

SENATE BILL 1231

By Yager

AN ACT to authorize and provide for the issuance of notes and/or bonds of the Oneida Special School District.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. The Oneida Special School District, Scott County, Tennessee, created by Chapter 371 of the Private Acts of 1915 and Chapter 178 of the Private Acts of 1975, acting by resolution of its board of education, is hereby authorized to borrow money and issue and sell its interest-bearing notes and/or bonds for the purposes of refinancing existing obligations and/or acquiring, constructing, improving, repairing and equipping schools, and additions thereto for the school district and acquiring all property, real and personal, appurtenant thereto or connected with such work. The maximum principal amount of bonds and/or notes authorized to be issued shall not be limited in amount except that the Board of Education shall determine in connection with the authorization of any notes and/or bonds that the tax levied as described in Section 4 shall be adequate to pay the principal of and interest on any notes and/or bonds issued by the school district. The notes and/or bonds shall be sold for not less than ninety-eight percent (98%) of par plus accrued interest. The notes and/or bonds may be sold in one (1) or more series at any time, may bear such date or dates, may bear interest at such rate or rates (which may vary from time to time), may be payable at such time or times, may be in such denomination or denominations, may be in such form, either coupon or registered, may be payable at such place or places, may be executed in such manner, may be payable in such medium of payment, and may be subject to such terms of redemption, with or without a premium, all as may be provided by resolution of the board of education of the school district. The notes and/or bonds may be sold in such manner either at a competitive public sale or at a

private negotiated sale as the school district may direct. The board of education of the school district is authorized and empowered to do and perform all acts and enter into all agreements which may be necessary or desirable in connection with the issuance and sale of the notes and/or bonds. The notes and/or bonds shall be signed by the chairman of the board of education of the school district and attested by the secretary in such manner as the board of education shall provide by resolution. No public referendum or election of the voters of the school district shall be necessary in order for the school district to issue and sell the notes and/or bonds authorized herein.

SECTION 2. For the purpose of paying principal on and interest and any redemption premium on the notes and/or bonds herein authorized, the school district may pledge any and all revenues, receipts, grants, gifts or other funds which may be paid to or come into the school district from time to time, unless such pledge is otherwise prohibited by law, including any amounts payable by the State of Tennessee to the school district that can be legally used for such purpose.

SECTION 3. Any notes and/or bonds issued pursuant to the provisions of this act and the income therefrom shall be exempt from all state, county and municipal taxation in the State of Tennessee, unless otherwise provided by applicable law.

SECTION 4. So long as any of the notes and/or bonds shall remain outstanding and unpaid, the tax levied by authority of Chapter 147 of the Private Acts of 1990, shall continue to be levied at the rates set forth in Section 2 of such act, to be used solely to pay principal, premium, if any, and interest on the notes and/or bonds and any other obligations of the district now outstanding or which may hereafter be issued pursuant to lawful legislative authorization. Such taxes shall continue to be collected by the Trustee of the County, as other taxes are collected, and kept in a separate account from all other funds belonging to the district to be used for the purposes set forth herein. Such taxes shall constitute a lien on the property against

which they are levied with like force and effect as do county taxes. The board of education of the district is authorized to pledge such taxes as necessary to pay the principal, premium, if any, and interest on the notes and/or bonds.

SECTION 5. The district is further authorized to issue at any time in accordance with the terms hereof bonds and/or notes to refund any bonds and/or notes issued hereunder at any time.

SECTION 6. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect any other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.