

School Districts, Bonded Indebtedness of. School Districts, Liability for Bonded Indebtedness When New District Formed From. Bonds, Liability of School Districts For.

Where an old school district is divided the bonded indebtedness for buildings and furniture falls exclusively upon the district in which the building is located.

Helena, Montana, October 27, 1909.

Hon. W. E. Harmon,
Superintendent of Public Instruction,
Helena, Montana.

Dear Sir:—

I am in receipt of your letter of October 25, wherein you ask my opinion as to whether or not a new district, formed by the division of an old district, is responsible for any bonded indebtedness of the old district.

You are advised that section 843, revised codes, provides for the division of school funds where a new district is formed from one or more old ones. These funds must be applied to all outstanding debts, "except debts incurred for building and furnishing school houses," and the funds then remaining after the payment of all outstanding indebtedness, except as hereinabove referred to, shall be divided upon a basis of census school children in the two districts.

If the bonded indebtedness of the old district is upon a school house which remains in that district, then the new district is not liable for any portion of these bonds. If, of course, the new district should include a school house upon which there is a bonded debt, then that indebtedness accrues to the new district and the old district has no further obligation with regard thereto.

An opinion addressed to Roy E. Ayres, county attorney, Lewistown,

found at page 200, reports and opinions of attorney general, 1905-06, treats of this question, and is hereby confirmed.

Very truly yours,

ALBERT J. GALEN,

Attorney General.