

County, Issuing Refunding Bonds in Amount Exceeding \$10,000.00. Refunding Bonds, Not a Creation of Indebtedness.

The issuance of bonds for the purpose of redeeming outstanding warrants is simply a change in the form of an existing liability and not the creation of a new indebtedness, and is therefore, not within the inhibition of subdivision 5, Art. XIII of the Constitution, which provides that no county shall incur any indebtedness or liability for any single purpose in an amount exceeding \$10,000.00 without the approval of a majority of the electors of the county.

March 13, 1912.

Mr. L. C. Rinard,
County Attorney,
Thompson, Montana.

Dear Sir:

I am in receipt of your letter of March 9th, stating that the board of county commissioners of your county is about to issue refunding bonds in the amount of \$20,000 to pay off and redeem outstanding road warrants of your county, and requesting my official opinion as to whether or not it will be necessary to first submit the proposition to a vote of the electors,—

Under the provisions of subdivision 5, Art. XIII of the Constitution, which provides that no county shall incur any indebtedness or liability for any single purpose to an amount exceeding ten thousand dollars without the approval of a majority of the electors thereof voting at an election to be provided by law.

In answer to your question I will say that the issuance of bonds for the purpose of redeeming outstanding warrants is nothing more than a change in the form of an existing liability and not the creation of a new indebtedness, and is, therefore, not within the inhibition of the foregoing constitutional provision.

Hotchkiss v. Marion, 12 Mont. 218.

You are therefore advised that it is unnecessary to submit this proposition to the electors.

Yours very truly,
ALBERT J. GALEN,
Attorney General.