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Chapter III - Bond Issues

Dear Reader:

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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

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authorized various bond issues for Sevier County is included below for reference purposes, although these acts are no longer current.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

Bridges

1. Public & Private Acts of 1897, Chapter 298, authorized the Quarterly County Court of Sevier County to issue \$9,500 in bonds, at an interest rate not to exceed 5%, and on a maturity schedule not to exceed twenty years, which would be used to pay off four certain interest-bearing warrants issued to Schultz Bridge and Iron Company for construction of four bridges in the county. All the details of the issue were fixed in the Act, and a tax levy was required to amortize the bonds. The Chairman of the County Court would keep the records, and the Trustee would collect and be held accountable for the money.

Courthouse

1. Public Acts of 1893, Chapter 145, provided that the Quarterly County Court, threefourths of the Justices being present, could issue \$20,000 in bonds, at an interest rate up to 6% with a maturity schedule up to ten years, which would be used to build and furnish a Courthouse. All details were fixed and a tax levy provided for the sinking fund.
2. Public Acts of 1895, Chapter 102, amended Private Acts of 1893, Chapter 145, above, by increasing the amount of bonds which could be issued under the authority of that act from \$20,000 to \$30,000.

Debts

1. Acts of 1903, Chapter 297, allowed the Quarterly County Court of Sevier County to issue up to \$30,000 in 5%, 20 year bonds to pay off the present indebtedness of the county which was due by judgments and by county warrants. The Act prescribed the terms of the bond and proceedings regarding maturity.
2. Private Acts of 1913, Chapter 81, was the authorization for the Sevier County Quarterly Court to issue bonds to pay debts which existed at the time of this Act whether they were due or not, the amount of the bond issue being limited to the amount of the debts. The Trustee would handle all the records and be held accountable for the funds.
3. Private Acts of 1929 (Ex. Sess.), Chapter 68, allowed the Quarterly County Court to issue up to \$200,000 in 5½%, 20-year bonds to fund the outstanding floating indebtedness now due and owing by the said county. The details were set out in the Act, a tax levy was required and the Trustee would handle all the records of the transactions.
4. Private Acts of 1933, Chapter 855, validated, confirmed and legalized all the prior proceedings of the Quarterly Court in connection with the issuance of \$157,000 in refunding bonds to pay off a like amount of outstanding debts, which bonds were dated on April 1, 1933, at 5% interest payable semi-annually until maturing on April 1, 1941. All of these bonds are declared to be the obligations of the county, notwithstanding the lack of statutory authority to issue the same. The County Court was required to levy an ad valorem tax in accordance with the terms of this law.
5. Private Acts of 1935, Chapter 571, validated and made legal all the prior actions of the County Court of Sevier County taken in connection with the issuance of \$115,000 in funding bonds which would be used to liquidate a like amount of indebtedness at a 5½% interest rate, payable semi-annually until April 1, 1955. These bonds were declared to be general obligation bonds for which an additional tax levy was required for the sinking fund.

General

1. Private Acts of 1927, Chapter 677, provided that no interest bearing warrants or bonds shall be issued in Sevier County except on order of a majority vote of the Quarterly County Court and on the subsequent approval by at least a two-thirds majority of the legal voters of the County at an election held for that purpose. This Act would not apply when the bond issue was for schools or for the construction of roads in conjunction with the State. The election must be advertised for 60 days and held in the general manner of all other elections; the ballot being simply "For" or "Against" the proposed bond issue.
2. Private Acts of 1931, Chapter 703, authorized Sevier County to anticipate the collection of legal

taxes for any county purpose and to borrow money against the said taxes to pay warrants issued for that purpose. Before any money could be borrowed, however, the tax must be already levied and a Resolution passed by the County Court authorizing the borrowing. The notes must draw a specified interest rate and become due no later than March 1 of the ensuing year. The notes, plus interest, shall in no wise exceed the amount of taxes collected.

3. Private Acts of 1931, Chapter 709, provided that the Quarterly County Court of Sevier County could appropriate money and issue bonds up to \$100,000 to be used whenever any other financial aid is offered from other governmental agencies, or individuals, for buying, equipping and maintaining, airports, parks, zoological gardens, game preserves or other civic enterprises for the public welfare. A tax may be levied for such purposes. The bond proceeds would be used to pay Sevier County's required contribution to the particular projects, but the bonds could not be issued unless the other aid was available to be used. The maximum interest rate was set at 5%, and the County Court was permitted to establish whatever maturity schedules were convenient for the County.

Hospitals

1. Private Acts of 1957, Chapter 261, would have authorized the County Court to issue up to \$300,000 in bonds to acquire land, to erect, maintain, equip and operate a building or buildings for use as a general hospital for the county. The Court was also allowed to cooperate fully with other governmental bodies. These bonds were general obligation bonds, exempt from the taxation of all others, and could mature no later than 30 years after issuance. No fees or charges were to be paid to any county official on this issue. A five member Board of Hospital Directors was created with Phillip A. Wynn, Rellie Dodgen, R. B. Summitt, James McAfee and John B. Waters, Jr. being named as the members of the first Board, all future vacancies to be filled by the County Court. The qualifications of members were specified. The Board would select a Chairman and a Secretary and meet once a month with full and complete authority to accomplish all objectives. They were to institute a separate financial system for the hospital, employ an Administrator, set the salaries and supervise the employment of subordinate and staff people. The Quarterly County Court could levy a special tax for this purpose up to fifty cents per \$100.00 property valuation. This Act was disapproved and rejected by the Quarterly County Court and therefore did not become a law under the Home Rule Amendment to the State Constitution.

Railroads

1. Private Acts of 1905, Chapter 465, provided that Sevier County, by virtue of the 1900 Federal Census figures, might give its credit, up to \$50,000, to any railroad incorporated under Tennessee law by complying with the terms of this Act. The railroad must run through the county or within one mile of the county seat. The President of the railroad must file an application giving plans, the amount of credit desired and the time within which the railroad would be constructed. Then the County Judge must call a special meeting of the Court within ten days to consider whether or not the question would be submitted to the people in an election, provided with "for" or "against" ballots, wherein three fourths must vote favorably. If defeated in the election, another one may be held after 60 days. The County would supervise the expenditure of the funds, if the decision should be in the affirmative.
2. Acts of 1907, Chapter 547, amended, Private Acts of 1905, Chapter 465, above, by increasing the limitation placed upon the amount of credit from \$50,000 to \$150,000 which the county could lend to railroads under certain conditions and to issue bonds therefor.

Roads

1. Private Acts of 1866-67, Chapter 66, incorporated the Sevierville Turnpike Company naming Wyatt F. Nichol, Jesse Stafford, John C. Yett, Charles Inman and John McAndrew, as directors of the company which would macadamize a road from Sevierville in the direction of Newport in Cocke County, by way of Fair Garden. The County Court was authorized to issue up to \$10,000 in 6%, 10-year bonds to be applied to the building of the road. Toll gates could be established when the road was completed.
2. Public & Private Acts of 1897, Chapter 158, allowed the Sevier County Quarterly Court, two-thirds of the Justices being present, to \$75,000 in 6%, 15-year bonds, to build a pike road from Shook's Gap to Sevierville on or near the route now surveyed, and on to Newport. All the incidentals of a bond issue were contained in the act.
3. Acts of 1903, Chapter 312, allowed the Quarterly County Court to issue up to \$50,000 in 5%, 20-year bonds to repair and macadamize the present pike road from the Knox County line at Shook's Gap to Sevierville and on to Hadsden Bridge as it has been surveyed and built. All details of the bond issue were present in the Act along with the requirement that two-thirds of the

Justices must be present at the vote.

4. Acts of 1907, Chapter 384, authorized Sevier County, using population figures of 1900, to issue bonds up to \$35,000, at interest rates up to 5%, and under maturity schedules not to exceed twenty years, to repair and macadamize the pike road from the Knox county line at Shook's Gap to Sevierville and to Hadsden Bridge beyond as the same has been surveyed and built. This is almost verbatim the same as in Private Acts of 1903, Chapter 312, above, and it is presumed that the bonds authorized here were in addition to those permitted under that Act. All other details essential to bond issues were in the Act.
5. Private Acts of 1911, Chapter 424, allowed the County Court to issue \$100,000 in 6%, 30-year bonds to repair and build certain roads which were listed in the Bill. The County Court could elect or appoint a Commissioner to employ an engineer to survey, inspect, change and classify the County Roads and to make maps showing them. A finance Commission may be appointed to advertise for and award bids for the work, but no bid could be accepted which exceeded the amount recommended by the Engineer, mentioned above. The County Trustee would handle all the financial details of the transactions.
6. Private Acts of 1913, Chapter 43, authorized Sevier County to issue \$185,000, in 5%, 40-year bonds to macadamize parts of nine major roads in the county in accordance with the amount allotted to each section. The roads would be no less than 40 feet wide unless so specified by the County Court, and no part of these funds was to be used to acquire rights of way. Three Commissioners would be appointed to supervise the work, solicit bids and award contracts, who would hold office for one year and be paid whatever compensation was fixed by the County Court. Cocke County would contribute to the cost incurred on one of the mutual roads listed in the Act.
7. Private Acts of 1919, Chapter 681, permitted the Quarterly Court of Sevier County to issue up to \$300,000 in 6%, 20-year bonds to lay out, survey and construct public roads in Sevier County. All necessary details to issue bonds were mentioned in the Act. They would be payable semi-annually over a schedule to be fashioned by the Court. Three citizens of specified qualifications were to be appointed as the Pike Commission to hold office for two years and draw such compensation as the Court directed. They would also employ an engineer to work with other agencies. A list of roads and the amount of money to be spent on each was specified in Act.
8. Private Acts of 1921, Chapter 498, permitted the issuance by the County Court of \$300,000 in 6%, 20-year bonds under terms and conditions similar to those in Private Acts of 1919, Chapter 681, summarized above.
9. Private Acts of 1923, Chapter 586, allowed the issuance of \$184,000 in bonds, subject to the outcome of a referendum to be held within 60 days after the passage of this Act. If defeated, another referendum could be held in one year. A three member "Good Roads Commission" was provided with the County Road Superintendent being an ex-officio member. The County Court would fill vacancies. Sixteen roads, and the amount allocated to each, were listed in Section 5 to be repaired or resurfaced. If any funds were left, the Commission could expend the remaining funds in its discretion. The duties of the Commission and the Chairman are enumerated. The salary of the Commission would be set by the Court, and procedures were established for the sale of the bonds and the award of contracts, all to be directed towards the improvement of the roads mentioned.
10. Private Acts of 1947, Chapter 622, permitted Sevier County to issue \$300,000 in 3%, 20-year bonds to be used in cooperation with the State and Federal Governments in the purchase of rights of way and the improvement of roads in Sevier County. These bonds would be sold as needed by a Committee to be appointed by the County Court. These bond funds could be used only on black top roads.
11. Private Acts of 1949, Chapter 742, allowed the Quarterly County Court to issue \$125,000 in 3%, 20-year bonds to provide funds to acquire rights of way for construction by the State and Federal Governments of certain highways in the county, enumerated and given the following priority: first, Highway 71 from near Pigeon Forge to Gatlinburg and second, on the Ben W. Hooper Highway from near the Cocke County line to Gatlinburg. These were general obligation bonds for which the full faith and credit of the county was pledged.

Schools

1. Acts of 1813, Chapter 36, appointed as Trustees for Nancy Academy in Sevier County, Robert Wier, Josiah Rogers, James P. H. Porter, Isaac Love, Alexander Preston, Thomas Price and William Mitchell who would conduct a lottery for the benefit of the Academy to raise up to \$6,000. The lottery scheme must be published and the Trustee enter into bond to assure that the prizes advertised are paid and that the money realized from the lottery be applied to the academy. John

Sharp was appointed as an added regular Trustee for the academy.

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