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Bond Issues - Historical Notes

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which authorized various bond issues for Union County is included below for reference purposes, although these acts are no longer current.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

Courthouse

1. Public Acts of 1899, Chapter 45, permitted the quarterly county court of Union County to issue \$12,000 in 6%, 10 to 20 year bonds to build a courthouse for the county. The details of the bond issue are fixed and the county court is obligated under this act to levy an additional tax for the sinking fund. The county trustee was named to handle the funds and keep the records.

Debts

1. Public Acts of 1866-67, Chapter 41, provided that the county court of Hawkins County by a two-thirds vote of its members issue coupon bonds for the amount of its outstanding indebtedness but no debt incurred during the Civil War was to be paid from the bonds. Section 2 of the act extended the same authority to Union, Grainger, Claiborne, Campbell and Anderson counties.
2. Private Acts of 1921, Chapter 766, authorized Union County to issue up to \$45,000 in 6%, 5 to 30 year bonds to pay off, refund, or redeem any and all of the indebtedness of the county which might exist at the time the bonds were issued, including but not limited to any sum which might be owing for the construction of a bridge across the Clinch River. The bonds were sold by the board of bridge commissioners with all the essential details of tax levy and bond forms being incorporated into the law.
3. Private Acts of 1931, Second Extra Session, Chapter 45, authorized Union County to issue \$20,000 in 6%, 5 year bonds and repeated all the necessary details of the bonds and the tax levy. The purpose was to pay and retire outstanding school debts and to discharge other obligations of the county which were just, due, and owing at the time.

Public Building

1. Private Acts of 1965, Chapter 26, provided for a referendum to be held on the question and, if approved by a three-fourths vote of the people, the quarterly county court could then issue up to \$300,000 in bonds, at a maximum 6% interest rate, and no more than twenty years maturity, to acquire a site and erect a public building or buildings, thereon for public purposes. The bonds were called general obligation bonds but the revenue derived from the buildings could be used to pay off the bonds. The county trustee would handle the funds and keep the records.

Roads

1. Public Acts of 1887, Chapter 55, allowed the county court of Union County to issue \$15,000 in 6%, 10 year bonds, to build a macadamized road in or through the said county. The details of the issue were fixed, the tax levy required, and the trustee given the onus of handling the money. This act was repealed by Private Acts of 1917, Chapter 166.
2. Public Acts of 1899, Chapter 315, permitted the quarterly court of Union County to issue up to \$50,000 in 6%, 50 year bonds, to build macadamized roads in the county as the county court may direct, the details were fixed, the tax levy required, and the county judge, or chairman, was given the responsibility to keep accurate and permanent records of all transactions connected with the issue and the projects.
3. Private Acts of 1915, Chapter 664, provided for the locating, grading, building and macadamizing of roads and bridges in Union County, by authorizing the county court to issue interest bearing coupon bonds and provided for a board of commissioners to carry out the work of constructing the roads. This act also provided for the levy of a tax and the creation of a sinking fund to pay said bonds and interest thereon.
4. Private Acts of 1917, Chapter 166, allowed the county court to issue up to \$50,000 in 6%, 10 year bonds to construct and repair pike roads and bridges in Union County. The schedule of roads to be affected and the amount of money allocated to each were prescribed in the act. The Union County Road Commission "was to determine the rights of way, survey the routes and condemn all land which had to be taken." All the incidental details of issuance and operation of the program are in the act. Elbert Q. Hill, Elizah Shapp, and Bishop L. Johnson, were named for all the roads except the Dixie Highway, and George N. Taylor, Thad C. Smith, and G. S. Steiner were named as its commissioners.

5. Private Acts of 1919, Chapter 648, authorized Union County to issue bonds in the amount of \$10,000 annually for the next ten years to construct and repair pike roads and bridges. Three roads were to be improved and the money to be spent on each were written into the act. The details fixed in the law recited 6% as top interest and 10 years as the maximum maturity period. The road commission, once formed, would be subject to the direction and general supervision of the court.
6. Private Acts of 1921, Chapter 351, authorized Union County to issue \$125,000 of interest-bearing coupon bonds for the purpose of grading, repairing, building and constructing pike roads and bridges in the county. The bonds had an interest rate of 6% and matured in 30 years. T.B. Walters, Tillie Johnson, and C.E. Claiborne; A. R. Sharp, E. Q. Hill, and David Walker; Joe McDonald, William E. Broker, and J. F. Mitchell were the groups of road commissioners named, and Sherman Hill, J. P. Rutherford, and Mean Nelson would look after the bridges. This act was repealed by Private Acts of 1943, Chapter 155.

Schools

1. Private Acts of 1947, Chapter 808, authorized \$100,000 to build a high school in Maynardville which was to mature in no more than ten years from the date of issue at such interest rate as the county court might determine. These were general obligation bonds with the requisite details included. The authority to accept or negotiate for matching funds from other governmental departments was granted. The "High School Building Commission" consisted of Thomas L. McDonald, Chairman, Charles E. Sexton, Secretary, Clifford Steiner, Evan Shelby, and Ottis Wright, members. This act was repealed by Private Acts of 1949, Chapter 649.
2. Private Acts of 1949, Chapter 651, allowed the quarterly county court of Union County to issue \$200,000 in 3%, 10 year bonds, to erect a quality high school in Union County. There were no other details as were contained in the 1947 act which was repealed.

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