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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,

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

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Bond Issues - Historical Notes

Bridges

1. Private Acts of 1897, Chapter 173, allowed the quarterly county court of Unicoi County to issue \$5,000 in bonds with interest not to exceed 5% and a maturity schedule no longer than 20 years to build a bridge across the Nolichucky River. All details of the issue are fixed in the legislation and a tax levy is required to be added to the annual rate in order to liquidate these bonds.

Debts

1. Private Acts of 1923, Chapter 89, allowed the Unicoi County Court to issue \$160,000 in 5½%, 20 to 25 year bonds, to pay the debt owed by the county to Caldwell and Company, of Nashville, Tennessee, which was just, due, and unpaid. The delivery of the bonds was conditioned upon the surrender to the county of the notes evidencing this debt. The interest then due on the notes was paid in cash by the county up to the date of the issuance of the bonds. The routine details of the bonds and the essential tax levy requirement are contained therein. This act was amended by Private Acts of 1923, Chapter 255, which struck the words "County Judge" wherever they appear and substituted "Chairman of the County Court" in its place, all other provisions to remain as they were written.
2. Private Acts of 1933, Chapter 90, authorized Unicoi County, through its county chairman and finance committee, to issue its negotiable interest bearing warrants in the aggregate principal amount of \$10,000 for the purpose of providing funds to pay the ordinary running expenses of the county, and provided for the payment of said warrants and interest thereon.
3. Private Acts of 1935, Chapter 550, authorized the Unicoi County Quarterly County Court to issue bonds to pay the outstanding debts of the county in furtherance of its plan to do so, no matter in what form the debt exists, and to pledge the full faith and credit of the county therefor. This authority went up to the amount of the total debts, at interest not to exceed 6%, and a maturity schedule not to exceed 50 years. The routine details of the issuances thereunder were filled in by the county court. There was special authority for the highway reimbursement refunding bonds connected with the gasoline tax and for resorting to any necessary steps including petitions to the federal courts in bankruptcy under a recent congressional amendment to the bankruptcy act.
4. Private Acts of 1935 (Ex. Sess.), Chapter 55, validated \$788,000 refunding bonds, Series A, \$241,500 highway reimbursement refunding bonds, and \$20,833.41 funding bonds, of Unicoi County, the indebtedness being retired thereby, and the proceedings of the governing body of said county had in connection therewith; and provided for delivery of said bonds and the levy of taxes for the payment of same, together with interest thereon.
5. Private Acts of 1937, Chapter 451, was also a validating act of the legislature allowing Unicoi County permission to issue \$10,000 in 5% bonds, the maturity schedule being set out in the act itself, for funding or paying off the outstanding floating indebtedness of the county. The act made it the obligation of the county court to levy an additional sinking fund tax to repay the bonds.

Roads

1. Private Acts of 1913, Chapter 197, authorized Unicoi County to issue coupon bonds in the sum of \$50,000 to build and improve the public roads and pay the incidental expenses thereto. The details of the sale and handling were specifically included. The county court appointed three commissioners to sell the bonds and supervise the work for three roads leading from Erwin to Flag Pond, Limestone Cove, and northwest to the Washington County line. Said bonds carried an interest rate of 5% and were 20-year bonds.
2. Private Acts of 1917, Chapter 157, declared that the funds from a former bond issue and sale were not enough to complete the road system for Unicoi County, and this act authorized the county court to issue \$100,000 in 5%, 20-year bonds, for the purpose of completing this road system, with the general details included in the remainder of the act.
3. Private Acts of 1921, Chapter 637, authorized and validated the action of the county of Unicoi County and of the board of road commissioners of the county in issuing warrants and evidences of indebtedness of the county and of said board of road commissioners in the years 1918, 1919 and 1920 for road construction, for road machinery, and for borrowed money used in road construction in the county amounting to \$59,156.39. The act also provided for the payment of interest thereon and the ration of a sinking fund to pay the principal thereof.

Schools

1. Private Acts of 1925, Chapter 74, gave the Unicoi Quarterly County Court the authority to issue and sell, give, pledge, or in any manner dispose of negotiable, non-negotiable, interestbearing notes, warrants, or other evidences of debts upon the full faith and credit of the county. All conflicting laws were repealed by this one granting this blanket authority. This act was repealed by Private Acts of 1929, Extra Session, Chapter 73.
2. Private Acts of 1929, Chapter 230, validated the issuance and sale of \$150,000 of 5½ school notes of Unicoi County, the proceedings of the quarterly county court of said county had incident thereto, and provided for the payment of such notes and interest.
3. Private Acts of 1931, Chapter 282, authorized the Unicoi Quarterly County Court to issue up to \$30,000, in 6%, 25-year bonds with only the amount of the bonds to be issued submitted to the people by referendum. All other details of this bond issue to construct and improve public schools were left to the judgment and discretion of the Unicoi Quarterly County Court.
4. Private Acts of 1931, Chapter 494, contained recitals that the Martin's Creek School burned at a total loss and the Unicoi County Board of Education had resolved to build the school back at an estimated additional cost of \$31,000. The insurance collected on the fire amounted to only \$16,000 and was therefore inadequate to complete the work. The bond issue was for \$40,000, \$9,000 of which would go to pay the debts of the highway department and the remainder to rebuild the school. The maximum interest rate was 6% and the bonds would mature according to the schedule in the act which also had the form of the bond written out. A tax of 15 cents per \$100 property valuation would be levied for the next six years to repay the bonds.

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