



May 19, 2024

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## Chapter III - Bond Issues

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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](http://www.ctas.tennessee.edu)

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# Chapter III - Bond Issues

## Bond Issues - Historical Notes

A listing of the acts which authorized various bond issues for Davidson County, prior to the establishment of the Metropolitan Government, is included below for reference purposes, although these acts are no longer current.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. Acts of 1905, Chapter 526, authorized the Quarterly County Court of Davidson County, subject to the approval of the people in a referendum, to issue bonds in an amount not exceeding \$300,000, at interest rates not to exceed four percent, and maturing in a period no longer than thirty years from issue date. The proceeds were to be used to construct a bridge, or bridges across the Cumberland River. The details of the issue, the form of the bonds, and the records to be kept, were all specified in the act. A tax levy was required to create a sinking fund to pay interest and principal on the bonds.
2. Acts of 1907, Chapter 95, was the legal authority for the County Court of Davidson County, subject to popular approval by referendum, to issue bonds in an amount not exceeding \$800,000. The proceeds were to be used to construct two bridges across the Cumberland River, one at the Jefferson Street site and the other at the Hay Market site.
3. Acts of 1909, Chapter 80, allowed the Quarterly County Court of Davidson County to issue bonds, in an amount not exceeding \$250,000, for the purpose of completing the two bridges then being built across the Cumberland River at the Jefferson Street and Haymarket sites. The County Court was permitted to take any action necessary to cause the issuance of these bonds. All the details of the program and the mandatory tax levy were included. The interest rates could not exceed four percent and the maturity period was to be no longer than forty years.
4. Private Acts of 1915, Chapter 222, enabled the Davidson County Quarterly Court to issue bonds, subject to the prior approval of the electorate in a referendum, to fund the building of a bridge across the Cumberland River near the City of Nashville on or near the site of the Hydes Ferry Bridge. All the essential details of a bond issuance were provided in the act. The face amount of the bonds could not exceed \$250,000. The maximum interest rate was five percent.
5. Private Acts of 1925, Chapter 517, was the legal authority for the Quarterly County Court of Davidson County, subject to a referendum, to issue bonds in an amount not to exceed \$1,000,000. The interest rate could not exceed five percent and the maturity period could not exceed thirty years. The purpose of the bonds was to build a bridge across the Cumberland River at or near the Old Hickory Powder Plant. No fees or commissions were to be paid to any County official for handling these bond funds.
6. Private Acts of 1949, Chapter 853, allowed the Quarterly County Court of Davidson County, subject to a referendum, to issue bonds valued at no more than \$500,000. The funds were to be used to match funds provided by the City of Nashville, the State of Tennessee, and the U.S. Government to construct an underpass at the westerly approach to the Woodland Street Bridge in Nashville. The bonds would mature in twenty-five years or less. No maximum interest rate was specified. The bonds could not be sold until a grant was made by the State and Federal Governments and a like amount appropriated by the City of Nashville. The Trustee would handle the funds, but no commission would be paid to any county official.

### **Courthouse and Jail**

1. Acts of 1905, Chapter 123, authorized a referendum to be held on whether Davidson County would issue bonds in an amount up to \$500,000 to build a courthouse and a jail. If approved by the vote, the Quarterly Court would issue the bonds at maximum interest of four percent, with maturity dates of up to thirty years. The County Court would appoint a Commission of three disinterested citizens and two members of the County Court who would employ an architect and get the project under way subject to the Court's general supervision.
2. Acts of 1907, Chapter 128, permitted the Davidson County Court, subject to the successful outcome of a referendum, to issue bonds in an amount not exceeding \$160,000 to construct a building in which the Criminal Court would be held and the jail located. The County Court was authorized to take whatever action was necessary and proper for the construction of the building. The interest rate was set at a maximum of five percent and the maturity date was limited to forty

years.

3. Acts of 1929, Chapter 655, allowed the County Court of Davidson County, following approval by referendum, to borrow money and to issue bonds in an amount up to \$3,000,000 at an interest rate which could not exceed five percent. The purpose was to construct a public building on the Public Square for use as a courthouse and for other county purposes, to equip and furnish it, to landscape the premises, to pay the expenses incidental to the issuance of the bonds, and the expense of removing the present courthouse. The tax levy, the essential details of the bond laws, and a requirement that no fees or commissions would be paid to any county official were contained in the Act. A commission was created which would include the County Judge as Chairman and six others, who would be appointed by the Judge. Two of the appointees could not be County Court members, but all appointees were to be taxpayers and citizens. The Commissioners would select to be secretary one of their number, not a member of the County Court, who could be paid up to \$2,400 a year, as the Court decided. The Commission would employ an architect to prepare plans and specifications for the new edifice.

### **Debts**

1. Public Acts of 1895, Chapter 20, permitted the Davidson County Quarterly Court to issue bonds in an amount not exceeding \$300,000. The bonds would mature in twenty years or less and bear interest at a rate not exceeding five percent. The bonds could be called and paid after proper advertising of intent to call. The bonds were to provide funds to pay the debts of the County, due and past due, which were evidenced by warrants already issued, or which had been ordered to be issued.
2. Public Acts of 1899, Chapter 138, was the legislative authority for the Davidson County Quarterly Court to issue bonds in an amount not exceeding \$250,000. The bonds could be called in the manner specified in the act. The funds were to be used to refund and pay off the outstanding debts of the County. The interest limitation was four percent. The maturity schedule could not exceed periods of twenty years.
3. Private Acts of 1917, Chapter 542, allowed the County Court to issue and sell its interest bearing notes up to a \$300,000 aggregate amount to pay off and satisfy the outstanding debts of the County and to pay any deficit in the then current expenses of the County. The interest rate was fixed at no more than five percent and the County Court was to establish the maturity schedules as determined proper.

### **Fair**

1. Acts of 1909, Chapter 42, enabled the Quarterly Court of Davidson County to issue bonds to raise up to \$50,000. The bonds would bear an interest rate of six percent or less and would mature as determined by the County Court. Such funds would be used and appropriated to purchase suitable property in the County upon which to establish and maintain permanently a State Fair. The fair would show the agricultural, commercial, industrial development, and educational progress of both the County and the State. The issuance of bonds was conditioned upon the approval of the people in a referendum.
2. Private Acts of 1915, Chapter 43, allowed the Quarterly Court of Davidson County to issue bonds to raise funds to erect the necessary buildings on the asylum grounds, and to construct a woman's building at the State Fair, or, in the alternative, to levy a special tax of 10 mills on the dollar for these purposes. Details of the bond issue were furnished and a tax levy was required to repay the debt created by the bond issue. Proper and accurate records were ordered to be kept. The principal amount of the bonds was not to exceed \$100,000. The interest rates were not to exceed five percent. The maturity periods could range from ten to thirty years.
3. Private Acts of 1921, Chapter 820, allowed the Quarterly Court to issue bonds in an amount of \$200,000, subject to the successful outcome of a referendum, to raise funds to purchase additional property in Davidson County suitable for the maintenance of a State Fair for showing agricultural, mineral, industrial, and educational exhibits. The County was further permitted to own and operate the fair and to lease the grounds and buildings. Interest rates could not exceed six percent and the maturity period could not extend beyond twenty years.
4. Private Acts of 1957, Chapter 356, authorized a bond issue in the principal amount of up to \$2,500,000 to make permanent improvements in and on any properties held and used by Davidson County for Fair purposes. The act was not approved locally and did not become effective.

### **Farmers' Market**

1. Private Acts of 1949, Chapter 400, was the authority for the County Court of Davidson County to

issue bonds valued at an amount up to \$1,000,000 for purposes of funding the Farmer's Market. The bonds would bear interest at three percent and mature within twenty-five years.

### **Hospital**

1. Public Acts of 1893, Chapter 17, authorized the Quarterly Court of Davidson County to issue bonds in an amount up to \$200,000 to mature from three to twenty years after issue and bear interest rates of no more than six percent. The funds would be used to purchase land and erect buildings for the care of the insane, poor and afflicted, and the inebriates of the County. Details of procedures were specified in the act, which further required the County Judge to keep accurate records of all expenses in a well bound book. The County could issue its promissory note instead of bonds, if desired. The County Court would appoint a committee to supervise the project.
2. Private Acts of 1945, Chapter 92, was the enabling law for the County Court to issue bonds in an amount up to \$3,000,000. The funds were to build a County-City General Hospital in Davidson County. The bonds would not be issued until approved by referendum vote of the people. This Act was repealed in 1947.
3. Private Acts of 1945, Chapter 353, authorized a bond issue in an amount of \$3,000,000, the proceeds to be used to erect, construct, equip, and furnish a County-City General Hospital for the inhabitants of Davidson County, but no part of the bond funds were to be used to maintain the building after it was built. The act created a five-member Hospital Commission, the members of which would be residents of ten years at least, two of whom would be physicians with at least ten years experience, and no more than one member could be from the County Court. Three members would live within the city of Nashville. The members would not be compensated but would have their expenses paid. They would keep an office in the building, meet once a week, appoint employees, and exercise the power and accept the responsibilities specified in the act, among which was the power to contract with the city of Nashville. Members could be removed by the Courts upon petition signed by at least ten taxpayers. This act was repealed in 1947.
4. Private Acts of 1947, Chapter 112, permitted the Quarterly Court of Davidson County to issue bonds in an amount of up to \$4,000,000. Interest rates could not exceed three percent. The proceeds would be used to erect hospital facilities, to acquire and landscape suitable grounds, to equip and furnish buildings, and to pay the preliminary expenses. The issue was subject to approval at a referendum. A seven-member commission was established consisting of three licensed physicians, one member of the County Court, and three residents of Nashville, all of whom would be residents of Davidson County, to exercise general supervision of the facility.
5. Private Acts of 1947, Chapter 113, repealed Private Acts of 1945, Chapter 353, above.
6. Private Acts of 1947, Chapter 114, repealed Private Acts of 1945, Chapter 92, above.
7. Private Acts of 1949, Chapter 503, authorized the issuance of bonds in the aggregate amount of \$1,000,000, to bear interest rates of up to three percent and mature within twenty-five years. The funds were to be used to remodel, add to, or reconstruct the Hospital and Home for the Insane, Poor and Afflicted, and Inebriates of Davidson County.

### **Memorial Park**

1. Public Acts of 1919, Chapter 122, provided for the construction of a Memorial Hall and park. With the adoption of a resolution by the City Council of Nashville to participate in the construction up to an amount of \$600,000, and with the adoption with the Quarterly Court of Davidson County of a resolution stating its willingness to participate in an amount up to \$400,000, and on account of the State of Tennessee's desire to build a Capitol Annex, a commission was formed and authorized to obtain a Memorial Park in Nashville from Capitol Boulevard to Seventh Avenue, between Union and Charlotte, and to extend Deaderick Street from Fifth Avenue west to the junction of the two streets, which was to be called "Victory Boulevard". The act described the property on which the State would build a Capitol Annex fronting on Charlotte and Seventh Avenue North. The Commission was composed of the Mayor of Nashville, the County Judge of Davidson County, the Governor of Tennessee, the Chief Justice of the Supreme Court, the Treasurer of Tennessee, the Speakers of the House and Senate, and two members from each of those legislative bodies. The act allowed bonds to be issued at each governmental level and fixed the regulations under which the bonds would be issued.
2. Private Acts of 1919, Chapter 745, granted the Quarterly County Court of Davidson County the authority to issue bonds in the amount of \$400,000 to bear interest at five percent, maximum, and mature no later than thirty years from issuance, for the purpose of providing a Memorial Square in Nashville, purchasing land, and erecting buildings and parks on the Square. The improvement of the necessary streets and access roads were allowed as required. The bond

issue was conditioned upon approval by the people in a referendum . In Hill v. Roberts, 142 Tenn. 215, 217 S.W. 826 (1920), the Supreme Court upheld the constitutionality of this act, as well as Public Acts of 1919, Chapter 122.

### **Presidential Plaza**

1. Private Acts of 1929, Chapter 470, recited that the United States Government had approved the expenditure of \$300,000 as a contribution towards the erection of a Presidential Plaza in Nashville to honor Presidents Jackson, Polk, and Johnson, and had established a fifteen-member commission to oversee the expenditures. This contribution would not be made effective until the funds had been matched within the State, the plans for the Memorial had been approved by the National Commission on Fine Arts, and the General Assembly had memorialized Davidson County and the City of Nashville to contribute \$150,000 each. The act then permitted the issuance of bonds in the amount of \$150,000 by the Quarterly Court, the proceeds to be the County's contribution to the program, the issuance to be subject to referendum approval.

### **Railroads**

1. Acts of 1855-56, Chapter 106, made it the duty of the County Court of Davidson County to direct that tax revenues placed in the sinking fund to discharge the bonds issued to several railroad companies would be invested either in the bonds of the County or State, and invested solely in County bonds when they could be found at the market price.

### **Roads**

1. Acts of 1901, Chapter 448, Page 1073, applied to the Counties of Davidson, Lincoln, Giles, Maury, and Williamson. It was the authority for the County Courts of the respective Counties to buy all or any part of the turnpikes within their counties' boundaries and to convert them into free, public roads. In that connection, the County could issue bonds in the aggregate principal amount of \$250,000, with interest up to six percent and with five to thirty years maturities.

### **Schools**

1. Acts of 1901, Chapter 123, authorized the Board of Education in cities and taxing districts over 100,000 in population according to the 1900 or subsequent federal census to issue bonds as may be decided by a majority of the Board and approved by the legislative council of the same area. The bonds could be in the amount not to exceed \$150,000, and could bear interest at no more than four and one-half percent. The funds were to be used for the construction and maintenance of school buildings and grounds. Other essential details were incorporated in the Act.
2. Acts of 1903, Chapter 376, permitted the Boards of Education in cities and taxing districts of over 100,000 in population according to the 1900 or subsequent federal census to issue bonds in amounts up to \$100,000, in addition to the bonds then outstanding, for the purpose of providing ways and means for the construction of school buildings and grounds. The bonds would be issued bearing no more than four and one-half percent interest, and they were to be issued in the form prescribed in the act.
3. Acts of 1903, Chapter 418, allowed the Quarterly County Court of Davidson County to issue bonds in an amount up to \$50,000, the proceeds to be used only for the benefit of the Peabody Education Fund. The County was required to levy a tax to repay interest and principal. Six percent was the maximum interest rate allowed.
4. Acts of 1905, Chapter 542, allowed a bond issuance of \$50,000 for the use and benefit of the Peabody Education Fund. The maximum rate of allowable interest was six percent and the County Court would determine the maturity schedule at the time of issue.
5. Private Acts of 1913, Chapter 154, stated that the Boards of Education in taxing districts and cities of 130,000 or more according to the 1910 or subsequent federal census, could issue bonds in amounts up to \$40,000 to acquire land and build schools. The interest rates could not exceed four and one-half percent.
6. Private Acts of 1915, Chapter 681, allowed the Quarterly County Court to issue bonds, the proceeds to be used to purchase sites and erect, furnish, and equip elementary school buildings. \$200,000 would be used in the same way for high school buildings in the county. The interest rate could not exceed five percent, nor the maturity schedule be for more than twenty years.
7. Private Acts of 1921, Chapter 586, authorized the Davidson County Quarterly Court to issue bonds in the amount of \$100,000. The interest rate would be six percent or less. The funds were to be used to purchase sites for and erect, furnish, and equip county high school buildings. The bonds were to be general obligation bonds and were to mature no later than twenty years from date of

issuance.

8. Private Acts of 1921, Chapter 906, authorized the County Board of Education of Davidson County on behalf of the County to borrow money and issue its short term notes in a sum not to exceed \$100,000 at any time, at six percent interest or less, with a maturity date no later than three years from date of issue. The essential details were to be incorporated in a resolution passed by the County Court. All the funds were to be used to build and equip county high schools.
9. Private Acts of 1939, Chapter 266, allowed the Davidson County Board of Education to issue its short term tax anticipation notes in amounts not to exceed \$200,000, at four percent interest or less, maturing no later than five years from issuance, to be used to erect, equip, and furnish elementary schools in Davidson County. The Quarterly Court would fix the details and the form of the notes by resolution. A mandatory tax levy was required and the Act specified that no commissions would be paid.
10. Private Acts of 1939, Chapter 267, authorized the issuance of short term notes of the County in an amount up to \$75,000 at four percent interest or less, with maturity periods not to exceed five years, to erect, equip, and furnish high school buildings in Davidson County.
11. Private Acts of 1941, Chapter 189, allowed the Davidson County Quarterly Court to issue bonds in an amount up to \$500,000 with up to three percent interest and maturity dates up to ten years after issue, to provide the grounds for and to erect, equip, furnish, and repair elementary school buildings in the County.
12. Private Acts of 1947, Chapter 178, was enabling legislation for the Quarterly Court of Davidson County to issue bonds to provide grounds for, and to erect, equip, furnish, and to repair rural high schools in the County. The act contained the customary provisions of bond laws. The face amount was limited to \$500,000, the interest rates were limited to three percent, and the maturity dates were limited to twenty-five years after issuance.
13. Private Acts of 1947, Chapter 179, authorized the Davidson County Quarterly Court to issue bonds in the amount of \$1,500,000 with up to three percent, twenty-five year bonds to provide the grounds for, and to erect, equip, furnish, and repair elementary schools in the County.
14. Private Acts of 1949, Chapter 361, was the authority for the Quarterly Court to issue, subject to the successful outcome of a referendum, bonds in an amount up to \$1,250,000, bearing up to three percent interest, to acquire land for, and to erect, equip, and furnish rural high schools.
15. Private Acts of 1949, Chapter 362, allowed the Quarterly County Court to issue bonds of a value not to exceed \$2,500,000. The interest rates were limited to three percent and the maturity dates were limited to twenty-five years. The funds were to be used to finance elementary schools outside of cities.

### **Water System**

1. Private Acts of 1951, Chapter 348, permitted the Quarterly Court of Davidson County to issue bonds in an amount up to \$1,000,000 at interest rates not to exceed three percent, and to mature no later than twenty-five years from issuance, to provide a system of water mains in the County for distribution of water to residents and County institutions outside the corporate limits of municipalities. The action would be initiated by resolution of the County Court after it had been approved by referendum.

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