

School Bonds, Sale of Below Par. Bonds, Cost of Printing, Etc.

The provisions of Sec. 2017, Chap. 76, Laws of 1913, forbid the selling of bonds for less than their par value.

It is the duty of the school district to cause to be printed or lithographed, when necessary, the bonds issued by the district.

December 13th, 1913.

Hon. B. E. Berg,
County Attorney,
Columbus, Montana.

Dear Sir:

I am in receipt of your letter of the 11th instant, submitting the question:

"As to whether the school board was in effect selling bonds below par when it accepted a bid for \$3,550 for a bond issue of \$3,500, agreeing at the same time to pay to the purchaser \$250 for printing bonds, preparing necessary minutes and other papers for completing bond issue and sale?"

The conclusion reached by you is in the affirmative. This conclusion is affirmed. Sec. 2017, Chap. 76, of the Laws of 1913, forbids the sale of bonds for less than their par value, and Sec. 2023 makes it the duty of the district to cause to be printed or lithographed, when the same shall become necessary, the bonds issued by the district. This question, as you stated, was considered by this department in an opinion reported in Opinions of Attorney General, 1908, 10, page 459, in which the conclusion was reached on a very similar state of facts, relating to a county bond issue, that such regulations would be in violation of the law forbidding bonds to be sold for less than par. If the board may return \$250 of the money so received, or, what is the same thing, give a warrant on the general fund for \$250, it might with the same degree of reasoning give a warrant for \$500. It is the duty of the district clerk to prepare the minutes and transcript of the proceedings relative to the bond issue, and it is the duty of the county attorney, when requested to, to furnish the board with a copy of the form for the bond. After this is all done, the only thing that remains is the printing of the bond, and it would seem that \$250 for printing seven bonds is too extravagant a luxury for the district to indulge in, for these bonds, coupons and all, may

be furnished to the district at a price not exceeding thirty dollars. Hence, the greater part of this \$250 is not for printing charges, but is in effect a rebate on the \$3,550 bid for the bonds.

Yours very truly,

D. M. KELLY,

Attorney General.