

## Utility Bond Law

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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 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.

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**Source URL (retrieved on 03/03/2021 - 11:00am):** <https://www.mtas.tennessee.edu/reference/utility-bond-law>

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