

Warrants, State Arid Land Grant. Interest, on State Arid Land Grant Warrants. State Arid Land Grant. Warrants and Accounts of. Salary Accounts, Arid Land Grant Commission.

State Arid Land Grant Warrants draw interest at the rate of six per cent from the date of registration. Bond Accounts do not draw interest until warrant has been issued thereon and registered for lack of funds to pay the same. Salary accounts should be audited and paid in the same manner that other accounts are paid.

February 4th, 1913.

Hon. G. R. Davies,
Asst. Secy. Carey Land Act Board,
Helena, Montana.

Dear Sir:

I am in receipt of your request of the 1st inst., for an opinion on the following questions:

"1. When does interest begin to run on the warrants issued by the state arid land grant commission against District Nos. 1, 2 and 4. In other words, does interest begin to run from the date of issue or from the date the warrants are registered by the state treasurer?

"2. What per cent of interest the holder of the said warrants may collect?

"3. Is there any interest allowed on open accounts which

are credited on the ledger of said commission for supplies furnished, and, if any, from what date it is allowed and the rate of interest?

"4. It was the intention of the proposer of this bill, that the salary accounts should also be paid and, in fact, the said salary accounts are included in the total amount of \$18,697.45 mentioned in this section. You will notice by reading said section that no mention is made of salary accounts. Kindly inform us as to this question and if salary accounts are to be paid, should interest on said accounts be allowed, and if so, from what date should it begin to run and at what rate?"

In answer to questions one and two, I beg to refer you to an opinion from this department given June 27th, 1910, to the Hon. E. E. Esselstyn, state treasurer. The portion of this opinion pertaining to these two questions reads:

"Sec. 3535 provides that warrants issued by the state arid land grant commission shall be dated the day of their issue, and shall bear interest at the rate of six per cent. per annum until paid. This section also provides that these warrants shall be registered by the treasurer, upon presentation by the holders, in the order in which they are presented.

"In view of this provision, warrants should not bear interest from the date of issue, but rather from the date of their presentation for payment, and on account of lack of funds, their registration by the treasurer.

"In view of the sections above referred to, all of the warrants transmitted to this office, and others of like tenor, are held to be valid obligations of the State of Montana. They should be called in the order of their presentation when funds are available for their payment, and all of these warrants should bear six per cent interest from the date of registration."

I consider the above quoted portion of said opinion, found in Vol. 3 of Report and Official Opinions, page 394, is a direct answer to questions one and two.

3. If warrants do not draw interest until the same have been presented for payment and registered for want of funds, then it would logically follow that open accounts credited on the ledger of the commission would not draw interest until a warrant had been issued for the same, and such warrant has been presented and registered by the state treasurer on account of lack of funds. I therefore advise you that, in my opinion, such open accounts should not draw interest.

4. Answering your fourth question, I take it from your interrogatory that there is no uncertainty or confusion in determining the items that make up the aggregate amount of \$18,679.45 mentioned in Subdiv. 4, Sec. 2279, and that the salary items constitute a portion of such aggregate sum. In my opinion, it is apparent that the legislative intention was to provide for the payment of all items on the ledger of the commission, which constitute a portion of said aggregate of \$18,679.45. Therefore, I would advise you that notwithstanding

said Subdiv. 4 makes no special mention of salary accounts, nevertheless such salary accounts should be paid in the same manner that the other items referred to in said subdivision are to be paid.

Very truly yours,

D. M. KELLY,
Attorney General.