



Municipal Technical Advisory Service
INSTITUTE *for* PUBLIC SERVICE

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Utility Bond Law

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal 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 municipal 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 MTAS website material.

Sincerely,

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Utility Bond Law

Reference Number: MTAS-560

The Revenue Bond Law of 1935 allows issuing bonds secured by revenues to acquire, construct, reconstruct, improve, or extend parking facilities, water, sewer, gas, or electric systems within or without a city's corporate limits. No referendum is required, only approval by "a majority of all members [of the governing body] then in office." The maximum term is 40 years or life of project whichever is shortest, and there is no interest rate ceiling. Revenue anticipation notes with terms of up to five years and refunding bonds also are authorized. T.C.A. §§ 7-34-101–118.

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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