

Hail Insurance—Interest Rate.

The state board of hail insurance may borrow money in anticipation of collection of tax levy and pay 6% interest.

Mr. E. K. Bowman, September 27, 1932.
Chairman, State Board of Hail Insurance,
Helena, Montana.

My dear Mr. Bowman:

You have asked for an opinion as to whether or not the state board of hail insurance may borrow money to meet its warrants which are being issued at this time and pay a rate of interest of 6%.

You are advised that code section 361 provides as follows:

“In any year the State Board of Hail Insurance may by resolution authorize its Chairman and Secretary to borrow as needed from any person, bank or corporation such sum or sums of money as the State Board may deem necessary to carry on the business of the department, and for the purpose of paying all warrants as issued. For any moneys borrowed under the provisions of this Act, the State Board of Hail Insurance shall cause warrants to be drawn against the State Hail Insurance Fund and said warrants shall bear interest at not to exceed six per cent (6%) per annum, and the said warrants and the interest thereon shall be paid out of funds from the State Hail Insurance Department as they are collected from the various counties in the State.”

You inform me that the board has passed a resolution authorizing its chairman and secretary to borrow as needed, following the language of the section. You are advised that there can be no question as to your right to borrow. Also you may pay six per cent (6%) interest on your warrants.

Very truly yours,
L. A. FOOT,
Attorney General.