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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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County Buildings

1. Private Acts of 1949, Chapter 773, allowed the Quarterly Court of Robertson County to issue and sell up to \$75,000 in bonds to acquire a site for and to construct thereon a county building to be used for county purposes. No maximum interest rate was specified nor was a maturity schedule contained in the act. A few details of the issue were included but most were delegated to the resolution of the court. These bonds would be tax exempt and a tax levy for the sinking fund was required.

Debts

1. Private Acts of 1935, Chapter 474, was the enabling legislation for the Robertson County Quarterly Court to issue up to \$80,000 in bonds, at an interest rate not to exceed 3½%, and to mature no later than 30 years from the date of issue, which funds would be used to pay off the outstanding debts of the county which might be evidenced by notes, warrants, or otherwise. Details could be supplied in a resolution of the court which was also obligated to levy a tax to amortize the bonds over the maturity period. They would be the incontestable obligations of the county.
2. Private Acts of 1935, Chapter 476, permitted the Robertson County Quarterly Court to issue and sell up to \$108,000 in bonds, at an interest rate of 4%, or less, which would mature no later than 30 years after the date of issue which would be expended to pay off, retire, and refund a like amount of debts, or bonds, which were outstanding and unpaid, including Road Bonds. The bonds which would be retired and those to be issued were legalized and confirmed in every essential to the accomplishment of the purpose expressed. These bonds were nontaxable, contained the essential details of valid bond legislation and required a tax levy to amortize.
3. Private Acts of 1941, Chapter 67, ratified, confirmed, validated and legalized all the prior actions of the quarterly court of Robertson County taken in connection with the issue and sale of \$36,000 in Funding Bonds at two and three-quarter percent interest and maturing at the rate of \$9,000 annually through 1946. The bonds were ratified despite the lack of any statutory authority for the issue at the time. All the debts to be paid were also made the legal obligations of the county. These were general obligation bonds for which a tax levy would be made.

Industry

1. Private Acts of 1941, Chapter 221, was the legal authority for Robertson County to promote industrial and commercial growth of the county by aiding industries and business enterprises to locate in the said county and to establish factories and building plants to stimulate employment and, as part of the program, the county had the power to issue up to \$100,000 in bonds, at an interest rate not to exceed 5%, so as to encourage industrial development by acquiring sites and erecting buildings which could be sold, or leased. All of the above was subject to the approval of the people in a referendum election prior thereto by a three-fourths majority. The ballot would be a simple "For" or "Against" type. A maturity schedule not to exceed 30 years and the details of the issue could be included in the Resolution fixing the details. The County Judge and the Trustee would handle and dispense the funds received thereunder.

Roads

1. Private Acts of 1903, Chapter 4, provided for an election to be held in Robertson County not less than 10 days nor more than 10 years after the passage of this Act to ascertain the will of the people on the question of the issue of \$150,000 in bonds to build turnpikes and improve roads. The interest rate was pegged at 4% and the maturity period of the bonds could not go beyond thirty years. The Quarterly Court would appoint five commissioners to supervise and manage the program who were given the duty to report on the status of the same to the court every quarter. The essential details and the tax levy were all present in the Act.
2. Private Acts of 1907, Chapter 208, recited in the preamble that a previous act allowing the issue of \$150,000 in road bonds (Item 1) if the people approved it in a referendum was not accepted by the electorate but the five commissioners were appointed and did not serve because of that but now all sections of the above law have been approved by the people. This Act allowed the Quarterly Court to appoint five commissioners for terms of two years whose residence would be in the major geographical portions of the county.
3. Private Acts of 1911, Chapter 216, stated in the introduction that the people of Robertson County had approved in an election the issue and sale of \$150,000 in bonds for roads pursuant to

authority in Private Acts of 1903, Chapter 4, and the Quarterly Court had directed that the bonds be issued. This Act was the legal authority for the court to issue those bonds, and those to come later, all doubts as to their validity to the contrary. The Court was further obligated to levy a tax for the sinking fund in order to liquidate the bonds.

4. Private Acts of 1911, Chapter 545, was the enabling law for the Election Commission of Robertson County, upon the written request of five voters, or more, to hold an election on the question of the issue and sale of up to \$300,000 in bonds with which to build turnpikes and improve roads. The interest rate could not exceed 5%, and the Quarterly Court would, before the election, adopt a resolution incorporating all the details essential to the bond issue. A 30 year limitation was placed upon the maturity schedule.
5. Private Acts of 1917, Chapter 735, required the Election Commission of Robertson County upon the request of five voters, or more, to hold an election on the proposition of issuing up to \$150,000 in bonds, at a maximum interest rate of 5%, and payable semi-annually, to gravel, repair, and metal pike roads in the county. The details of the election were stipulated and the details of the bond issue were both contained in the act. A tax levy to pay off the bonds was required and future elections on same subject could be held in the future if the first one failed to pass.
6. Private Acts of 1929 (Ex. Sess.), Chapter 80, enabled the Robertson County Quarterly Court to issue and sell up to \$25,000 in bonds with semi-annual interest coupons at a rate not exceeding 6% so the county could reimburse the general fund for warrants heretofore drawn on the fund in the settlement of acquisition of rights-of-way in order that the state system of highways and roads could be completed in Robertson County. A majority vote of the quarterly court would be enough to move the issue of general obligation bonds. All the essential details and tax levy were present.
7. Private Acts of 1949, Chapter 405, allowed the Quarterly Court of Robertson County to issue up to \$200,000 in short-term notes, or in bonds, at an interest rate of 3%, or less, and which would mature no longer than 2 years following issue whose proceeds would be used to cooperate with the state highway department in the construction of rural roads as planned by the general assembly. The Court could adopt a resolution containing all the essential details and pay the money to the Trustee who must account therefor.
8. Private Acts of 1949, Chapter 406, was the authority for the Quarterly Court of Robertson County to issue up to \$200,000 in bonds at 4%, or less, interest, and maturing in 10 years under practically the same conditions as those stated in the act above.

Schools

1. Private Acts of 1941, Chapter 35, stated that all the prior actions and proceedings taken by the Quarterly Court of Robertson County in connection with the issue and sale of \$60,000 in school bonds, dated August 1, 1940, at an interest rate of 2 3/4%, and maturing through August 1, 1947, were in all respects ratified, confirmed, validated, and legalized. They were to be considered as the legal, valid and binding obligations of the county which were incontestable and the quarterly court had the duty to provide for the payment of these bonds and interest by levying a tax sufficient for that purpose.

Springfield

1. Private Acts of 1897, Chapter 140, authorized the city of Springfield to borrow \$10,000 with which to purchase sites for school buildings to be erected on for the use and benefit of the school children in the said city, and to issue their interest bearing bonds for that amount. The interest rate was not to exceed 6%, nor the maturity schedule go beyond ten years. These bonds were to be the general obligations of the city.
2. Private Acts of 1911, Chapter 133, was the legislation enabling the Mayor and Aldermen of Springfield to issue up to \$15,000 in bonds at an interest rate of 5%, or less, which would mature no later than 20 years after issue. The funds were to be used to enlarge, improve, or to build public school buildings in the city. The money would be deposited with the Trustee and spent as directed by the Mayor and Aldermen. The full faith and credit of the city were pledged to their payment.
3. Private Acts of 1937, Chapter 482, authorized Springfield to issue and sell \$125,000 in bonds, at an interest rate of 4½%, or less, to construct a high school in the city. The bond issue would conform to the details specified and which were to be published before the bonds were issued and the referendum election held to which all of the above was subject. If the people approved, the bonds would be issued as stipulated.

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