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## Chapter III - Bond Issues

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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

### Bond Issues - Historical Notes

#### **Debts**

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authorized various bond issues for Weakley County is included below for reference purposes, although these acts are no longer current.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

1. Private Acts of 1929, Chapter 104, validated and confirmed all the prior proceedings of the Quarterly Court held in connection with the issuance of \$57,000 in Funding Bonds, at 4 3/4% interest, and maturing at the rate of \$19,000 on January 1, 1934, January 1, 1939, and January 1, 1944. This Act made all the actions legal and binding notwithstanding the lack of any statutory authority to do so at the time. The Quarterly Court must levy a special tax to repay these bonds as long as any were outstanding.
2. Private Acts of 1929, Chapter 123, was the enabling legislation for the Weakley County Quarterly Court to issue tax anticipation notes from time to time in an amount not to exceed 80% of the annual tax levy which notes shall become due within one year from date of issuance at an interest rate not to be greater than 6%. The notes were payable at such place as the County Judge, acting with the County Court Clerk, shall designate. The notes must be signed by the County Judge and County Court Clerk and the money placed in the hands of the Trustee and disbursed in the same manner as the taxes anticipated by the issuance of said notes.
3. Private Acts of 1931, Chapter 414, allowed the Quarterly Court of Weakley County to issue and sell up to \$60,000 in negotiable notes, at an interest rate not to exceed 6%, and to mature one year from issue, to refund outstanding notes in a like amount issued under the authority of Private Acts of 1929, Chapter 91, now due and payable. These notes were made the general obligations of the county and could be issued without a referendum. The details of a valid bond issue were incorporated in the Act and a tax levy to amortize them was made the
4. Private Acts of 1931 (2nd Ex. Sess.), Chapter 81, validated, confirmed, and legalized all prior actions of the Weakley County Quarterly Court in regard to the issuance of \$35,000 of notes in renewal of tax anticipation notes for 1930 at 6% interest, payable in 12 months. The entire amount was the legal, binding, and incontestable obligation of the County, and it was incumbent upon the Quarterly Court to provide for the payment of these notes from the 1931, or subsequent tax levies.
5. Private Acts of 1933, Chapter 38, was the authority for the Quarterly Court of Weakley County to issue up to \$110,000 in coupon bonds, at an interest rate of 6%, or less, and to mature over a period not to exceed 15 years, to pay and retire a like amount of outstanding debts of the county which would be selected by the Quarterly Court. Essential details were present and a tax levy was required.
6. Private Acts of 1937, Chapter 287, allowed the Weakley County Quarterly Court to issue up to \$60,000 in 6%, 20 year, bonds, the details of which would be contained in a Resolution of the Court. The proceeds would be deposited with the Trustee who would pay outstanding warrants, notes, and other evidences of debt which have been determined to be valid and legal obligations of the county. All disbursements must be approved by the County Judge before being paid. Provision for a tax levy was included.
7. Private Acts of 1939, Chapter 217, amended Private Acts of 1937, Chapter 287, by increasing the amount of bonds authorized to be issued from \$60,000 to \$115,000, all of which would be used to retire and pay off outstanding debts of the county, including any claims for Western State Hospital for the Insane which have been confirmed and approved by the County Judge.
8. Private Acts of 1951, Chapter 69, page 192, ratified and validated all the prior actions of the Weakley County Quarterly Court in connection with the issuance of \$100,000 in general purpose bonds, dated January 1, 1951, declaring the same to be the legal, valid, and incontestable obligations of the county, which would be used to retire the floating debt of \$30,000 in the general fund of the County, and for debts incurred in obtaining rights of way for county roads. All details essential to a valid bond issue were included.

#### **Public Works**

1. Private Acts of 1929, Chapter 841, Section 2, authorized the Quarterly Court to borrow money against the credit of the County to repair any public works damaged by floods, fires, and

tornadoes. The Court was further authorized to levy a tax to cover such expenditures. This Act was repealed by Private Acts of 1975, Chapter 97.

### **Roads**

1. Private Acts of 1927, Chapter 743, permitted the Weakley County Quarterly Court to issue up to \$1,100,000 in coupon bonds, at an interest rate of 6%, or less, to mature over a period of no longer than 30 years, to build, repair, and improve roads, bridges, and culverts in the county. All details, including the form of the bonds, were present and a mandatory tax levy was provided. The act created the "Weakley County Pike Commission" to which were named D. E. Brock, George M. Brooks, J. R. Eskridge, R. W. Bandy, and I. L. Banks, who would be in immediate charge of the project. A list of 18 roads was set out on which the various amounts of work was to be done, but the Commission was granted some latitude in the timing and manner in which the work was to be accomplished. Each Commissioner would be paid \$4 per day served as such but for no more than four days per month. All of the above was dependent upon approval by the voters in a referendum.
2. Private Acts of 1945, Chapter 354, allowed the Quarterly Court of Weakley County to issue and sell up to \$400,000 in coupon bonds at an interest rate no greater than 4% and to mature no later than 20 years from issue, whose proceeds would be used to construct, build, maintain, and repair roads and bridges in the County. The bonds could be issued by Resolution of the County Court and without having a Referendum. The Court was instructed to make a special tax levy to repay these bonds as long as any were unpaid. These bonds were exempted from taxation by other government entities.

### **Rural Electrification**

1. Private Acts of 1939, Chapter 486, was the authority for the Weakley County Quarterly Court to issue and sell up to \$750,000 in bonds, at an interest rate not to exceed 5%, which would be called the "Weakley County Rural Electrification Bonds". These bonds, when issued, would be repaid solely from revenue derived from the sale of electric power from the distribution system to be built by the proceeds of the bond issue. The Weakley County Board of Public Utilities would supervise the electrical system. All the expenses necessary and incidental to the objective expressed could be paid out of these funds which account would be kept separate from all others. A tax levy was not authorized.

### **Schools**

1. Private Acts of 1927, Chapter 172, recited in the preamble that the State of Tennessee had passed an act for the establishment of a school to be called the Tennessee Junior College which would be located in Martin in Weakley County in the facilities of the Hall-Moody School which were made available for this purpose free of encumbrances. Control of the College would be under the University of Tennessee, but, added funds are needed, however, to bring all of it about. This act allows the Quarterly Court of Weakley County to issue interest bearing coupon bonds to furnish the said school funds to the University of Tennessee in an amount not to exceed \$100,000, at 6% interest, or less, and the same to be amortized over a period no longer than 30 years. The proceeds would be used to acquire additional lands, buildings and equipment for the College. All other details were present and a tax levy was required to be levied by the Court. See *University of Tennessee v. Peoples Bank*, 157 Tenn. 87, 6 S.W.2d 328 (1928).
2. Private Acts of 1929, Chapter 91, authorized the Superintendent of Public Instruction and Chairman of the County Board of Education to borrow money and issue promissory notes bearing interest not in excess of 6%, and in amounts not exceeding 80% of the annual levy, and to mature within one year of date of issuance. The proceeds would be used to pay the salaries of teachers and other necessary expenses for the maintenance of public schools. The Quarterly Court must pass an authorizing resolution prior to the issuance of the notes. This Act was repealed by Private Acts of 1975, Chapter 97.

### **Schools - Districts - Dresden Special School District**

1. Private Acts of 1925, Chapter 362, permitted the holding of a referendum election on Saturday, April 25, 1925, in the Dresden Special School District to ascertain the will of the people therein concerning the issuing of \$17,000 in school bonds, \$15,000 of which would be used to complete the high school building in the town of Dresden, and \$2,000 to pay the debts which have been lawfully incurred. If approved, the bond's rate of interest could not exceed 6%, nor the maturity period go past 20 years. A special tax rate of 25 cents per \$100.00 would be levied each year as long as any bonds remained outstanding.
2. Private Acts of 1931, Chapter 740, was the authority for the Dresden Special School District to

issue up to \$5,000 in coupon bonds, to construct a combination gymnasium and auditorium, at an interest rate not to exceed 6%, and to mature in 20 years, or less. All the details necessary to validate a bond issue were in the act and a tax levy of ten cents per \$100 was required until the bonds were paid off. All the provisions of this Act were dependent upon the successful outcome of a referendum held for that purpose.

3. Private Acts of 1937, Chapter 856, authorized the Board of School Trustees of the Dresden Special School District to issue up to \$20,000 in bonds, at an interest rate or 6%, or less, and to mature in 20 years, or sooner, to provide funds to pay debts which have been incurred by the District. All the essential details were included and the proper tax levy mandated. This Act was repealed by Private Acts of 1939, Chapter 160,
4. Private Acts of 1939, Chapter 161, was the enabling legislation for the Board of School Trustees for the Dresden Special School District to issue up to \$20,000 in bonds, at an interest rate not to exceed 5%, and to mature over a period no longer than 20 years, to pay all the outstanding unfunded, or floating debts of the School District. All the details and the tax levy mandate were included, including a tax levy of 30 cents per \$100 was authorized and levied until the said bonds were amortized.
5. Private Acts of 1945, Chapter 355, was the authority for the Board of School Trustees of the Dresden Special School District to issue and sell up to \$15,000 in bonds, at 3%, or less, interest, and to mature no later than July 15, 1955, to provide for the payment and retirement of some other outstanding bonds heretofore issued. A tax levy of 30 cents per \$100 property valuation would be required as long as any of these bonds remained unpaid. This tax levy was substituted for the one authorized by Private Acts of 1925, Chapter 362.

#### **Schools - Districts - Gleason Special School District**

1. Private Acts of 1927, Chapter 297, amends Private Acts of 1915, Chapter 207, and Private Acts of 1917, Chapter 549, so as to confer the authority upon the Directors of the Gleason Special School District to issue and sell up to \$35,000 in bonds, at an interest rate of 6%, or less, and to mature no later than 25 years from issue, to purchase a site, erect and equip a school building in the District and to liquidate \$8,000 in outstanding debts for the said school district. A referendum was required prior to the issuance of the bonds. A special tax levy of 40 cents per \$100 was required to amortize the bonds, and Section 7 of both Acts was amended to set up a tax rate of 25 cents per \$100 and a \$1 poll tax on people 21 to 50 years of age. No personal property would be exempt from the tax levy.
2. Private Acts of 1929, Chapter 747, amended Private Acts of 1915, Chapter 207, as amended, by conferring upon the Directors of the Gleason School District the power to issue and sell up to \$6,000 in additional bonds for the District to complete the school and equip it. Interest would not exceed 6% and the bonds would mature at \$1,000 annually through 1952. A tax rate of 50 cents per \$100 was established to repay the bonds as long as any are outstanding.
3. Private Acts of 1945, Chapter 416, validated, ratified, confirmed and legalized all the prior actions of the Board of Directors of the Gleason Special School District on January 31, 1945 and February 9, 1945, which authorized the issuance of \$30,000 in refunding bonds so that the School District could refund a like amount of outstanding debts, the same being declared to be the legal and incontestable obligations of the School District. A continual annual tax rate of 50 cents per \$100 property valuation would remain in force until the same are repaid with interest. If the tax should produce a surplus, the same would likewise be used to take up outstanding bonds.

#### **Schools - Districts - Greenfield Special School District**

1. Private Acts of 1939, Chapter 514, was the authority for the Greenfield Special School District to issue and sell its negotiable bonds up to \$11,000 to build, improve, and furnish public school buildings in the area. The interest rate could not exceed 5%, nor the maturity period be longer than 1955. The form of the bonds and the details of the issue were all contained in the law. A tax levy of 15 cents per \$100 property valuation was required to be levied to amortize the bonds, which would be in addition to all other taxes. The Act authorizes dealing with the American National Bank in Nashville.
2. Private Acts of 1941, Chapter 537, was the authority for the Greenfield Special School District to sell its negotiable coupon bonds up to \$7,000 at an interest rate of 6%, or less, and to mature no later than 6 years from its issue to pay off some of the outstanding indebtedness of the District. All essential details were present and a mandate given to levy an additional tax of 25 cents per \$100 property valuation each year until the bonds are paid.
3. Private Acts of 1949, Chapter 800, abolished the Greenfield Special School District except that the

tax levy would stay in effect until all debts including outstanding bonds were paid.

### **Schools - Districts - Sharon Special School District**

1. Private Acts of 1929 (Ex. Sess.), Chapter 22, was the authority to hold a referendum vote on Friday, January 10, 1930, to ascertain the will of the people on the question of issuing \$20,000 in bonds to pay the floating indebtedness of the said school District. The ballot would be simply "For" or "Against", and, if the vote favors the issue, the same will be made under the conditions stipulated in the Act. The rate of interest could not exceed 6% and the bonds, plus interest, must be paid no longer than 20 years from the issuing date. The Board by Resolution shall fix all the essential details in accordance with this Act and the general law, and a special additional tax levy of 60 cents per \$100 must be made until the bonds are paid.
2. Private Acts of 1931, Chapter 110, recited in the preamble that the building in the Sharon Special School District was severely damaged by fire and had been repaired at a cost of \$20,000, which amount was borrowed by the Directors. As the bonds authorized by Private Acts of 1929 (Ex. Sess.), Chapter 22, have not been issued despite a favorable referendum since some doubt has been raised concerning the validity of Chapter 22, this Act authorized the School District to issue \$20,000 in bonds at an interest rate of 6%, or less, to be repaid according to the schedule in the Act and which contained the essential details of valid bond legislation. A tax levy of 25 cents per \$100 was required to be levied in the District with the Trustee handling the money and keeping the records.
3. Private Acts of 1937, Chapter 812, amended Private Acts of 1913 (Ex. Sess.), Chapter 35, so as to make the boundaries of the District coincide with the boundaries of the 8th Civil District. The tax rate was fixed at 60 cents per \$100, 25 cents of which would be used to pay the bonded indebtedness of the District and the remainder used to improve and repair the school buildings and for general operating expenses.
4. Private Acts of 1941, Chapter 480, authorized the Sharon Special School District to issue its negotiable bonds up to \$25,000, which would mature in blocks over a 20 year period, at an interest rate which was not to exceed 4%, so that its present debts could be repaid out of the current tax levy of sixty cents per \$100.
5. Private Acts of 1959, Chapter 52, amended Private Acts of 1941, Chapter 480, by changing the tax rate from 60 cents to 25 cents, and in Section 2 by providing that the surplus, if any, produced by the tax levy specified over and above the amount to retire the bonds, may be used to supplement County and State funds for carrying on the educational program of the said school District.
6. Private Acts of 1969, Chapter 57, amended Private Acts of 1913 (Ex. Sess.), Chapter 35, Section 7, by changing the 25 cent allocation of the 60 cent tax levy set aside to amortize bonds, to be reduced to ten cents for a period of one year commencing January 1, 1969. This Act was repealed by Private Acts of 1975, Chapter 97.

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