

School District Bonds, in Excess of Three Per Cent, Validity of. Bonds, Validity of in Excess of Three Per Cent.

The entire issue of bonds of a school district, issued in excess of the constitutional limit of indebtedness of three per cent, is void.

Helena, Montana, May 26, 1909.

Hon. W. L. Ford,
County Attorney,
White Sulphur Springs, Montana.

Dear Sir:

I am in receipt of your letter of the 22nd instant, enclosing copy of an opinion given by you to Hon. H. E. Anderson, of Harlowton, Montana, and requesting an opinion upon the following proposition:

"School District No. 16 in Meagher County, Montana, has voted in favor of issuing coupon bonds to the amount of \$21,000 for the purpose of building a school house; should said amount exceed 3 per cent of the taxable property in said district, would the entire issue of said bonds be wholly invalid? Also what should be used as the standard for ascertaining the value of the taxable property in said district?"

We note that you hold in the opinion above referred to that a bond issue of the school district in excess of three per cent of the taxable property in such district makes the entire issue of bonds void. We agree with your conclusions and affirm your opinion. You also hold that the last assessment book should be used as the standard for ascertaining the value of the taxable property in said district, and that prior to the equalization of the assessment of 1909 the assessment book of 1908 would govern. We also agree with your opinion on this question, as it is impossible to tell what the assessment of 1909 would be in such district until after the board of equalization has equalized such assessments.

Yours very truly,

ALBERT J. GALEN.

Attorney General.