

Schools—School Districts—Bonds.

Chapter 38, Laws of 1923, construed as repealing all other Acts and as requiring amortization or serial bonds to be issued.

Arthur Erickson, Esq.,
County Attorney,
Plentywood, Montana.

My dear Mr. Erickson:

You have requested my opinion as to whether, under Chapter 38, Session Laws of 1923, school districts can issue any other form of bonds than amortization bonds or serial bonds.

Section 1 of this Act provides:

“Whenever the State of Montana, or any county, city, town, school district, or any other taxing unit in the State of Montana having the power to issue and negotiate bonds, does hereafter issue its bonds, such bonds shall be payable on the amortization plan if bonds in this form can be sold and disposed of at a reasonable rate of interest. If amortization bonds cannot be negotiated at such reasonable rate of interest, advantageous to the people for whose benefit the same are issued, then in such case, serial bonds may be issued in place of amortization bonds.”

Under this section it clearly appears that whenever hereafter any school district shall issue bonds, the bonds must be payable upon the amortization plan if bonds in this form can be sold and disposed of at a reasonable rate of interest; otherwise, the school district is required to sell serial bonds; that is, bonds payable serially during the term for which they are issued.

It is, therefore, my opinion that this chapter, which repeals all Acts and parts of Acts in conflict therewith, was clearly intended to repeal the statutes authorizing any other form of bonds and that only amortization bonds or serial bonds may now be issued.

Very truly yours,
WELLINGTON D. RANKIN,
Attorney General.