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Issuance of Bonds (General Obligation Bonds) and Loan Agreements

Dear Reader:

The following document was created from the CTAS electronic library known as e-Li. This online library is maintained daily by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

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 e-Li material.

Sincerely,

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Reference Number: CTAS-1786

The Debt Resolution is used when bonds or longer term loans are issued. The resolution is generally prepared by the county's bond counsel and adopted at either a regular or specially called meeting of the county commission. This Debt Resolution pledges the full faith, credit and unlimited taxing power of the local government as to all taxable property in the local government or a portion of the local government.

The Debt Resolution T.C.A. § 9-21-108

- Is not required to be posted or published before adoption, but must be posted/published after adopting T.C.A. § 9-21-206 in order to allow the eligible voters to call for a referendum. Referendums are not allowed for school projects if debt is issued under Title 49.
 - Can not be vetoed by the chief executive officer (mayor or executive).
 - Takes only a majority vote of the commission.
 - May delegate authority to the chief executive officer of the local government to sell notes or bonds.
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