

Sinking Fund, Investment of. County Free High School Trustees, Powers of. Bond Redemption Fund, Use of.

1. Money accumulated in a sinking fund may be used for the purchase of bonds, or may be invested in state, county or United States bonds.

2. Money in a sinking fund cannot be used for any purpose except for that for which it was raised, or for investment in any interest bearing securities.

Helena, Montana, January 22, 1909.

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

Dear Sir:

I am in receipt of letter of the 19th ins., submitting for the consideration of this office the questions:

1. Can the sinking fund accumulated for the purpose of paying for bonds of a county free high school be invested so as to draw interest, or shall the same remain idle until the bonds become due.

2. May the money in such sinking fund be used for the payment of teachers salaries and returned thereto when taxes are collected.

1. The statute of this state give specific authority for the investment of this sinking fund in state or county warrants, which investment

shall be made by the county treasurer, on the request of the board of school trustees, (Sec. 1010, Rev. Codes.), or such money may be invested in United States bonds, or used for the purpose of purchasing the outstanding bonds (1 and 2, Sec. 1009, Rev. Codes.)

Opinions Attorney General, 1906-'08, p. 211.

2. There is no authority of law for using the money in a sinking fund for any other purpose than that for which it was raised, except for investment as above indicated.

Very truly yours,

ALBERT J. GALEN.

Attorney General.