

**Counties—Cities and Towns—Sinking Funds—Warrants—Investments.**

The sinking funds of a county or city may not be invested in warrants of the county or city.

Jay G. Larson, Esq.,  
Superintendent of Banks,  
Helena, Montana.

August 24, 1926.

My dear Mr. Larson:

You have requested my opinion whether the bond sinking fund of a county or city may be invested in warrants of the county or city under chapter 86, laws of 1923.

This office heretofore rendered an opinion to you on the question as to whether the sinking funds of a county may be invested in bonds of the county.

It seems to me that certain provisions of chapter 86 indicate an intention on the part of the legislature that such funds may not be invested in warrants of the county or city. That chapter authorizes the investment of sinking funds in "county or city bonds, or other bonds or securities which are supported by general taxation." The statute does not use the term "warrants."

It further provides that the "securities must be due and payable at least ninety days before the obligations for which such bonds were raised, shall become due and payable."

In the case of warrants, it is always a matter of some uncertainty as to when they are payable. If there are no funds with which to pay them they are registered and made payable in the order of their registration, but there is no time certain when they are payable.

Hence, it is my opinion that the sinking funds of a county or city may not be invested in county or city warrants.

Very truly yours,

L. A. FOOT,  
Attorney General.