were written into the act and a tax levy required.
3. Private Acts of 1937, Chapter 98, validated and confirmed the prior proceedings of the County Court of Macon County with reference to the issue and sale of \$40,000 in Funding Bonds, at 4% interest, payable semiannually in April and October, running through October of 1947. These were declared the legal and binding obligations of the county for which the county court was required to levy an annual tax with which they would be amortized.

Roads

1. Private Acts of 1883, Chapter 189, was the authority for the County Courts of Trousdale and Macon Counties to issue county bonds, signed by the chairman, at an interest rate of 6%, or less, with the details of the bond form and the manner of issuance prescribed in the act, the proceeds of which would be used on the roads of the counties. A special tax to amortize the bonds must be levied by the county court, if the bonds are issued, but this act shall not be put into effect, nor any bonds issued hereunder until the same has been approved by the voters in a referendum.
2. Private Acts of 1909, Chapter 307, authorized the County Court to call an election and submit to the people the question of issuing bonds up to \$150,000 for the purpose of building, macadamizing and improving roads, turnpikes, and bridges. All the details of the election to be held and the bonds to be issued, if approved, are incorporated including a maximum interest rate

of 5%, and a maturity schedule from five to thirty years. The court must levy an annual tax and the Trustee collect it and pay the bonds. The County court will elect three Commissioners to supervise the work, who may employ an engineer and exercise other powers set out in the act, including the sale of the bonds and the application of the proceeds, and the right to resort to eminent domain when necessary. The requirement was also expressed that, whenever possible, all roads be removed from stream beds.

Schools

1. Private Acts of 1947, Chapter 109, allowed the Quarterly Court of Macon County to issue and sell at a regular, or called meeting up to \$175,000 in bonds, at 4% interest and a 25 year maturity period, all the details concerning the form of the bond and the method of issuance to be included in the Resolution of the court adopted for this purpose. The proceeds would be used to purchase a site for and erect, equip, and furnish a high school building in or near Lafayette, and the surplus, if any, may be used to improve other schools.

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